



FCSC

First Capital Securities Corporation Limited



FIRST CAPITAL SECURITIES CORPORATION LIMITED

VISION

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier telecom and financial services group.

MISSION

At First Capital Securities Corporation Limited we are committed to provide high quality services in a positive environment that encourages innovation, creativity and teamwork, promotes ethical and efficient behavior and enables shareholders to maximize the returns on their investments.

First Capital Securities Corporation Limited

Company Information

Board of Directors

Shehribano Taseer (Chairman)	Non-Executive
Aamna Taseer (CEO)	Executive
Shahbaz Ali Taseer	Non-Executive
Shehryar Ali Taseer	Non-Executive
Naeem Akhtar	Non-Executive
Mustafa Mujeeb Chaudhry	Independent
Umair Fakhar Alam	Independent

Chief Financial Officer

Saeed Iqbal

Audit Committee

Umair Fakhar Alam (Chairman)
Shehribano Taseer (Member)
Naeem Akhtar (Member)

Human Resource and Remuneration (HR&R) Committee

Umair Fakhar Alam (Chairman)
Aamna Taseer (Member)
Shehribano Taseer (Member)

Risk Management Committee

Shehribano Taseer (Chairperