

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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COMPANY INFORMATION

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

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 23rd Annual General Meeting of the Shareholders of First Capital Equities Limited ("the Company") will be held on Friday, 26 October 2018 at 3:00 p.m. at the Registered Office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 28 October 2017;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2018 together with the Chairman's Review, Directors' and Auditors' reports thereon; and
3. To appoint the Auditors of the Company for the year ending 30 June 2019 and to fix their remuneration

Special business

4. To ratify the acquisition of 7,600,000 million ordinary shares, of Pace (Pakistan) Limited an associated company, as part of settlement of overdue outstanding balance of client(s) in the ordinary course of business and pass the following resolutions with or without modifications:

"RESOLVED THAT the acquisition of 7,600,000 million ordinary shares having par value of Rs. 10.00 each, of Pace (Pakistan) Limited an associated company, as part of settlement of overdue outstanding balance of Rs. 58,900,000 related to certain client(s) in the ordinary course of business be and is hereby approved. Further, the Chief Executive of the Company is hereby authorized to dispose of these shares from time to time as she/he may deem appropriate".

By order of the Board

Lahore
05 October 2018

Shahzad Jawahar
Company Secretary

Notes:

- 1) The Members Register will remain closed from 19 October 2018 to 26 October 2018 (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 18 October 2018 will be considered in time for the purpose of Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

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

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

Pursuant to Companies (Postal Ballot) Regulations, 2018 the right of vote through postal ballot may be provided to the members pursuant to the section 143 and 144 of the Companies Act, 2017.

- 4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
- b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2017 along with Auditors and Directors Reports thereon on its website: www.firstcapital.com.pk and Group's website www.pacepakistan.com;
- 6) In pursuance of SECP notification S.R.O. 787 (I) 2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through E-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.firstcapital.com.pk and group's website www.pacepakistan.com;
- 7) In pursuance of SECP notification S.R.O # 470(I)2016/ dated 31 May 2016, the Company has sent information regarding Annual audited Accounts of the Company to the shareholders in soft form i.e. CD. However, the Company will supply the hard copy of the Annual Audited Accounts to the Shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The Company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.
- 8) Members are requested to notify any change in their registered address immediately;

STATEMENT UNDER SECTION (3) of section 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on 26 October 2018.

The Company acquired 7,600,000 ordinary shares having a par value of Rs. 10.00 each of Pace (Pakistan) Limited on 28 December 2015 @ 7.75 per share for a total cost of Rs. 58,900,000 (Rupees fifty eight million nine hundred thousand only).

The par value of these shares as at 30 June 2016 and 30 June 2017 is Rs. 7.97 and Rs.8.76 per share respectively.

The shares of Pace (Pakistan) Limited originally belonged to various clients of the Company, who had willfully defaulted towards the Company and had overdue balances payable to the Company. Based on mutual agreements with such clients vis-à-vis the proposal for partial/full settlement of their overdues and default towards the Company, the shares were adjusted as a part of their settlements in kind. It is also pertinent to mention here that this was done so in very compelling circumstances by the Company, since such clients had expressed their complete inability to service their dues/default in cash or otherwise by assets other than the

shares in question.

Therefore, in essence the shares in question came under the control of the Company through the ordinary course of business and dealings of the Company and were not any investment within meaning and definition of the term as specified in Section 199 of the Companies Act, 2017 (previously Section 208 of the Companies Ordinance, 1984). The shares had been pledged since year 2009 through house account of the Company with 2 financial institutions/creditors of the Company.

During the Financial Year 2016, PSX (formerly) KSE/LSE required clients' segregation statement of the Company, thus the shares were recorded in the Company's book to comply with the direction of KSE and not with a view to make an investment in these shares.

Consequent upon the examination of Annual Accounts of the Company for the year ended 30 June 2016, Securities and Commission of Pakistan ("SECP") issued a Show Cause notice # CSD/ARN/469/2017-3918 dated 19 June 2017 to the Company under section 208 read with Section 476 of the Companies Ordinance, 1984.

The matter of Show Cause notice was concluded by SECP on 06 August 2018 by giving a direction to the Company that the Company to seek approval of Shareholders in general meeting to make the transaction transparent and remove any ambiguities and doubts about the acquisition of shares of Pace.

INSPECTION OF DOCUMENTS

Copies of Memorandum and Articles of Association, Statement under section (3) of section 134 of the Companies Act, 2017, annual and quarterly accounts along with all published or otherwise required accounts of all prior periods of the Company and Pace (Pakistan) Limited where applicable and to the extent required, along with the Order / Direction of SECP dated 06 August 2018. The documents may be inspected/procured during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

The Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings which may also be inspected during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

اطلاع سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("کمپنی") کے حصص داران کا تیسواں (23واں) سالانہ اجلاس عام بروز جمعہ مورخہ 26 اکتوبر، 2018ء کو بوقت 03:00 بجے سہ پہر کمپنی کے رجسٹرڈ آفس دوسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور کیٹ، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور:

1. 28 اکتوبر 2017ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ جبین مین، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کی تقرری کرنا اور ان کا مشاہیرہ طے کرنا۔

خصوصی امور

4. حسب معمول اسٹیٹمنٹس کے زائد المعیاد واجب الادا بقایا جات کی ادائیگی کے طور پر پیس (پاکستان) لمیٹڈ شریک کمپنی کے 7,600,000 ملین عمومی حصص کے حصول کی توثیق کرنا اور ترامیم کے ساتھ یا اس کے برعکس مندرجہ ذیل قرارداد پاس کرنا۔

”قرارداد پایا کہ معمول کے کاروبار میں مخصوص کلائنٹس کو 58,900,000 روپے کی زائد المعیاد واجب الادا رقم کی ادائیگی کی غرض سے پیس (پاکستان) لمیٹڈ شریک کمپنی کے 10.00 روپے فی حصص کی شرح سے 7,600,000 ملین عمومی حصص حاصل کئے جائیں جس کی حسب ضابطہ منظوری دی گئی۔ مزید یہ کہ کمپنی کا چیف ایگزیکٹو اپنی حسب مشاہیرہ وقت ان حصص کو جاری کرنے کا کلی اختیار رکھتا ہے۔“

بحکم بورڈ

شہزاد جواہر

کمپنی سیکریٹری

لاہور 05 اکتوبر 2018ء

مندرجات:

1. اراکین کا رجسٹر 19 اکتوبر 2018ء سے 26 اکتوبر 2018ء (بشمول دونوں ایام) بند رہے گا۔ کمپنی کے رجسٹرار اور سیکریٹریز آفس کارپ لنک (پرائیویٹ) لمیٹڈ، وگنڈ آرکیڈ-1 کمرشل، ماڈل ٹاؤن لاہور 18 اکتوبر 2018ء کو کاروباری اوقات کا ختم ہونے تک موصول فرانسفرز سالانہ اجلاس عام کی غرض سے بروقت تصویب کی جائیں گی۔
2. اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اجلاس میں اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسیز کو مؤثر کرنے کی غرض سے اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل ہر لحاظ سے مکمل پراکسی فارم کمپنی کو اپنے رجسٹرڈ آفس میں موصول ہو جانا چاہئے۔
3. جائز ثابت کرنے کے لئے، پراکسی کا انسٹرکشن اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہو) جس کے زیر دستخط یہ انسٹرکشن ہو، یا اس مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع دوسری اور تیسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور کیٹ، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرایا جائے۔
4. کمپنیز (پوسٹل بیلٹ) ضوابط، 2018ء کی بیرونی میں کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 کے تحت اراکین کو پوسٹل بیلٹ کے ذریعے ووٹ کرنے کا اختیار دیا جاسکتا ہے۔

- a) اجلاس میں شرکت اور ووٹ کرنے کا اہل CDC کا فرد واحد بین فیصل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا سپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔
 - b) پراکسیز کے تقرر کے لئے CDC کا فرد واحد بین فیصل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول CNIC یا سپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا سپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراکسی فارم کے ساتھ جمع کرنا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔
5. SECP کے مورخہ 10 جولائی 2014ء کے مراسلہ نمبر 634/(I)/2004 کی بیرونی میں 30 جون 2017ء کو اختتام پذیر سال کے لئے پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹس بمعہ آڈیٹرز اور ڈائریکٹرز رپورٹ کمپنی کی ویب سائٹ www.dailytimes.com.pk اور گروپ کی ویب سائٹ www.pacepakistan.com پر رکھ دی گئی ہیں۔
 6. SECP کے مورخہ 08 ستمبر 2014ء مراسلہ نمبر SRO787(I)/2014 کی بیرونی میں کمپنیوں کو اپنے سالانہ بیلنس شیٹ اور نفع و نقصان کے کھاتے، آڈیٹرز اور ڈائریکٹرز کی رپورٹس (سالانہ مالیاتی اسٹیٹمنٹس) بمعہ سالانہ اجلاس عام کا نوٹس بذریعہ ای میل کمپنی کے اراکین کو ارسال کرنے کی اجازت دی گئی ہے۔ اس سہولت کو حاصل کرنے کے خواہش مند اراکین کمپنی کو مطلوب معلومات فراہم کریں گے جس کے لئے کمپنی کی ویب سائٹ www.dailytimes.com.pk اور گروپ کی ویب سائٹ www.pacepakistan.com سے فارم حاصل کیا جاسکتا ہے۔

- (7) SECP کے مؤرخہ 31 مئی 2016ء کے مراسلہ نمبر 2016(I) 470 کی پیروی میں کمپنی نے اپنے سالانہ پڑتال شدہ کھاتوں سے متعلق معلومات Soft فارم یعنی CD کی صورت میں کمپنی کے شیئر ہولڈرز کو بھیج دی ہیں۔ تاہم، کمپنی شیئر ہولڈرز کو مطالبہ پر سالانہ پڑتال شدہ کھاتوں کی کاغذات کی صورت میں ان کے رجسٹرڈ پتہ پر درخواست موصول ہونے کے ایک ہفتہ کے اندر بالکل مفت ارسال کریں گے۔ کمپنی نے اپنی ویب سائٹ پر معیاری درخواست فارم رکھ دیا ہے تاکہ سافٹ فارم کی بجائے کاغذات کی صورت میں حصول کے لئے رابطہ کیا جاسکے۔
- (8) اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتہ میں تبدیلی کی صورت میں فوراً مطلع کریں۔

کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بیان

یہ بیان 26 اکتوبر 2018ء کو منعقدہ کمپنی کے سالانہ اجلاس عام میں خصوصی امور پر بحث کے لئے تھاقی پڑی ہے۔ کمپنی نے 28 دسمبر 2015ء کو 58,900,000 روپے (اٹھاون ملین نو سو ہزار روپے صرف) کی مجموعی قیمت پر 7.75 روپے فی حصص کی شرح سے 10.00 فی حصص پارو بیلو کے حامل 7,600,000 عمومی حصص حاصل کئے۔

30 جون 2016ء اور 30 جون 2017ء کو ان حصص کی پارو بیلو بالترتیب 7.97 روپے اور 8.76 روپے فی حصص تھی۔

پس (پاکستان) لمیٹڈ کے حصص عموماً کمپنی کے متعدد کلائنٹس کی ملکیت ہیں جو کمپنی کے نادر ہندہ ہونے اور کمپنی کو زائد المیاد واجبات کی ادائیگی کے ذمہ دار ہیں۔ ان کلائنٹس کے ساتھ واجبات کی جزوی/کلی ادائیگی اور کمپنی کو نادر ہندہ ہونے پر باہمی معاہدوں کے تحت یہ حصص ان کی ادائیگی کے لئے استعمال کئے گئے۔ یہ بیان کرنا بھی ضروری ہے کہ یہ کمپنی کے انتہائی مشکل حالات میں فیصلہ کیا گیا کیونکہ ان کلائنٹس نے اپنے واجبات کی نقد یا اس کے برعکس حصص کے لئے علاوہ زیر غور اثاثوں کی صورت میں ادائیگی کے لئے اپنی نااہلی ظاہر کی۔

اس لئے، زیر غور حصص معمول کے مطابق کمپنی کے کنٹرول میں آگئے اور کمپنیز ایکٹ 2017ء کے سیکشن 199 (سابقہ کمپنیز ایکٹ 1984ء کے سیکشن 208) کے تحت کسی بھی قسم کی سرمایہ داری نہ تھی۔ کمپنی کے ہاؤس اکاؤنٹ کے ذریعے سال 2009ء سے یہ حصص دو مالیاتی اداروں/کمپنی کے قرض خواہان کے پاس گروی پڑے تھے۔

مالی سال 2016ء میں، PSX (سابقہ) KSE/LSE کو کمپنی کے لئے کلائنٹ کا امتیازی بیان مطلوب تھا۔ اس لئے حصص KSE کی ہدایات کی پیروی میں کمپنی کی کتاب میں ان حصص کو ریکارڈ کیا گیا اور ان حصص میں سرمایہ داری کی مد میں نہ تھا۔

30 جون 2016ء کو اختتام پذیر سال کے لئے کمپنی کے سالانہ کھاتوں کے معائنہ کے بعد سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنیز آرڈیننس 1984ء کے سیکشن 476 کے ہمراہ سیکشن 208 کے تحت کمپنی کو مؤرخہ 19 جون 2017ء کو CSD/ARN/469/2017-3918 شوکاژ نوٹس جاری کی۔

شوکاژ نوٹس کے معاملہ پر SECP کی جانب سے کمپنی کو ہدایات جاری کرتے ہوئے 06 اگست 2018ء کو فیصلہ کیا گیا کہ عمومی اجلاس میں نہیں کے حصص کے حصول کی مد میں ٹرانزیکشن کو شفاف بنانے اور کسی بھی قسم کے شکوک و شبہات کے خاتمہ کی غرض سے شیئر ہولڈرز کی منظوری حاصل کریں۔

دستاویزات کا معائنہ

میورنڈم اور آرٹیکلز آف ایسوسی ایشن کی نقول کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بیان، سالانہ اور سہ ماہی اکاؤنٹس بمعہ کمپنی اور پس (پاکستان) لمیٹڈ کی پیٹنگی مدت کے مطلوب یا شائع کردہ اکاؤنٹس کے ہمراہ مؤرخہ 06 اگست 2018ء کو SECP کے حکم/ہدایت کا اطلاق ہوا یا اس کے برعکس مطلوب تھے۔ اس نوٹس کی اشاعت سے سالانہ اجلاس عام کے اختتام تک کمپنی کے رجسٹرڈ دفتر میں کام کے کسی بھی دن کاروباری اوقات کار کے دوران میں یہ دستاویزات حاصل کئے جاسکتے ہیں یا ان کا معائنہ کیا جاسکتا ہے۔

ڈائریکٹرز اور ان کے رشتہ داروں کا مفاد

کمپنی کے ڈائریکٹرز اور ان کے رشتہ داروں (اگر کوئی ہو) مفاد صرف ان کی شیئر ہولڈنگ تک محدود ہے جن کا اس نوٹس کی اشاعت سے سالانہ اجلاس عام کے اختتام تک کام کے دنوں میں کاروباری اوقات کار کے دوران کمپنی کے رجسٹرڈ دفتر میں معائنہ کیا جاسکتا ہے۔

Chairman's Review

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

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

I am pleased to present the Annual Review for the year ended June 30, 2018,

- " The Board of Directors ("the Board") of First Capital Equities Limited (FCEL) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner.
- " The Board of FCEL is highly professional and experienced people. They bring a vast experience from different businesses including the independent directors. All board members are well aware of their responsibilities and fulfilling these diligently.
- " The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the (Code of Corporate Governance) Regulations, 2017 and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- " The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the one director on the Board have already taken certification under the Directors Training Program and the remaining directors meet the qualification and experience criteria of the Code;
- " The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- " The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- " The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- " All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- " The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and/or internal audit activities;
- " The Board has prepared and approved the director's report and has ensured that the director report is published with the quarterly and annual financial statement of the Company and the content of the directors report are in accordance with the requirement of applicable laws and regulation;
- " The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- " The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of internal Audit;
- " The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;
- " The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making

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

Lahore
04 October 2018

Malik Safeer Raza Awan
Chairman

نظر ثانی رپورٹ منجانب چیئرمین

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

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

میں 30 جون، 2018ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کر رہا ہوں!

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

ملک سفیر رضا اعوان

چیئرمین

لاہور

04 اکتوبر 2018ء

DIRECTORS' REPORT

The Board of Directors of First Capital Equities Limited ("the Company" or "FCEL") are pleased to present the Annual Report of 2018 along with the audited financial statements of the Company for the year ended June 30, 2018. 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

During the year under audit KSE-100 index (the benchmark) shed around 4,665 points to close at 41,734 points which is a decline of around 7.00%.

The FY-18 commenced on a negative note and cumulatively decreased by 13.09% during the first half of the year due to political uncertainty after disqualification of ex-prime minister. Investors' anxiety amplified during the court proceedings on the JIT report with the benchmark KSE-100 Index hitting a low of 40,958.65 levels (down 12.04% on financial year to date basis) on September 7, 2017, a cumulative decline of 22.54% from the all-time high levels hit on May 24, 2017. President Trump's allegation that Pakistan offers safe haven to terrorist organizations led to further decline in Pakistan stock market. Further, the 21-day prolonged sit-in in the Federal Capital by a religious group also led the market toward uncertainty.

During the 2nd half of the year, the equity market remained volatile due to rise in both domestic & regional political noise, dwindled economical condition in the shape of widening of Current Account Deficit (CAD) and a mix of positive and negative news flows in the market. The equity market released some pressure, mainly on the back of some improvements in domestic politics as the Election Commission of Pakistan announced/scheduled the Senate election 2018. The expectations for currency depreciation and consequent firming up of interest rate hike boosted the investor's confidence to restore export competitive. Furthermore, expectations for some tax relief for the capital market and listed sectors in the upcoming federal budget also support the market. On the flip side, during the 2nd half of the year, the market remained under pressure due to the economic and political factors; however rumors that Pakistan could be placed on FATF's black list with associated economic & financial implications, continued heightened domestic political uncertainty ahead of upcoming general elections, and growing concerns over deteriorating external account imbalances and depleting foreign exchange reserves caused the market to slide. Moreover, Moody's downgraded Pakistan's credit rating from stable to negative and below expectation corporate results with mixed earnings reports failed to provide any trigger to the market.

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of your Company for the year ended June 30, 2018.

All Figures are in Million except EPS*

	FY18	FY17
Brokerage income	42.29	78.33
Capital gain	4.73	65.04
(Loss) / gain on re-measurement of investments at fair value through profit or loss - net	(40.84)	18.61
Other income	342.09	406.91
Profit after tax	5.12	264.00
Earnings Per Share (EPS) Rs*	0.04	1.87

Your Company reported a profit of Rs 5.12 million in FY18 vs. Rs 264 million. The brokerage income of your Company decreased by 46% YoY at Rs 42 million during FY18 versus that of Rs 78 million in last year. Further, the company recorded capital gain of Rs 4.73 million against Rs. 65 million last year. The Un-realized loss on re-measurement of investment is recorded at Rs. 40.34 million while other income arrived at Rs. 342 million primarily due to restructuring activities. Operating expenses increased 35% YoY, while financial expenses registered a decline of 72% YoY during the year under review.

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

COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN

In the current year's Audited report, the auditor's without qualifying their report have raised concerns over the Company's ability to continue as going concern. Since last year, the Company has earned an after tax profit of Rs. 5.12 million but still there is an operating loss of Rs. 342.83 million (2017: 112.15 million), moreover the accumulated losses of the company stand at Rs. 1,017.38 million as at June 30, 2018 (2017: 1,026.76). Moreover, the Company in order to carry on its business and to meet its current obligations required to generate sufficient profits. These conditions along with other matters, the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

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

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

During the current year, Company has also settled its long term loans through debt to assets swap against its properties to different commercial banks. Further more proposal currently are under review of the competent authorities of respective banks and management is of the view that this arrangement will be accepted.

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

FUTURE OUTLOOK

Looking forward, the stock market is well placed to deliver a healthy double-digit return for FY 2018-19 given attractive valuations as captured in Price-to-Earnings multiples of 8.4, a decent double-digit expected earnings growth for FY2019 & FY2020, and ample local liquidity sitting on the sideline.

CORPORATE SOCIAL RESPONSIBILITY

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

HUMAN RESOURCE MANAGEMENT

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

INTERNAL CONTROLS

The directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The directors have completed their annual review and assessment for year ended 2018.

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

IMPACT OF THE COMPANY'S BUSINESS ON THE ENVIRONMENT

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

PAYOUT FOR THE SHAREHOLDERS

Keeping in view the un appropriated losses of the company, the Board of Directors does not recommend any payout this year.

RISK MANAGEMENT

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

COMPANY PERFORMANCE IN PAST YEARS

Past six years Company performance chart is attached.

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2018 was Rs. 0.04as compared to Rs. 1.87in the last year.

DIRECTORS' REMUNERATION

The aggregate remuneration of executive Directors is disclosed under note 34 of the Financial Statements of the Company. Further, the Company is not paying any remuneration to Non-Executive Directors of the Company.

CODE OF CORPORATE GOVERNANCE;

During the financial year 2018 "Listed Companies (Code of Corporate Governance) Regulations" has been implemented which requires certain changes in the Composition of the Board and Its Committees. The Company has changed the composition of Board committees and the Composition of the Board shall be changed in accordance with deadlines provided in new Code of Corporate Governance.

COMPOSITION OF BOARD

The following persons, during the financial year, remained director's of the company:

Names	Designation
Mian Ehsan ul Haq	CEO
Malik Safeer Raza Awan	Chairman
Waseem ul Hassan (Resigned)	Director
Ahsan Zia (Resigned)	Director
Abdul Samad	Director
Azhar Ahmed Batla	Director
Raja Suhail Qurban	Director
Muhammad Ahmed Saroya	Director
Muhammad Tariq	Director

Mr. Muhammad Ahmed Saroya and Mr. Muhammad Tariq appointed as Director in place of Mr. Waseem ul Hassan and Mr. Ahsan Zia on 24 April 2018 and 04 October 2018 respectively.

Total number of Directors	07
a) Male:	07
b) Female:	0

Composition:

Independent Directors	01
Other Non-Executive Directors	03
Executive Directors	03

Committee of the board

Audit Committee	Raja SuhailQurban (Chairman) Mr. Muhammad Ahmad Saroya (Member) Malik SafeerRaza Awan (Member)
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Human Resource and Remuneration (HR&R) Committee	Raja SuhailQurban (Chairman) MianEhsanUIHaq (Member) Mr. Muhammad Ahmad Saroya (Member)
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The composition of the Board of Directors and sub committees shall be changed in due course of time as per deadlines provided in new code of Corporate Governance.

TRADING OF DIRECTORS

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

AUDITORS

The present Auditors, Messrs Nasir Javaid Maqsood Imran (Chartered Accountants), have retired and being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs Nasir Javaid Maqsood Imran (Chartered Accountants) as the Auditors of the Company for the financial year ending June 30, 2019.

PATTERN OF SHAREHOLDINGS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

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

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

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their thanks and appreciation to all the shareholders for their continued support. The Board also wishes to place on record its appreciation for the guidance and support extended by the

Securities and Exchange Commission of Pakistan (SECP) as well the Pakistan Stock Exchange Limited. Finally, the Board would like to record its appreciation to all the staff members for their hard work.

For and on behalf of the Board of Directors

Lahore
04 October 2018

Chief Executive Officer

Director

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("کمپنی" یا "FCEL") کے بورڈ آف ڈائریکٹرز 30 جون 2018ء کو اختتام پذیر سال کے لئے 2018ء کی سالانہ رپورٹ کے ہمراہ پڑتال شدہ مالیاتی گوشوارے پیش کرنے میں فخر محسوس کرتے ہیں۔ FCEL پاکستان کا معروف بروکر تاج ہاؤس ہے جو ملک بھر میں کارپوریشن، مالیاتی اداروں، ریٹیل کلائنٹس، غیر ملکی سرمایہ داروں اور بہترین آمدنی والے افراد جیسے آسودہ حال اور متنوع کلائنٹس کو سٹاک بروکر تاج کی مکمل رینج پیش کرتا ہے۔

کیپٹل مارکیٹ

زیر جائزہ سال کے دوران KSE-100 انڈیکس (میںچ مارک) 4,665 پوائنٹس یعنی 7.00 فی صد کی کمی کے ساتھ 41,374 پوائنٹس پر بند ہوا۔

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

سال کے دوسرے نصف حصہ میں، ایکویٹی مارکیٹ قومی اور علاقائی سیاسی شور، بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ کی صورت میں لڑکھڑاتی معیشت اور مثبت اور منفی خبروں کی وجہ سے عدم استحکام کا شکار رہی۔ سال 2018ء میں الیکشن کمیشن آف پاکستان کی جانب سے سینٹ الیکشن کے شیڈول کے اعلان کے نتیجہ میں علاقائی سیاست میں بہتری کی وجہ سے ایکویٹی مارکیٹ پر کچھ دباؤ کم ہوا۔ روپے کی قدر میں کمی کی توقعات اور شرح سود میں مستقل استحکام سے برآمدی مقابلہ پر سرمایہ داروں کا اعتماد بحال ہوا۔ مزید برآں، آئندہ وفاقی بجٹ میں کیپٹل مارکیٹ اور لیسٹڈ شعبوں کے لئے ٹیکس میں چھوٹ کی وجہ سے مارکیٹ کو سہارا ملا۔ دوسری جانب، سال کے دوسرے نصف حصہ کے دوران، معاشی اور سیاسی عوامل کی وجہ سے مارکیٹ دباؤ کا شکار رہی تاہم معاشی اور مالیاتی پابندیوں کی وجہ سے FATF کی بلیک لسٹ میں پاکستان کی شمولیت کی افواہیں آئندہ عام انتخابات کے بعد بھی سیاسی بے چینی میں اضافہ کا باعث بن رہی ہیں۔ مزید برآں، بیرونی کھاتوں میں عدم توازن اور غیر ملکی زرمبادلہ کے ذخائر میں کمی بھی مارکیٹ کی ابتری کی بڑی وجوہات ہیں۔ مزید یہ کہ، Moody کی جانب سے پاکستان کی کریڈٹ ریٹنگ میں مستحکم سے منفی منزلی اور توقعات میں کمی مشترکہ آمدنی کی رپورٹ کے ساتھ کاروباری نتائج مارکیٹ میں تیزی پیدا کرنے کا کام رہے۔

آپ کی کمپنی کی کارکردگی

30 جون 2018ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کا مالیاتی خلاصہ حسب ذیل ہے:

تمام اعداد و املین روپوں میں ماسوائے فی حصص آمدنی *

مالی سال 2017ء	مالی سال 2018ء	
78.33	42.29	بروکر تاج آمدنی
65.04	4.73	سرمایہ پر منافع
		نفع یا نقصان کے ذریعے فیئر ویلیو پر سرمایہ داری کے دوبارہ تعین
18.61	(40.84)	پر (خسارہ) / آمدنی..... خالص
406.91	342.09	دیگر آمدنی
264.00	5.12	نفع علاوہ ٹیکس
1.87	0.04	فی حصص آمدنی (EPS) روپے *

آپ کی کمپنی نے 264 ملین روپے کے مقابلہ میں مالی سال 2018ء کے دوران 5.12 ملین روپے کا منافع رپورٹ کیا۔ آپ کی کمپنی کی بروکریج آمدنی گذشتہ سال میں 78 ملین روپے کے مقابلہ میں مالی سال 2018ء کے دوران بحساب 46 فی صد 42 ملین روپے کمی ہوئی۔ مزید یہ کہ، گذشتہ سال کے 65 ملین روپے کے کیپٹل منافع کے مقابلہ میں 4.73 ملین روپے منافع ریکارڈ کیا۔ سرمایہ داری کے دوبارہ تعین پر غیر موصول شدہ خسارہ 40.34 ملین روپے رہا جب کہ دیگر آمدنی تعمیراتی سرگرمیوں کی وجہ سے 342 ملین روپے رہی۔ زیر جائزہ سال کے دوران آپریٹنگ اور مالیاتی اخراجات بالترتیب 35 اور 72 فی صد رہے۔

رواں سال کے دوران، کمپنی نے UBL اور سوئیری بینک لمیٹڈ کے ساتھ جزوی واجبات ادا کر دیئے ہیں اور اپنی سرمایہ داری پر اپریل کے مقابلہ میں قرضہ بنام اثاثہ جات کے موازنہ سے سمٹ بینک لمیٹڈ اور عسکری بینک لمیٹڈ کے ساتھ کل واجبات ادا کر دیئے ہیں۔ کمپنی نے دیگر مالیاتی اداروں کو بھی اسی طرح کے انتظامات کی پیش کش کی ہے جو متعلقہ مالیاتی اداروں کی قابل اتھارٹیز کے زیر جائزہ ہیں۔ اور انتظامیہ پر اعتماد ہے کہ متعلقہ مالیاتی ادارے کمپنی کی اس پیش کش پر مثبت جواب دیں گے۔

کمپنی کی کاروباری جاری رکھنے کی صلاحیت

حالیہ پڑتا شدہ رپورٹ میں، آڈیٹرز نے اپنی رپورٹ کی توثیق کئے بغیر کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر تحفظات اٹھائے ہیں۔ گذشتہ سال سے کمپنی نے 5.12 ملین روپے کا منافع علاوہ ٹیکس حاصل کیا ہے لیکن کمپنی کو 342.83 ملین روپے کا آپریٹنگ خسارہ برداشت کرنا پڑا (2017: 12.15 ملین روپے)۔ مزید برآں، 30 جون 2018ء کو کمپنی کا مجموعی خسارہ 1,017.38 ملین روپے تھا (2017: 1,026.76 ملین روپے)۔ مزید یہ کہ، کمپنی کو اپنا کاروبار جاری رکھنے اور اپنے حالیہ فرائض کی انجام دہی کے لئے مناسب نفع حاصل کرنا ہوگا۔ دیگر معاملات کے ساتھ ساتھ یہ حالات اور بے یقینی نے کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر ابہام پیدا کر دیا ہے۔

کمپنی کو اپنے امور اور دیگر حالیہ فرائض کی انجام دہی کے لئے مناسب کیش فلو حاصل کرنا ہوگا۔ کمپنی کے افعال میں بھی بے یقینی ہے جس کی وجہ سے کاروبار کے عمومی امور میں کمپنی کو اپنے فرائض سرانجام دینے میں دشواری ہو رہی ہے۔ کمپنی کی کاروبار جاری رکھنے کی صلاحیت کیش فلو کے حصول پر منحصر ہے۔ اس مقصد کے لئے کمپنی کی انتظامیہ نے مندرجہ ذیل کے منصوبے تیار کئے ہیں:

- ✓ مارکیٹ سے معروف تاجروں کی تقرری
- ✓ کمپنی کے افعال میں بہتری کے لئے اعلیٰ سطحی انتظامیہ کی تبدیلی
- ✓ کمپنی سرمایہ داری کے ذریعے اپنے معاونین کی مسلسل حمایت پر بھی انحصار کر رہی ہے۔

رواں سال کے دوران، کمپنی نے اپنی املاک کی مد میں مختلف تجارتی بنکوں کے ساتھ قرضہ بنام اثاثہ جات کے ذریعے اپنے طویل مدتی قرضہ جات بھی ادا کئے ہیں۔ مزید برآں، متعلقہ بنکوں کی مجاز اتھارٹیز کو دی گئی مزید پیشکشوں پر غور جاری ہے اور انتظامیہ ان انتظامات کی قبولیت کے لئے پرامید ہے۔

مذکورہ بالا امور کو مد نظر رکھتے ہوئے کمپنی پر امید ہے کہ کمپنی حالیہ بحران سے نکل آئے گی اور کاروبار جاری رکھنے کے قابل ہو جائے گی۔

مستقبل کا جائزہ

مالی سال 2018ء۔ 2019ء کے لئے سٹاک مارکیٹ دو ہندی بھاری ریٹرن پیش کرنے کی اہل ہو جائے گی۔ جو 4.8 گنا کی قیمتوں پر آمدنی میں پرکشش قدر، مالی سال 2019-2020 کے لئے متوقع دو ہندی آمدنی اور لیکویڈٹی سے مشروط ہے۔

کارپوریٹ سماجی ذمہ داری

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

ہیومن ریسورس انتظامات

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

انٹرنل کنٹرول

ڈائریکٹرز اور انتظامیہ کمپنی کے انٹرنل کنٹرول سسٹم کی روانی اور سالانہ عمل درآمد پر نظر ثانی کے ذمہ دار ہیں تاکہ وہ اپنے حصص داران کی سرمایہ داری پر مناسب منافع حاصل کر سکیں اور خطرات کا تعین اور حل نکال سکیں۔ اس میں مالیاتی، فعالی اور تعمیلی کنٹرول پر نظر ثانی اور خطرات پر قابو پانے کے طریقہ ہائے کار اور ان کا اثر شامل ہیں۔ ڈائریکٹرز نے 2018ء کو اختتام پذیر سال کے لئے اپنا سالانہ تجزیہ مکمل کر لیا ہے۔

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

کمپنی کے کاروبار کا ماحول پر اثر

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

حصص داران کو ادائیگی

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

خطرات پر قابو پانا

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

گذشتہ برسوں میں کمپنی کی کارکردگی

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

فی حصص آمدنی

گذشتہ سال میں 1.87 روپے فی حصص آمدنی کے مقابلہ میں 30 جون 2018ء اختتام پذیر سال کے لئے فی حصص آمدنی 0.04 روپے رہی۔

ڈائریکٹرز کا مشاہیرہ

کمپنی کے مالیاتی گوشواروں کے نوٹ 34 میں ایگزیکٹو ڈائریکٹرز کا مجموعی مشاہیرہ بیان کیا گیا ہے۔ مزید یہ کہ، کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو کسی قسم کی ادائیگی نہیں کر رہی۔

کوڈ آف کارپوریٹ گورننس

مالی سال 2018ء کے دوران ”لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز“ کا اطلاق کیا گیا ہے جس کے نتیجے میں بورڈ اور اس کی کمیٹیوں کی ترکیب میں نمایاں تبدیلیاں مطلوب ہیں۔ کمپنی نے نئے کوڈ آف کارپوریٹ گورننس کی فراہم کی گئی میعاد کے دوران بورڈ کمیٹیوں اور بورڈ کی ترکیب میں حسب ضابطہ تبدیلیاں کی ہیں۔

بورڈ کی ترکیب

موجودہ مالی سال میں درج ذیل افراد، ڈائریکٹر کے طور پر کمپنی میں رہے ہیں۔

نام	عہدہ
میاں احسان الحق	CEO
ملک سفیر رضا اعوان	چیئرمین
وسیم الحسن (مستغنی)	ڈائریکٹر
احسن ضیا (مستغنی)	ڈائریکٹر
عبدالصمد	ڈائریکٹر
اظہار احمد بٹلہ	ڈائریکٹر
راجہ سہیل قربان	ڈائریکٹر
محمد احمد سرویا	ڈائریکٹر
محمد طارق	ڈائریکٹر

جناب محمد احمد سرویا اور جناب محمد طارق کو جناب وسیم الحسن اور جناب احسن ضیاء کی جگہ بلترتیب مورخہ 24 اپریل 2018 اور 4 اکتوبر 2018 کو بطور کمپنی ڈائریکٹر مقرر کیا گیا۔

ڈائریکٹرز کی کل تعداد: 07

07	مرد	(a)
00	خواتین	(b)

تقسیم

01	آزاد ڈائریکٹرز
04	دیگرنان ایگزیکٹو ڈائریکٹرز
02	ایگزیکٹو ڈائریکٹرز

بورڈ کمیٹیاں

آڈٹ کمیٹی	راجا سہیل قربان (چیئرمین)
	محمد احمد سرویا (رکن)
	ملک سفیر رضا اعوان (رکن)

ہیومن ریسورس اینڈ ریمونریشن (جی بی آر)	راجا سہیل قربان (چیرمین) میاں احسان الحق (رکن) محترم محمد احمد سرویا (رکن)
---	--

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

ڈائریکٹرز کی تجارت

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

آڈیٹرز

حالیہ آڈیٹرز میسرز ناصر جاوید مقصود عمران (چارٹرڈ اکاؤنٹنٹس) ریٹائر ہو چکے ہیں اور اہل ہونے پر، اپنی دوبارہ تقرری کی پیش کش کی ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2019ء کو اختتام پذیر مالی سال کے لئے کمپنی کے آڈیٹرز کی حیثیت سے میسرز ناصر جاوید مقصود عمران (چارٹرڈ اکاؤنٹنٹس) کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی تائید کی ہے۔

شیئر ہولڈنگ کی وضع

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

کاروباری اور مالیاتی رپورٹنگ فریم ورک

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

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

اعتراف

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

منجانب/ برائے بورڈ آف ڈائریکٹرز

لاہور

چیف ایگزیکٹو آفیسر

ڈائریکٹر

04 اکتوبر 2018

FORM 34

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

1. Incorporation Number **L-07678 of 94-95**
2. Name of the Company **FIRST CAPITAL EQUITIES LIMITED.**
3. Pattern of holding of the shares held by the shareholders as at **30-06-2018**

-----Shareholding-----			
4. No. of Shareholders	From	To	Total Shares Held
98	1	100	733
17	101	500	6,510
7	501	1,000	5,566
138	1,001	5,000	536,005
2	5,001	10,000	13,400
2	25,001	30,000	55,725
2	155,001	160,000	317,122
1	270,001	275,000	271,812
6	315,001	320,000	1,902,684
2	480,001	485,000	966,144
1	490,001	495,000	492,500
4	640,001	645,000	2,566,529
1	825,001	830,000	828,125
6	965,001	970,000	5,796,870
1	995,001	1,000,000	997,000
1	1,010,001	1,015,000	1,011,895
1	1,095,001	1,100,000	1,099,937
3	1,280,001	1,285,000	3,849,777
1	1,710,001	1,715,000	1,710,250
1	3,995,001	4,000,000	4,000,000
1	4,695,001	4,700,000	4,700,000
1	6,710,001	6,715,000	6,712,716
1	33,300,001	33,305,000	33,304,000
1	70,190,001	70,195,000	70,190,200
299			141,335,500

5	Categories of shareholders	Shares held	Percentage
5.1(a)	Directors, CEO and their Spouse and Minor Children		
	Mian Ehsan ul Haq	29,620	0.021
	Ahsan Zia	5,400	0.004
	Abdul Samad	600	0.000
	Maik Safeer Raza Awan	2,250	0.002
	Raja Suhail Qurban	600	0.000
	Azhar Ahmad Batla	500	0.000
	Muhammad Ahmad Saroya	500	0.000
5.1 (b)	Chief Executive Officer (29,620 shares of Mian Ehsan ul Haq has been included in the executive holdings)	-	-
5.1 ©	Directors spouse & minor children	-	-
5.1.1	Executive / Executives' spouse	-	-
5.2	Associated Companies, undertaking and related parties	-	-
a)	First Capital Securities Corporation Limited	103,494,200	73.226
b)	Pace Barka Properties Limited	6,712,716	4.749
5.3	NIT and ICP	-	-
5.4	Banks, DFIs and NBFIs	-	-
5.5	Insurance	4,700,000	3.325
5.6	Modarabas	-	-
5.6.1	Mutual Funds	1,011,895	0.716
5.7	Share holders holding 5% or more voting intrest		
a)	First Capital Securities Corporation Limited	Refer 5.2 (a) above	
5.8	General Public		
	a) Local	2,244,580	1.588
	b) Foreign Companies/Orginizations/Individual / (repatriable bases)	17,599,000	-
5.9	Others		
	Joint Stock Companies	5,533,639	3.915
	Pension fund Provident Fund etc.	-	-
		141,335,500	100.000

Financial Highlights

PARTICULARS

FY 18 FY 17 FY 16 FY 15 FY 14 FY 13 FY 12
(Rupees in million)

Profit and Loss Account

Revenues	348.92	569.39	315.14	131.64	172.74	327.16	1,364.98
Expenses	349.67	274.64	265.52	366.23	462.91	500.46	1,412.56
Profit / (loss) before tax	(0.75)	294.75	49.62	(234.61)	(290.55)	(176.11)	(66.99)
Profit / (loss) after tax	5.12	264	31.16	(234.23)	(292.30)	(176.94)	(68.33)

Balance Sheet

Paid up capital	1,413.36	1,413.36	1,413.36	1,413.36	1,413.36	1,080.32	1,080.32
Shareholder's equity	412.07	378.36	75.54	49.57	280.55	212.85	342.54
Liabilities	1,345.49	3,078.34	3,807.01	3,988.89	3,818.42	3,819.15	4,018.80
Total assets	1,757.56	3,456.70	3,882.53	4,038.45	4,098.98	4,022.38	4,361.34
Investment value at cost	116.41	97.02	112.45	40.20	52.18	203.35	400.44
Investment value at mkt price	80.04	146.66	118.73	39.32	40.15	131.10	252.07

Ratios

Earning / (loss) per share (Rs.)	0.04	1.87	0.22	(1.66)	(2.07)	(1.25)	(0.63)
Break up value (Rs.)	2.92	2.68	0.53	0.35	1.98	1.97	3.17
Return on Equity (%)	1.24	69.78	41.25	(472.55)	(104.29)	(78.61)	(19.95)

Payout (%)

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

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

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

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

1. The total number of directors are seven as per the following:

a.	Male:	07
b.	Female:	0
2. The composition of board is as follows:

a.	Independent Directors	01
b.	Other Non-Executive Directors	03
c.	Executive Directors	03
3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training program for the following:

(Name of Director)	Mian Ehsan ul Haq
(Name of Executive & Designation (if applicable))	N/A
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

a.	Audit Committee (Name of members and Chairman)	Raja Suhail Qurban, (Chairman) Muhammad Ahmad Saroya, (Member) Malik Safeer Raza Awan, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Raja Suhail Qurban, (Chairman) Mian Ehsan Ul Haq, (Member) Muhammad Ahmad Saroya, (Member)
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	N/A

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a	Audit Committee	06
b	HR and Remuneration Committee	01
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Malik Safeer Raza Awan
CHAIRMAN

Lahore
04 October 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST
CAPITAL EQUITIES LIMITED
REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of "First Capital Equities Limited" (the Company) for the year ended June 30, 2018 in accordance with the requirement of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

DATE: 04 October 2018
Islamabad

Nasir Javaid Maqsood Imran
Chartered Accountants
Imran ul Haq

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

We have audited the annexed financial statements of First Capital Equities Limited, which comprises the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to Note 2 in the annexed financial statements, which indicates that although the Company has earned an after tax profit of Rs. 5.11 Million during the year ended June 30, 2018 but still there is an operating loss of Rs. 342.83 Million (2017: Rs. 112.15 Million) and accumulated losses of the company stands at Rs. 1,017.38 Million (2017: Rs. 1,026.76 Million). Moreover, the Company in order to carry on its business and to meet its current obligations required to generate sufficient profits and cash flows. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Following are the Key Audit Matters:

Key Audit Matters

1. Investment property valuation

As stated in the Note 9 of accompanying financial statements, the company revalued its investment properties based on the valuation carried out by an independent external valuer engaged by management. During the year company charged loss on revaluation of investment properties which is mainly due to overall slump in property business.

We identified investment property valuation as key audit matter because it has material impact on Company's financials.

2. Trade debts

During the current year owing to the provision for doubtful debts, and various settlement agreements with the debtors the balance has significantly decreased as disclosed in Note 12 of accompanying financial statements. Trade debts also include various balances against which the company has filed suits for recovery in various courts as disclosed in Note 30 of accompanying financial statements.

Given the nature of such suits and the legal forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement.

We identified this area to be a key audit matter due to its materiality and significance in terms of judgements involved in estimating the recoverability of trade debts and inherent uncertainty.

3. Long term financing

As stated in Note 19 of accompanying financial statements, the Company entered into debt property swap agreements with various banks and also restructured its various loan facilities. The interest on restructured facilities is freezed subject to adherence to the terms and conditions of the agreements. While the interest on loans settled during the year is waived off by the Bank.

The valuation of these restructured facilities involve complex calculations and significant judgments.

We identified loan settlement as key audit matter because it has material effect on the profitability and earning per share of the company.

How the matters were addressed in our audit

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

- " Obtained understanding of the scope of valuer's work;
- " Assessed the competence, capabilities and objectivity of the external valuer;
- " We reconciled the detail of properties valued by the independent valuer to details provided by the company;
- " Compared values assigned by independent valuer with the actual transactions occurred during the year, to ensure that value of investment property is reasonable according to the market conditions and not overstated;
- " Assessed the appropriateness of the related disclosures in the Company's financial statements.

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

- " We evaluated the design and tested the operating effectiveness of the controls over provision for doubtful debts calculation. These controls include those over the identification of the balances which need provision and its calculation;
- " We examined a sample of trade debts which were not identified by management as potentially doubtful and formed our own judgement as to whether that was appropriate including using external evidence in respect of the relevant counterparties;
- " For the balances settled against properties we reviewed the settlement agreements, inspected property transfer documents, the related terms and conditions and also obtained understanding of the executed transactions;
- " Obtained direct confirmation from trade debts to confirm settlement and closing balances. We also matched the responses with the amounts disclosed in financial statements;
- " Discussed status of pending cases and developments with the in-house legal department personnel of the Company. Circularized external confirmations to the legal counsel, where appropriate, on material cases

4. Litigations

There are a number of legal and regulatory matters for which no provision has been established, as disclosed in Note 30 of accompanying financial statements.

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

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

and assessing the replies received thereto;

- " Assessed the appropriateness of the related disclosures in the Company's financial statements.

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

- " Obtained debt property swap and restructuring agreements with banks. Inspected and obtained understanding of terms and conditions;
- " We critically assessed the design and implementation of controls in place to ensure compliance and to report any identified breach of the debt settlement agreements;
- " Obtained direct confirmations from banks to confirm settlement and closing balances as at year end. Summarized the responses of banks, analyzed and matched with the amounts disclosed in the financial statements. For restructured facilities we also confirmed any default or apparent default occurred during the year on the loan facilities and its details;
- " Inspected documents of property transferred to the bank and ensured the execution of debt property swap agreements;
- " The calculations relating to restructured loan facilities were re-performed to check accuracy and to ensure compliance with the requirements of IFRS. The difference between the carrying value before restructuring and present value after restructuring was checked and matched with the amount charged to statement of profit or loss.

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

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IASs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- " Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

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

Nasir Javaid Maqsood Imran
Chartered Accountants

Islamabad

Date: 04 October 2018

FIRST CAPITAL EQUITIES LIMITED

Annual Report 2018

STATEMENT OF FINANCIAL POSITION

As At June 30, 2018

As At June 30, 2018		June 2018	June 2017
	Note	----- Rupees -----	
NON - CURRENT ASSETS			
Property plant and equipment	7	3,071,069	43,952,022
Intangible assets	8	2,500,000	12,500,000
Investment property	9	1,269,445,782	1,602,449,600
Long term investments	10	33,662,358	59,851,308
Long term deposits, receivables and prepayments	11	1,524,000	9,487,966
		1,310,203,209	1,728,240,896
CURRENT ASSETS			
Trade debts	12	275,614,836	1,513,588,111
Short term investments	13	46,381,295	86,805,188
Advances, deposits, prepayments and other receivables	14	13,349,617	26,976,399
Advance tax	15	5,308,401	22,020,420
Interest accrued		75,648	81,798
Cash and bank balances	16	106,623,484	78,991,261
		447,353,281	1,728,463,177
TOTAL ASSETS		1,757,556,490	3,456,704,073
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital	17	1,413,355,000	1,413,355,000
Other reserves	17	16,095,315	(8,236,149)
Unappropriated loss		(1,017,378,270)	(1,026,758,252)
TOTAL EQUITY		412,072,045	378,360,599
NON - CURRENT LIABILITIES			
Long term financing	19	1,059,531,400	2,334,515,382
Interest Accrued		144,800,249	568,065,170
Deferred liabilities	20	38,506,461	36,208,177
		1,242,838,110	2,938,788,729
CURRENT LIABILITIES			
Trade and other payables	21	97,187,053	106,597,027
Current portion of long term financing	19	5,459,282	2,206,000
Provision for taxation	28	-	30,751,718
		102,646,335	139,554,745
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL EQUITY AND LIABILITIES		1,757,556,490	3,456,704,073

The annexed notes from 1 to 36 form an integral part of these financial statements.

Director

Chief Executive

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For The Year Ended June 30, 2018

		June 2018	June 2017
	<i>Note</i>	----- Rupees -----	
INCOME			
Brokerage income	23	42,292,450	78,326,842
Capital gain - net	24	4,730,006	65,036,821
Dividend income		658,794	510,955
(Loss) / profit on re-measurement of investments at fair value through profit or loss - net	13.1	(40,837,531)	18,607,513
		<u>6,843,719</u>	<u>162,482,131</u>
EXPENDITURE			
Operating and administrative expenses	25	283,819,547	210,618,775
Impairment loss on 'available for sale' investments	18	47,928,393	-
Finance cost	26	17,926,934	64,016,667
		<u>349,674,874</u>	<u>274,635,442</u>
OPERATING LOSS		<u>(342,831,155)</u>	<u>(112,153,311)</u>
OTHER INCOME	27	<u>342,085,306</u>	<u>406,908,286</u>
NET (LOSS) / PROFIT BEFORE TAXATION		<u>(745,849)</u>	<u>294,754,975</u>
Taxation	28	(5,861,546)	30,751,718
PROFIT AFTER TAXATION		<u>5,115,697</u>	<u>264,003,257</u>
EARNING PER SHARE - BASIC AND DILUTED	29	<u>0.04</u>	<u>1.87</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended June 30, 2018

	June 2018	June 2017
	----- Rupees -----	
Profit after taxation for the year	5,115,697	264,003,257
Other comprehensive income / (loss) for the year		
<i><u>Items that will never be reclassified to profit or loss:</u></i>		
Re-measurement of defined benefit plan	4,264,285	(1,243,294)
<i><u>Items that are or may be reclassified to profit or loss:</u></i>		
Gain on Available for sale financial assets – reclassified to profit or loss	(5,876,625)	(52,830,247)
Impairment loss recognized on available for sale investments	47,928,393	-
Unrealized (loss) / gain on re-measurement of investment available for sale	(17,720,304)	92,886,532
Total other comprehensive income - net of tax	28,595,749	38,812,991
Total comprehensive income	33,711,446	302,816,248

The annexed notes from 1 to 36 form an integral part of these financial statements.

CASH FLOW STATEMENT**For The Year Ended June 30, 2018**

	June 2018	June 2017
<i>Note</i>	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(745,849)	294,754,975
Add: Items not involved in movement of funds and others		
Depreciation	3,760,580	5,572,188
Impairment	50,428,393	-
Capital gain	(4,730,006)	(52,830,248)
Loss / (gain) on re-measurement of investments at fair value through profit or loss - net	40,837,531	(18,607,513)
Loss on re-measurement of investment property	148,501,186	6,019,900
Deposits written off	456,145	-
Dividend income	(658,794)	(510,955)
Accrued interest written back	(423,264,921)	(268,557,454)
Interest accrued	(715,911)	(893,522)
Interest expense	10,715,064	29,953,265
Loss / (gain) on sale of investment property	9,593,266	(142,368,000)
(Gain) on sale of intangible assets	(5,375,000)	-
(Gain) on sale of property and equipment	(40,444,878)	(153,301)
Provision for bad debts	169,000,000	100,621,409
Deferred notional income	(27,399,232)	-
Other income	(2,979,816)	-
Provision for gratuity	7,126,666	5,306,437
	(65,149,727)	(336,447,794)
	(65,895,576)	(41,692,819)
Decrease / (Increase) in current assets		
Investments at fair value through profit or loss	(413,638)	16,242,544
Trade debts - unsecured	1,068,973,275	376,740,008
Advances, deposits, prepayments and other receivables	13,170,637	(19,209,847)
	1,081,730,274	373,772,705
Increase in current liabilities in trade and other payables		
	(6,430,158)	(59,391,885)
Cash generated in operations	1,009,404,540	272,688,001
Interest received	722,061	1,131,696
Dividend received	658,794	510,955
Gratuity paid	(564,096)	(2,626,133)
Refund received / (taxes paid)	(8,178,153)	8,608,984
Net cash generated in operating activities	1,002,043,146	280,313,503

Director

Chief Executive

Chief Financial Officer

CASH FLOW STATEMENT

For The Year Ended June 30, 2018

	June 2018	June 2017
<i>Note</i>	----- Rupees -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,980,550)	(1,177,475)
Proceeds from sale of property and equipment	79,545,800	891,600
Proceeds from sale of intangible assets	12,875,000	-
Proceeds from sale of shares	7,322,028	67,324,040
Acquisition of investments property	(1,223,960,706)	(198,978,500)
Proceeds from investments property	1,398,870,072	341,346,500
Long term deposits and advances	7,963,966	(3,975,407)
Net cash generated in investing activities	280,635,610	205,430,758
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance paid	(1,255,046,533)	(458,867,391)
Short term borrowings	-	-
Net cash used in financing activities	(1,255,046,533)	(458,867,391)
Effects of exchange rate changes in cash and cash equivalents	-	-
Net Increase In Cash And Cash Equivalents	27,632,223	26,876,870
Cash And Cash Equivalents At The Beginning Of The Year	78,991,261	52,114,391
Cash And Cash Equivalents At The End Of The Year	106,623,484	78,991,261

The annexed notes from 1 to 36 form an integral part of these financial statements.

Director

Chief Executive

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
For The Year Ended June 30, 2018

	Issued, subscribed and paid up capital	Capital Reserve Share Premium	Reserve for issue of bonus shares	Revenue Reserve Other Reserve	Unappropriated Loss	Total
				Rupees		
Balance as at June 30, 2016	1,413,355,000	-	-	(48,292,434)	(1,289,518,215)	75,544,351
Profit for the year after taxation	-	-	-	-	264,003,257	264,003,257
Other comprehensive income for the year						
Gain on Available for sale financial assets – reclassified to profit or loss	-	-	-	(52,830,247)	-	(52,830,247)
Re-measurement of defined benefit plan	-	-	-	-	(1,243,294)	(1,243,294)
Unrealized (loss) / gain on re-measurement of investment available for sale				92,886,532	-	92,886,532
Total other comprehensive income / (loss) for the year - net of ta	-	-	-	40,056,285	(1,243,294)	38,812,991
Total comprehensive income for the year	-	-	-	40,056,285	262,759,963	302,816,248
Balance as at June 30, 2017	1,413,355,000	-	-	(8,236,149)	(1,026,758,252)	378,360,599
Profit for the year after taxation	-	-	-	-	5,115,697	5,115,697
Other comprehensive income for the year						
Gain on Available for sale financial assets – reclassified to profit or loss	-	-	-	(5,876,625)	-	(5,576,625)
Re-measurement of defined benefit plan	-	-	-	-	4,264,285	4,264,285
Net surplus on re-measurement & impairment of available for sale investments	-	-	-	30,208,089	-	30,208,089
Total other comprehensive income / (loss) for the year - net of tax	-	-	-	24,331,464	4,264,285	28,595,749
Total comprehensive income for the year	-	-	-	24,331,464	9,379,982	33,711,446
Balance as at June 30, 2018	1,413,355,000	-	-	16,095,315	(1,017,378,270)	412,072,045

The annexed notes from 1 to 36 form an integral part of these financial statements.

Director

Chief Executive

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Status and nature of business

First Capital Equities Limited (the "Company") was incorporated in Pakistan on January 26, 1995 as a private limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The Company is a subsidiary of First Capital Securities Corporation Limited, which owns 73.23% (2017: 73.23%) of the share capital of the Company. The principal activities of the Company include share brokerage and conducting / publishing business research.

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

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

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

Islamabad - Regional Office
Office No. 614, 6th Floor, ISE
Tower, Jinnah Avenue, F7/1, Blue
Area, Islamabad.

Faisalabad - Regional Office
Office No. 05, 2nd Floor,
Kohinoor Plaza, Faisalabad.

Sargodha - Regional Office
Shan Plaza, Block No. 06, Main
Khushab Road, Near Allied Bank
Limited, Sargodha.

Sukkur - Regional Office
Suit No. 18, Mezzanine Floor,
Humayoon Jimkhana Complex,
Stadium Road, Sukkur.

Mirpur - Regional Office
Office No. 57, Quaid-e-Azam
Stadium, Mirpur,
Azad Kashmir.

- 2 Although the company has earned an after tax profit of Rs. 5.11 Million but still there is an operating loss of Rs. 342.83 Million (2017: 112.15 Million), moreover the accumulated losses of the company stand at Rs. 1,017.38 Million as at June 30, 2018 (2017: 1,026.76) however the company successfully signed debt property swaps and modified terms agreements of its long term loans with various banks. The mark up on various loans has also been waived / frozen. These facts have enabled the Company to earn an after tax profit of Rs. 5.11 Million.

The Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. For this purpose the management of the Company took various initiatives which resulted in following:

- a) Hiring of renowned traders from the market;
- b) Change in top operations management to improve the operations of the company; and
- c) The Company is also relying on continued support from its sponsors.

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

- 3 **Summary of significant transactions and events that have affected the Company's financial position and performance during the year**

During the current year, although Pakistan's economy maintained the growth momentum, but still due to changing political landscape and economic challenges, confidence of investor deteriorated which subsequently resulted negatively on stock market and decline in profits during the year as rejected in statement of profit or loss. Following

is the summary of significant transactions and events that have affected the company's financial position and performance of the Company:

- a) Due to first time application of financial reporting requirements under the Companies Act, 2017 (the Act) including disclosures and presentation requirements of the fourth schedule of the Act, some of the amounts reported for the previous period have been reclassified as disclosed in relevant area in these financial statements.
- b) Other significant transactions and events have been adequately disclosed in the financial statements. For a detailed performance review, refer to the Directors' report.

4 Basis of preparation

4.1 Statement of compliance

These financial statements have been prepared in accordance with the approved Accounting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017. Approved Accounting Standards comprise of such International financial reporting standards as notified under the provisions of the Companies Act, 2017. Whenever the requirements of the Companies Act, 2017 or directives of the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of the Standards, the requirements of the Companies Act, 2017 or the requirements of the said directives take precedence.

4.2 Basis of measurement

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

4.3 Use of estimates and judgments

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

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

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

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

a)	Useful life and residual values of property, plant and equipment	Note 7.1
b)	Impairment	Note 6.3
c)	Provisions and contingencies	Note 6.13
d)	Staff retirement benefits	Note 6.14
e)	Provision for taxation	Note 6.16

5 Initial application of new standards, interpretations or amendments to existing standards

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

IAS 7 - Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 - Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 01, 2018
IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
IFRS 16 - Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

The above mentioned standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan. The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

Standards or Interpretation

IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021

6 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

6.1 Property plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss applying the straight-line method whereby the cost is written-off over its estimated useful life at the rates specified in note 7.1 to the financial statements.

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30, 2018 did not require any adjustment.

6.2 Intangible assets

(a) TRE Certificate

These are stated at closest estimate of fair value as issued by Pakistan Stock Exchange vide its circulars regularly. The carrying value is reviewed at each statement of financial position date and impairment is charged if any indications arises for decline in value or the value issued by Pakistan Stock Exchange is lower than the carrying value, if any. These assets have an indefinite useful life so no amortization has been charged.

(b) Rooms and Others

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

6.3 Impairment

The carrying amount of the Company's assets are reviewed at each statement of financial position 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 statement of profit or loss. 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 recognized 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 recognized directly in equity.

6.4 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company de-recognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or

portion of financial asset. A financial liability or part of financial liability is de-recognized from the statement of financial position, when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the recognition or de-recognition of the financial assets and liabilities is included in the statement of profit or loss currently.

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

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

6.5 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 statement of financial position date. Impairment on these assets is charged in accordance with Note 6.3.

Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each year end.

The Company assesses at each statement of financial position date whether there is objective evidence that an investment or a group of investments is impaired. If any such evidence exists for available for sale investments, the cumulative loss is removed from equity and recognized in the statement of profit or loss. Impairment losses recognized in the statement of profit or loss on equity instruments are not reversed through statement of profit or loss.

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 statement of financial position date. Transaction costs are charged to income currently.

6.6 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 arm's length transaction.

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

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer

and its fair value is recognized in surplus on revaluation of property, plant and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the statement of profit or loss.

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

6.7 Trade debts

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

6.8 Settlement date accounting

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

6.9 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, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

6.10 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 statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

6.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

6.12 Trade and other payables

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

6.13 Provisions

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

6.14 Staff retirement benefits**Defined benefit plan**

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

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

6.15 Revenue recognition

- * Capital gains or losses on sale of investments are recognized in the year in which they arise.
- * Brokerage income, consultancy and money market services are recognized as and when such services are provided.
- * Dividend income is recognized at the time of book closure of the company declaring the dividend.
- * Return on securities other than shares is recognized as and when it is due on time proportion basis.
- * Mark-up/interest income is recognized on accrual basis.
- * Rental income from investment properties is recognized on accrual basis.

6.16 Taxation**Current**

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

Deferred

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

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on

tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

6.17 Functional and presentation currency

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

6.18 Foreign currency

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

6.19 Cash and cash equivalents

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

6.20 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.

6.21 Fair value

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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7 PROPERTY PLANT AND EQUIPMENT

	2018	2017
Note	Rupees	Rupees
7.1	3,071,069	43,952,022
	3,071,069	43,952,022

7.1 Property, plant and equipment schedule

Year ended June 30, 2018	Building		Computers	Office equipment	Furniture & fittings	Vehicles	Total
	Freehold	Lease hold					
	Rupees						
Opening net book value (NBV)	17,685,256	23,268,675	818,455	1,080,495	920,009	179,132	43,952,022
Additions / transfers		-	305,550	225,000	-	1,450,000	1,980,550
Disposals	(17,173,326)	(21,890,928)	-	-	(36,668)	-	(39,100,922)
Depreciation charged	511,930	1,377,747	388,386	478,490	722,728	281,300	3,760,581
Balance as an June 30, 2017 (NBV)	-	-	735,619	827,005	160,613	1,347,832	3,071,069
Carrying value as at June 30, 2018							
Cost	-	-	15,477,414	16,636,168	13,889,246	15,793,425	61,796,253
Accumulated depreciation	-	-	(14,741,796)	(15,809,164)	(13,728,631)	(14,445,593)	(58,725,184)
Net book value	-	-	735,618	827,004	160,615	1,347,832	3,071,069
Year Ended Jun 30, 2017							
Opening net book value (NBV)	19,221,046	25,105,675	658,061	1,311,909	1,912,161	876,182	49,085,034
Additions / transfers	-	-	692,150	433,825	-	51,500	1,177,475
Disposals	-	-	(43,216)	(1,750)	-	(693,333)	(738,299)
Depreciation charged	(1,535,790)	(1,837,000)	(488,540)	(663,489)	(992,152)	(55,217)	(5,572,188)
Balance as at June 30, 2017 (NBV)	17,685,256	23,268,675	818,455	1,080,495	920,009	179,132	43,952,022
Carrying value as at June 30, 2017							
Cost	30,715,800	36,740,000	18,128,965	16,411,169	14,089,243	25,170,633	141,255,810
Accumulated depreciation	(13,030,544)	(13,471,325)	(17,310,510)	(15,330,674)	(13,169,234)	(24,991,501)	(97,303,788)
Net book value	17,685,256	23,268,675	818,455	1,080,495	920,009	179,132	43,952,022

Depreciation rate (% per annum)	5	33.33	10	10	20
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Building including freehold and lease hold having cost of Rs. NIL (2017: Rs. 67.45 million) has been pledged with various banks against long term financing.

7.2 Disposal of property, plant and equipment

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Sale	Particulars of Buyers
	Rupees			Rupees			
Furniture & fixtures	200,000	163,333	36,667	110,000	73,333	Negotiation	Flair (Pvt.) Ltd
Leasehold building	36,740,000	14,849,072	21,890,928	49,600,000	27,709,072	Negotiation	Muhammad Farooq Iqbal
Freehold building	30,715,800	13,542,473	17,173,327	27,125,000	9,951,673	Negotiation	Summit Bank Limited
Computers	2,957,100	2,957,100	-	10,800	10,800	Negotiation	NI System
Vehicles	10,827,208	10,827,208	-	2,700,000	2,700,000	Negotiation	Clifton Azhar Motors
Total	81,440,108	42,339,186	39,100,922	79,545,800	40,444,878		

8 INTANGIBLE ASSETS

	Note	June 2018	June 2017
Trading Right Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited	8.1	2,500,000	5,000,000
Room			
Pakistan Stock Exchange Limited			7,500,000
		<u>2,500,000</u>	<u>12,500,000</u>

- 8.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX), in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012.

During the year, the Pakistan Stock Exchange Limited (PSX) issued value of TREC at Rs. 2.5 million (2017: Rs. 5 million) as per the decision of the PSX for calculation of BMC. As a result an impairment loss of Rs 2.5 Million (2017: Nil) has been charged on TREC.

- 8.2 During the year, rights of room located in building of Pakistan Stock Exchange, Karachi, is sold to Summit Bank Limited for Rs. 12,875,000 and gain of Rs 5,375,000 is recognized.

- 8.3 The Company has no internally generated intangible assets.

9 INVESTMENT PROPERTY

	Note	June 2018	June 2017
Balance as on July 01,		1,602,449,600	1,608,469,500
Acquisition during the year		<u>1,223,960,706</u>	<u>198,978,500</u>
		2,826,410,306	1,807,448,000
Disposal during the year	9.6	<u>(1,408,463,338)</u>	<u>(198,978,500)</u>
		1,417,946,968	1,608,469,500
Decrease in fair value		(148,501,186)	(6,019,900)
Balance as at June 30,	9.3	<u>1,269,445,782</u>	<u>1,602,449,600</u>

- 9.1 Investment Property comprises various shops / counters in shopping malls situated at Gujranwala and Gujrat. Properties having value of Rs. 1,264 Million (2017: 1,602 Million) are under mortgage by banks against borrowings.

One shop situated at Gujranwala Pace Shopping Mall was purchased during the year for Rs. 6.14 Million is held in the name of Pace (Pakistan) Limited. The transfer of title for this property is in process as at year end. However, the Company has complete control and possession of said property.

- 9.2 The direct operating expenses related to the investment property were Rs. 50,000/- (2017 Rs. 50,000/-).

- 9.3 The fair value of subject investment property is based on valuation that was carried out by M/s. Negotiator, independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2018. The valuer determined the fair value of Rs. 1,269,445,782/- (2017: 1,602,449,600/-), the effect of which has been incorporated in the financial statements. The table below analyse the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 6.21 & Note 9.4

9.4 "Recurring fair value measurements"

Investment properties

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

1,269,445,782

Fair value measurements at June 30 2017 using
"significant other observable inputs (Level 2)"
Rupees

Investment properties

1,602,449,600

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2018 or 2017.

Valuation techniques used to derive level 2 fair values:

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

9.5 Particulars of the investment properties are as follows:

Particulars	Location	Forced sale value		Forced sale value	
		Area Sq. Ft	June 2018 Rupees	Area Sq. Ft	June 2017 Rupees
Various shops, super market and counters	Grand Trunk Road, Pace Gujrat, Gujrat	47958	1,116,528,750	47958	1,244,420,550
Various shops	Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1581	25,972,454	7390	197,784,090
		49539	1,142,501,204	55348	1,442,204,640

9.6 Disposals of Investment properties (various shops and counters)

Carrying Value	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Sale	Particulars of Buyers
Rupees		Rupees			
378,982,700	378,982,700	364,296,000	(14,686,700)	Negotiation	Askari Bank Limited
85,420,428	85,420,428	77,671,718	(7,748,710)	Negotiation	Soneri Bank Limited
402,453,054	402,453,054	463,962,854	61,509,800	Negotiation	Summit Bank Limited
422,009,656	422,009,656	373,342,000	(48,667,656)	Negotiation	United Bank Limited
119,597,500	119,597,500	119,597,500	-	Negotiation	WorldCall Mobile (Pvt.) Limited
Total	1,408,463,338	1,398,870,072	(9,593,266)		

10 LONG TERM INVESTMENTS

	<i>Note</i>	June 2018	June 2017
		----- Rupees -----	
10.1 Investment in related parties			
Available for sale			
Media Times Limited - quoted shares	10.1.1	10,496,536	18,687,475
10.2 Other Investments			
Available for sale			
Pakistan Stock Exchange Limited - quoted shares	10.2.1	23,165,822	41,163,833
		33,662,358	59,851,308
10.1.1 Movement of Investment in related parties			
Opening balance on July 01, 6,067,362 (2017: 6,067,362) Fully paid ordinary shares of Rs. 10 each, Equity Held 3.39% (2017 : 3.39%)		18,687,475	10,132,495
Gain/(Loss) on remeasurement of investment available for sale charged to OCI		(8,190,939)	8,554,980
Closing balance on June 30,		10,496,536	18,687,475

Shares having value of Rs. 10,496,536/- (2017: Rs. 18,687,475/-) have been pledged with various commercial banks against long term financing.

10.2.1 Movement of other Investments	<i>Note</i>	2018	2017	2018	2017
		No. of Shares		No. of Shares	
Opening balance		1,602,953	4,007,383	41,163,833	24,156,320
Disposals during the year		(430,000)	(2,404,430)	(11,042,400)	(14,493,792)
Closing		1,172,953	1,602,953	30,121,433	9,662,528
Remeasurement of carrying shares	10.2.2	1,172,953	1,602,953	23,165,822	41,163,833
Unrealized gain charged to OCI				(6,955,611)	31,501,305
Cost of shares sold during the year		430,000	2,404,430	11,042,400	14,493,792
Sale proceeds from the disposal			2,404,430	(8,468,645)	(67,324,040)
Capital (loss) / gain realized transfer to profit & loss				(2,573,755)	52,830,248

"This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in accordance with requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX. Afterwards during 2017, PSX concluded bidding process for its equity stake where share price of Rs. 28 per share was offered by successful bidder. PSX sold these 60% (40% to the successful bidder & 20% to general public) shares of the company, held in separate blocked account in CDC at this price and sale proceeds were transferred in the designated bank account of the company. Currently, 1,081,194 shares having value of Rs. 21.3 Million are still held in block account."

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

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11 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS

		June 2018	June 2017
	Note	----- Rupees -----	
Pakistan Stock Exchange Limited		-	2,397,442
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,000,000	1,400,000
Other deposits and receivables	11.1	424,000	5,590,524
		<u>1,524,000</u>	<u>9,487,966</u>

11.1 This includes balance receivable from First Capital Securities Corporation Limited (Parent Company) Rs. NIL (June 2017 : Rs. 890,400/-).

12 TRADE DEBTS

Trade debts against purchase of shares:

Considered good - unsecured

		June 2018	June 2017
	Note	----- Rupees -----	
Clients		275,614,836	1,513,588,111
Considered doubtful:			
Clients		169,000,000	1,092,901,226
Members		169,000,000	3,911,979
			1,096,813,205
Less: Balance off set against provision for doubtful debts		-	(1,096,813,205)
Less: Provision for doubtful debts	12.1	(169,000,000)	-
		<u>275,614,836</u>	<u>1,513,588,111</u>

The company charged provision for doubtful debts, and signed various settlement agreements with the debtors. As a result the balance of debtors has significantly decreased. Trade debts also include various balances against which the company has filed suits for recovery in various courts as disclosed in Note 30 of accompanying financial statements. Based on past experience the management believes that no other provision is required in respect of other trade receivables, as these receivables are expected to be recovered subsequent to the year.

		June 2018	June 2017
	Note	----- Rupees -----	
12.1 Provision for doubtful debts			
Opening balance		-	1,096,813,205
Provision for Doubt full debts off set against the doubtful balances		-	(1,096,813,205)
Charge for the year		169,000,000	-
Closing balance		<u>169,000,000</u>	<u>-</u>

13 SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities

	13.1	46,381,295	86,805,188
		<u>46,381,295</u>	<u>86,805,188</u>

13.1 Quoted equity securities held for trading

	2018			2017		
	Number of Shares	Carrying Amount	Market Value	Number of Shares	Carrying Amount	Market Value
	Rupees			Rupees		
Investments in related parties						
First Capital Mutual Fund Limited	1,792	22,902	16,601	1,792	21,128	22,902
Media Times Limited	7,825,638	24,102,965	13,538,354	7,825,638	13,068,815	24,102,965
Pace (Pakistan) Limited	7,600,000	52,896,000	25,764,000	7,600,000	47,500,000	52,896,000
Other investments						
Arif Habib Limited	100	8,041	6,100	100	4,512	8,041
World Call Telecom Limited	917,500	2,776,255	1,770,775	800,000	1,568,000	2,440,000
Haseeb Waqas Sugar Mills Limited	-	-	-	-	-	-
PICIC Insurance Limited	32,000	112,000	70,400	32,000	172,800	112,000
Pioneer Cement Limited	11,000	1,430,000	515,460	11,000	1,181,400	1,430,000
D.G Khan Cement Limited	500	77,383	57,245	-	-	-
Pakistan Telecommunication Limited	34,000	530,740	388,960	34,000	511,020	530,740
Shaheen Insurance Company Limited	834,000	5,262,540	4,253,400	834,000	4,170,000	5,262,540
Total Investment		87,218,826	46,381,295		68,197,675	86,805,188
Gain / (loss) on remeasurement		(40,837,531)			18,607,513	
Total Investment as at June 30,		<u>46,381,295</u>			<u>86,805,188</u>	

- 13.2 Shares having carrying amount of Rs. 86,758,587/- (2017: Rs. 68,176,547/-) and market value of Rs. 46,080,674/- (2017: Rs. 86,782,286/-) are pledged as security against long term loans.
- 13.3 During the year capital loss of Rs. 1,146,619/- has occurred on sale of shares having cost of Rs. 68,984,062/-.
- 13.4 Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.

	<i>Note</i>	June 2018	June 2017
		Rupees	
14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - unsecured - considered good			
Executives	14.1	89,405	-
Employees	14.1	3,105,127	3,153,292
Deposits with Others		-	5,900
Prepayments		190,000	19,831
Exposure with Pakistan Stock Exchange Limited	14.2	6,130,454	18,548,313
Accrued brokerage commission		124,801	249,714
Accrued rental income		403,000	403,000
Other receivables - considered good		3,306,830	4,596,349
		13,349,617	26,976,399

14.1 Advances given to Executives / Employees are in accordance with the Company policy. Such advances are unsecured, interest free and are adjusted against salary / expenses claims. Advances to executives and employees does not include any amounts due from Chief Executive and Directors NIL (2017 : NIL).

14.2 This includes exposure deposit with the Pakistan Stock Exchange Limited under the exposure rules. This includes Rs. 2,500,000/ (2017: Rs. 18,000,000/-) deposited with PSX against requirement of Base Minimum Capital.

14.30.1 "Comparative figures have been restated to reflect changes in the definition of executives as per Companies Act, 2017."

	<i>Note</i>	June 2018	June 2017
		Rupees	
15 ADVANCE TAX			
Advance tax		5,308,401	22,020,420
		5,308,401	22,020,420

16 CASH AND BANK BALANCES

Cash at bank

Current accounts	16.1	44,563,115	74,990,189
Deposit accounts	16.2	61,981,988	3,941,691
		106,545,103	78,931,880
Cash in hand		78,381	59,381
		106,623,484	78,991,261

16.1 Current accounts include clients' balances held in designated bank accounts of Rs. 44,026,618/- (2017: Rs. 74,281,396/-)

16.2 These carry profit at rates ranging from 3% to 4% per annum (2017: 3% to 4% per annum).

17 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2018 Number of Shares			2018 Rupees		2017
73,316,250	73,316,250	Shares issued against cash consideration Shares of Rs. 10/- each fully paid	733,162,500		733,162,500
-	-	Shares issued against consideration other than cash	-		-
68,019,250	68,019,250	Bonus shares of Rs. 10/- each fully paid	680,192,500		680,192,500
<u>141,335,500</u>	<u>141,335,500</u>		<u>1,413,355,000</u>		<u>1,413,355,000</u>

17.1 The Company is a subsidiary of First Capital Securities Corporation Limited - a listed company which holds 103,494,200 (73.23%) ordinary shares (2017: 103,494,200 (73.23 %)) of the Company.

18 OTHER RESERVES

The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets are derecognized or impaired. The details are as under:-

	Note	Media Times Limited	Pakistan Stock Exchange Limited	Total
Balance as on July 01, 2017		(39,737,454)	31,501,306	(8,236,148)
Fair value decrease during the year charge to OCI		(8,190,939)	(9,529,365)	(17,720,304)
Gain realized on sale of available for sale assets transferred to profit or loss			(5,876,625)	(5,876,625)
Impairment loss	18.1	47,928,393	-	47,928,393
Balance as on June 30, 2018		-	16,095,316	16,095,316

18.1 This represents the diminishing in value to continuous fall in market value and difficulties faced by issuer.

19 LONG TERM FINANCING

	Note	June 2018	June 2017
Long term financing - Secured - Other than related parties			
Loans from banking companies	19.1	1,107,686,013	2,362,732,545
Deferred notional income	19.3	(42,695,331)	(26,011,163)
		<u>1,064,990,682</u>	<u>2,336,721,382</u>
Less: Current portion shown under current liability		<u>(5,459,282)</u>	<u>(2,206,000)</u>
Long term portion		<u>1,059,531,400</u>	<u>2,334,515,382</u>

19.1 This includes agreements with different commercial banks with an original mark up rates of 8% and 3 months kibar plus 1.5% to 4 % p.a (2017: 8% and 3 months kibar plus 1.5% to 4 % p.a). But owing to the negotiations with the banks the markup on these loans was either waived or frozen.

19.2 During the year the company entered into debt property swap agreement with banks. As a result loans having carrying amount of Rs. 1,255,046,533/- have been paid / adjusted against disposal of buildings and investment property. Some of the loan facilities are restructured during the year and the difference between the amortized cost and carrying value has been charged to profit or loss.

19.3 This represents the difference between amortization cost and carrying value and restructuring of long term loans. Amortized cost has been determined using effective interest rate 8.05% to 12.29% (2017: 6.05% to 9.05%) per annum based on the original loan agreement. Movement is as follows:

	2018	2017
	----- Rupees -----	
Deferred notional income		
As at beginning of the year	26,011,163	59,732,842
Occurred during the year	27,399,232	-
Amortized during the year	(10,715,064)	(33,721,679)
As at end of the year	42,695,331	26,011,163

20 DEFERRED LIABILITIES

Provision for Gratuity	38,506,461	36,208,177
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20.1 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, 2018.

	2018	2017
	----- Rupees -----	
Statement of financial position		
Present value of defined benefits obligations	37,609,800	34,881,310
plus payables	896,661	1,326,867
Balance sheet liability/(asset)	38,506,461	36,208,177

Change in present value of defined benefits obligations

Present value of defined benefits obligation	34,881,310	31,592,079
Current service cost	3,906,336	2,634,735
Past service cost (credit)	-	-
Interest cost on defined benefits obligation	3,220,329	2,671,702
Benefits due but not paid (payables)	(94,794)	(1,186,867)
Benefits paid	(39,096)	(2,626,133)
Gain and losses arising on plan settlements	-	-
Re-measurements:		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	57,509	18,943
Experience adjustments	(4,321,794)	1,776,851
Present value of defined benefits obligation	37,609,800	34,881,310

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	2018	2017
	----- Rupees -----	
<u>Expenses to be charged to P&L</u>		
Current service cost	3,906,336	2,634,735
Past service cost (credit)	-	-
Gain and losses arising on plan settlements	-	-
Interest cost on defined benefits obligation	3,220,329	2,671,702
<u>Expenses chargeable to P&L</u>	7,126,665	5,306,437
<u>Total re-measurements chargeable in other comprehensive income</u>		
<u>Remeasurement of plan obligation:</u>		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	57,509	18,943
Experience adjustments	(4,321,794)	1,776,851
	(4,264,285)	1,795,794
<u>Change in net liability</u>		
Balance sheet liability/(asset)	36,208,177	32,284,579
Expenses chargeable to P&L	7,126,665	5,306,437
Re-measurements chargeable in other comprehensive income	(4,264,285)	1,795,794
Benefits paid	(564,096)	(2,626,133)
Adjustment to last years payables	-	(552,500)
Balance sheet liability/(asset)	38,506,461	36,208,177
<u>Significant actuarial assumptions</u>		
Discount rate for interest cost in P&L charge	9.25%	9.00%
Discount rate for year end obligation	10.00%	9.25
Salary increase used for year end obligation		
Salary increase FY 2018	9.00%	8.25%
Salary increase FY 2019	9.00%	8.25%
Salary increase FY 2020	9.00%	8.25%
Salary increase FY 2021 onward	9.00%	8.25%
Salary increase FY 2022	9.00%	8.25%
Salary increase FY 2023 onward	9.00%	8.25%
Next salary is increased at	July 01, 2018	July 01, 2017
Mortality rates	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Retirement assumption	Age 60	Age 60
21 TRADE AND OTHER PAYABLES	2018	2017
	----- Rupees -----	
Payable against sale of shares - un secured		
Clients	43,791,173	72,488,591
Members	-	-
Accrued and other liabilities	21.1 43,954,163	29,719,639
Withholding tax payable	9,441,717	4,388,796
	97,187,053	106,597,027

21.1"This includes balance payable to associated company i.e. Falcon Commodities ((Pvt.)) Limited for expenses sharing Rs. 3,336,132/- (June 2017: Rs. 3,336,132/-)."

22 INVESTMENT IN ASSOCIATES

All the Investments in associated Companies are in accordance with the provisions of Companies Act, 2017 except the 7.6 million ordinary shares of Pace (Pakistan) Limited that were acquired as part of settlement of overdue outstanding balance related to certain clients in preceding years. However, as per the Instructions of Securities and Exchange Commission of Pakistan the Company has decided to obtained ratification of these shares in the forthcoming Annual General Meeting.

23 BROKERAGE INCOME

	June 2018	June 2017
	----- Rupees -----	
Brokerage income - gross	50,473,359	92,735,834
Less:		
Sales tax	(6,099,228)	(11,397,909)
Capital value tax	(2,081,681)	(3,011,083)
Brokerage income - net	<u>42,292,450</u>	<u>78,326,842</u>

24 CAPITAL GAIN / (LOSS)

Gain/(Loss) on sale of investment at fair value through profit or loss	13.3	(1,146,619)	12,206,573
Gain/(Loss) on derecognition of available for sale investments reclassified from equity	18	5,876,625	52,830,248
		<u>4,730,006</u>	<u>65,036,821</u>

25 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and benefits		61,402,249	62,920,980
Provision for gratuity	20.1	7,126,666	5,306,437
Stock Exchange and settlement charges		4,509,627	5,490,156
Rent, rates and taxes		2,149,333	1,858,576
Communication		3,968,723	4,344,337
Utilities		4,003,401	3,052,407
Insurance		504,397	808,412
Printing and stationery		646,546	714,277
Traveling and conveyance		1,015,275	1,115,304
Repair and maintenance		4,579,195	3,768,848
Postage and courier		683,910	1,193,390
Newspaper and periodicals		91,213	99,204
Entertainment		1,768,074	1,719,587
Legal and professional		4,065,354	4,418,769
Deposits written off directly		456,145	-
Provision / Bad Debts written off directly		169,000,000	100,621,409
Advertisement		128,000	202,816
Auditors' remuneration	25.1	1,040,000	1,040,000
Depreciation	7.1	3,760,580	5,572,188
Fee and subscription		3,273,976	3,584,660
CDC and stamps charges		2,908,152	1,810,962
Impairment expense		2,500,000	-
Other expenses		4,238,731	976,056
		<u>283,819,547</u>	<u>210,618,775</u>

	2018	2017
	----- Rupees -----	
25.1 Auditors' remuneration		
Statutory audit	625,000	625,000
Half year review	215,000	215,000
Certifications	200,000	200,000
	<u>1,040,000</u>	<u>1,040,000</u>

26 FINANCE COST

Mark-up on short term borrowings	-	17,836,968
Mark-up on long term financing	-	12,116,297
Loan settlement cost	6,862,140	-
Mark up amortized	10,715,064	33,721,679
Bank charges	349,730	341,723
	<u>17,926,934</u>	<u>64,016,667</u>

27 OTHER INCOME

Income from financial assets

Return on deposit accounts	715,911	893,522
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Income from assets other than financial assets

Gain on sale of property and equipment	40,444,878	153,517
Gain on sale of intangibles	5,375,000	-
Gain on Sale of Investment Property	(9,593,266)	142,368,000
Unrealized (Loss)/gain on re-measurement of investment Property	(148,501,186)	(6,019,900)
Accrued interest written back	423,264,921	268,557,454
Gain on Remeasurement of financial liability at amortized cost	27,399,232	-
Miscellaneous income	2,979,816	955,693
	<u>341,369,395</u>	<u>406,014,764</u>
	<u>342,085,306</u>	<u>406,908,286</u>

28 TAXATION

Current year

-Alternate Corporate Tax	28.1	-	11,573,287
-Final Tax		8,375,251	19,178,431
		8,375,251	30,751,718
Prior year		(14,236,797)	-
		<u>(5,861,546)</u>	<u>30,751,718</u>

28.1 During the year the Company's revenue subject to final tax under section 233A of the Income Tax Ordinance, 2001. Since the Company is liable to pay final tax under section 233A and 150 of the Income Tax Ordinance 2001, therefore, no numerical tax reconciliation is produced.

28.2 The Company have a deferred tax asset on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However as sufficient taxable profits may not be available in foreseeable future, the Company has not recognized deferred tax asset in these financial statements. The details are as follows:

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	June 2018	June 2017
	----- Rupees -----	
Deductible temporary differences	209,729,860	29,793,216
Taxable Temporary differences	(2,500,000)	(5,000,000)
Tax losses	865,908,349	1,262,790,668
Unrecognized deferred tax asset	<u>321,941,463</u>	<u>387,775,165</u>

28.2.1 During the year company recognized deferred tax asset on to the extend of deferred tax liability amounting Rs. 750,000 (2017 Rs. 1,500,000).

28.3 The Company computes current tax expense based on generally accepted interpretations of the tax laws to ensure that the sufficient provision of taxation is available. According to management the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2018	2017	2016
	----- Rupees -----		
Income tax provision for the year (as per accounts)	30,751,718	6,456,452	21,193,428
Income tax as per tax assessment	16,514,920	6,456,452	812,459

		June 2018	June 2017
		----- Rupees -----	
29 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED	<i>Note</i>		
Profit after taxation attributable to ordinary share holders - Rupees		5,115,697	264,003,257
Number of ordinary shares		<u>141,335,500</u>	<u>141,335,500</u>
Earning /(loss) per share - Basic and Diluted - Rupees per share	29.1	<u>0.04</u>	<u>1.87</u>

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

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 During the year 2007-08, Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its reply to the show cause notice to the SECP. SECP has decided the case and has imposed a fine of Rs. 500,000/- on the Company on April 17, 2009. The Company has filed an appeal in Appellate Tribunal SECP against the aforesaid order which was set aside by Tribunal on December 03, 2015 with an instructions to initiate fresh proceedings as per law.

30.1.2 During the year 2008-09, M/s Savari ((Pvt.)) Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura ((Pvt.)) Limited, the clients of the Company has defaulted to pay their debts Rs. 239,900,022/-. The Company has filed a suit on February 01, 2009 in Civil Court, Lahore for recovery from these clients. The Management is confident that company would be able to recover the above stated debt.

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

the request of the Universal Equities ((Pvt.)) Limited to interfere in the order of the Learned Trial Court passed in favor of the Company. Later on the civil suit filed by the Universal Equities (Pvt.) Limited was dismissed by the court. However the company has also filed an application on June 20, 2011 for winding up the Universal Equities (Pvt.) Limited before the honorable Lahore High Court Lahore. Which is pending before the High Court and the company is confident of a favorable decision in the case.

- 30.1.4** During the year 2010-11, the JS Bank Limited demanded immediate repayment of outstanding liabilities in relation to finance facilities availed by the Company and a Notice u/s 176 of the “Contract Act 1872” was served to the Company by the JS Bank whereby selling of all pledged securities was threatened if the outstanding liability was not discharged. The Company has filed a suit on February 03, 2011 before the Sindh High Court at Karachi under the original banking jurisdiction for recovery of an aggregate amount of Rs. 318,915,192/- on account of actual losses and accrued damages against the JS Bank Limited for charging the exorbitant interest rate and unilaterally changing the margin requirements of the securities pledged with JS Bank Limited and alleged sale of some of pledged securities. The Company has raised strong legal and factual objections in respect to the threatened sale of the pledged securities and has obtained an injunctive order whereby the JS Bank Limited has been restrained from selling the securities pledged by the Company. The mark up portion claimed by the bank is Rs. 82.29 million. The court may also award the cost of fund together with cost of suit, if the case is decided against the company. The legal advisors are confident of success of the case in company's favor.
- 30.1.5** A case was filed in the Sindh High Court on May 19, 2009 for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. The outstanding balance is against various clients under the agency agreement.
- 30.1.6** In the year 2014-15, the Company was contesting the case with Askari Bank Limited in the Honorable High Courts of Sindh and Lahore filed on February 04, 2014, in which PLA to defend the cases has been filed by the Company. The Company has also lodged counter claim and claim damages from Askari Bank Limited. During the year Company entered in to a settlement agreement with Askari Bank Limited and Company disposed the counter claim while the Bank agreed to withdraw the original case as per the settlement agreement.
- 30.1.7** During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Securities Corporation Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the recovery of Rs. 105.78 from the Company against reverse repo purchase transaction and insurance premium or cumulative recovery of Rs. 188.74 Million from First Capital Securities Corporation Limited. The case is pending before the honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.
- 30.1.8** During the year 2016-17, Soneri Bank Limited has filed suit against the company on May 27, 2016 for recovery of Rs. 148,342,600/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. During the year Company entered in debt property swap agreement with Bank, as per settlement agreement negotiated the Bank agrees to withdraw this case on settlement of agreed liability.
- 30.1.9** During the year 2016-17, JS Bank Limited has filed suit against the company on May 05, 2017 for recovery of Rs. 234,484,862/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. The legal advisor is confident of success of the case in company's favor.
- 30.1.10** During the current year, Al-Hoqani Securities has filed suit against the Company, First Capital Securities Corporation Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property situated n Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor.

30.1.11 During the year ending June 2018 a complaint was filed by Mr. David Williams Jeans before the Learned Judge, Consumer Court, Lahore on November 11, 2017 against the Company stating therein that an amount of € 12,750/- had been transferred in 2003 to the Company for the purchase of shares of World Call Company. The claimant sought relief of Rs. 2,200,000 and € 12,750/- against the Company. While as per the legal counselor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on this legal counselor opinion management decided not to record any provision as value of provision is not certain and material.

30.1.12 The Company has entered into an arrangement with different commercial banks for modification in the terms of their financial liabilities. The bank has frozen/waived off their accrued markup and any further markup on certain terms and conditions. The main issue in this restructuring is that if the company failed to comply with the terms of agreements, the concession / reliefs shall stand withdrawn. The Company is very much confident that they will adhere to all the terms and conditions.

30.2 Commitments

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

	<u>Less than one year</u>	<u>One year and above</u>
	Rupees	Rupees
Commitments in respect of:		
Sale of shares	517,215,269	-
Purchase of shares	513,507,359	-
Sale of property to Soneri Bank Limited	5,459,282	-

31 TRANSACTIONS WITH RELATED PARTIES

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

	Basis of relationship	Nature of transaction	2018	2017
First Capital Securities Corporation Limited	Parent (73.23% shareholding)	Brokerage Income	112,560	27,396
		Receipt of outstanding balance	890,400	-
Pace Pakistan Limited	Associated undertaking (2.73% shareholding)	Purchase of Investment Property	378,000,000	-
		Brokerage Income	4,741	-
First Capital Mutual Fund	Associated undertaking (0.016% shareholding)	Brokerage Income	42,980	119,324
Shahryar Taseer	Director/Key Management Personnel of parent company	Brokerage Income	-	20,500
Shahbaz Taseer		Brokerage Income	-	25

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

32 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.

32.1 Credit risk

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

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

32.1.1 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:

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	June 2018	June 2017
	----- Rupees -----	
Long term deposits and advances	1,524,000	9,487,966
Trade debts - unsecured	275,614,836	1,513,588,111
Advances, deposits and other receivables	13,159,617	26,956,568
Interest accrued	75,648	81,798
Bank balance	106,545,103	78,931,880
	<u>396,919,204</u>	<u>1,629,046,324</u>

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

	Short Term	Long Term	Agency	June 2017	June 2016
	----- Rupees -----				
Askari Bank Limited	A1	AA+	PACRA	38,306	415,707
Bank Alfalah Limited	A-	AA+	JCR - VIS	516,719	704,036
Bank Al Habib Limited	A1	AA+	PACRA	6,610	6,610
Bank Islami Limited	A1	A+	JCR - VIS	1,560	1,560
Faysal Bank Limited	A-	AA	JCR - VIS	3,806	1,644
Habib Metropolitan Bank Limited	A1	AA+	PACRA	29,832	29,831
MCB Bank Limited	A	AAA	PACRA	65,905,564	36,864,533
Dubai Islamic Bank	A-	AA-	JCR - VIS	40,023,200	40,009,000
NIB Bank Limited	A1	A	PACRA	17,863	897,316
United Bank Limited	A-	AAA	JCR - VIS	1,643	1,643
				<u>106,545,103</u>	<u>78,931,880</u>

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

Other clients					
Neither past due nor impaired 1 - 30 days	32.1.2.1	9,384,911	483,060,711		
Past due 30 - 90 days		2,254,579	419,817,575		
Past due 90 - 180 days		741,462	178,898,972		
Past due 180 - 365 days		1,037,922	413,854		
More than 1 year		262,195,962	431,396,998		
		<u>275,614,836</u>	<u>1,513,588,110</u>		

32.1.2.1 This Include client balance of Rs. 5,343,150/- with in 5 days.

Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is mainly concentrated in trade debts where major transactions are entered into with credit-worthy counterparties there by mitigating any significant concentrations of credit risk.

32.2 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 as only 4% of total liabilities are due within next 12 months.

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

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	1,064,990,682	-	5,459,282	1,059,531,400	-
Trade & other payables - Unsecured	97,187,053	97,187,053	-	-	-
Interest accrued	144,800,249	-	-	144,800,249	-
	1,306,977,984	97,187,053	5,459,282	1,204,331,649	-

The following are the contractual maturities of financial liabilities as on June 30, 2017.

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	2,336,721,382	1,226,610	979,390	2,334,515,382	-
Trade & other payables - Unsecured	106,597,027	106,597,027	-	-	-
Interest accrued	568,065,170	-	-	568,065,170	-
	3,011,383,579	107,823,637	979,390	2,902,580,552	-

32.3 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.

32.3.1 Currency risk

Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. There were no dealings with foreign clients during the year, except as disclosed in Note 30.1.10. Since the company's legal counsel is confident that no outflow will occur, as a result it is assumed that there is no exposure to foreign currency risk.

Sensitivity analysis

A 5 % strengthening of Pak Rupees against the above currency would have decreased equity and decrease in Profit & Loss Account by NIL (2017 : NIL). This analysis assumes that all other variables were held constant.

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

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

32.3.2 Interest Rate Risk

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

	2018		2017	
	Effective interest rate	Carrying value	Effective interest rate	Carrying value
	Rupees		Rupees	
Bank Balances	3% to 4%	61,981,988	3% to 4%	3,941,691
Financial liabilities				
Long term financing	upto 12.29%	969,020,543	upto 9.05%	1,964,711,363

32.3.3 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. 80,043,653/- (2017 : Rs. 146,656.496/-) at the year end.

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

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date 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.

The total number of clients of the company are 2,557 and the total holding against these clients is Rs. 969.03 million.

Sensitivity analysis

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

2018					
	Fair value	“Hypothetical price change”	Estimated fair value after hypothetical change in prices”	Estimated fair value after hypothetical change in prices”	“Hypothetical increase/(decrease) in profit /(loss) before tax”
Investments					
Long term investments	33,662,358	+10%	37,028,594	3,366,236	-
		-10%	30,296,122	(3,366,236)	-
Short term investments	46,381,295	+10%	51,019,425	4,638,130	4,638,130
		-10%	41,743,166	(4,638,130)	(4,638,129)
2017					
	Fair value	“Hypothetical price change”	Estimated fair value after hypothetical change in prices”	Estimated fair value after hypothetical change in prices”	“Hypothetical increase/(decrease) in profit /(loss) before tax”
Long term investments	59,851,308	+10%	65,836,439	5,985,131	-
		-10%	53,866,177	(5,985,131)	-
Short term investments	86,805,188	+10%	95,485,707	8,680,519	8,680,519
		-10%	78,124,669	(8,680,519)	(8,680,519)

32.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is measured in accordance with Note 6.21.

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

	2018			
	Level 1	Level 2	Level 3	Total
	Rupees			
Recurring fair value measurements				
Long term investments classified as "Available for Sale"	33,662,358.00	-	-	33,662,358.00
Short term investments classified as "Held for Trading"	46,381,295.00	-	-	46,381,295.00

	2017			
	Level 1	Level 2	Level 3	Total
	Rupees			
Long term investments classified as "Available for Sale"	59,851,308	-	-	59,851,308
Short term investments classified as "Held for Trading"	86,805,188	-	-	86,805,188

Valuation techniques used to measure fair values

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

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

32.4 Capital Risk Management

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

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

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

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

32.5 Financial instruments by category

	2018			Total
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	
	Rupees			
Investments - available for sale	-	-	33,662,358	33,662,358
Long term deposits and advances	1,524,000	-	-	1,524,000
Trade debts - unsecured	275,614,836	-	-	275,614,836
Short term Investment	-	46,381,295	-	46,381,295
Advances, deposits and other receivables	13,159,617	-	-	13,159,617
Interest accrued	75,648	-	-	75,648
Cash and bank balances	106,623,484	-	-	106,623,484
	396,997,585	46,381,295	33,662,358	477,041,238

	2018		Total
	Liabilities at fair value through profit or loss	Other financial liabilities	
Long term financing	-	1,064,990,682	1,064,990,682
Interest Accrued	-	144,800,249	144,800,249
Trade & other payables - Unsecured	-	97,187,053	97,187,053
	-	1,306,977,984	1,306,977,984

	2017			Total
	Loans and receivables	Assets at fair value through profit or loss	Available for sale	
	Rupees			
Investments - available for sale	-	-	59,851,308	59,851,308
Long term deposits and advances	9,487,966	-	-	9,487,966
Trade debts - unsecured	1,513,588,111	-	-	1,513,588,111
Short term Investment	-	86,805,188	-	86,805,188
Advances, deposits and other receivables	26,956,568	-	-	26,956,568
Interest accrued	81,798	-	-	81,798
Cash and bank balances	78,991,261	-	-	78,991,261
	1,629,105,704	86,805,188	59,851,308	1,775,762,200

	2017		Total
	Liabilities at fair value through profit or loss	Other financial liabilities	
Long term financing	-	2,336,721,382	2,336,721,382
Interest Accrued	-	568,065,170	568,065,170
Trade & other payables - Unsecured	-	106,597,027	106,597,027
	-	3,011,383,579	3,011,383,579

33. CORRESPONDING FIGURES

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

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2018 1	2017 1	2018 2	2017 2	2018 8	2017 6
	RUPEES					
Managerial Remuneration	2,760,000	2,760,000	4,711,398	3,473,333	10,992,256	11,665,699
House Rent	1,104,000	1,104,000	1,884,559	1,389,333	4,396,903	4,666,280
Medical Expenses Reimbursed	288,914	93,973	-	-	-	-
Provision for gratuity	345,000	345,000	290,000	465,000	1,145,000	2,350,000
Utilities	276,000	276,000	471,140	347,334	1,099,226	1,166,570
Commission	-	-	-	-	186,688	-
	4,773,914	4,578,973	7,357,097	5,675,000	17,820,073	19,848,549

- 34.1** In addition, Chief Executive, Directors and some executives have been provided with Company maintained cars.
- 34.2** No meeting fees were paid to any of the directors for attending the Board/ Audit Committee meetings (2017: Nil).
- 34.3** Total number of employees are 66 as on June 30, 2018 (June 2017 : 67) and average employees during the year were 66 (June 2017 : 66).
- 34.4** "Comparative figures have been restated to reflect changes in the definition of executives as per Companies Act, 2017."

AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on October 04 2018.

GENERAL

Figures have been rounded off to the nearest rupee .

Director

Chief Executive Officer

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED

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: _____

Option 1 Appointing other person as Proxy

I/We _____ S/o D/o W/o _____
CNIC _____ being the member(s) of First Capital
Equities Limited hereby appoint Mr./Mrs./Ms./ _____ S/o D/o W/o _____
CNIC _____ or failing him / her Mr. / Mrs. Miss
_____ S/o. D/o. W/o. _____ CNIC _____
as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting
of the Company to be held on 26 October 2018 at 03:00 p.m. and at any adjournment thereof.

Signed under my/our hands on this _____ day of _____, 2018

Affix Revenue Stamp of
Rupees Five

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

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

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

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

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

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

(Please See Notes on reverse)

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head Office of the Company 2nd and 3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Execution officer by the intermediary as Proxy.
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

پراکسی فارم

..... فوئیو نمبر/ CDC اکاؤنٹ نمبر:

..... موجود حصص:

کمپنی سیکریٹری

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

دوسری منزل، پیس شاپنگ مال،

فورٹریس سٹیڈیم، لاہور کیٹ، لاہور

پہلی وضع

دوسرے شخص کو پراکسی مقرر کرنا

میں/ ہم ولد/ بنت/ زوجہ شناختی کارڈ

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

..... ولد/ بنت/ زوجہ شناختی کارڈ نمبر

..... کو اس کی ناکامی کی صورت میں

..... ولد/ بنت/ زوجہ شناختی کارڈ نمبر

..... 26 اکتوبر 2018ء کو دن 03:00 بجے منعقد ہونے والے سالانہ اجلاس یا اس کے کسی بھی

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

..... بتاریخ

..... زیر دستخط

رکن کے دستخط

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

کی موجودگی میں دستخط کئے گئے

.....

گواہ 2 کے دستخط

گواہ 1 کے دستخط

دوسری وضع

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

میں/ ہم ولد/ بنت/ زوجہ شناختی کارڈ

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

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

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

تاریخ.....
زیر دستخط.....

کی موجودگی میں دستخط کئے گئے

گواہ 2 کے دستخط

گواہ 1 کے دستخط

(برائے مہربانی پشت پر نوٹس دیکھیں)

نوٹس:

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

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

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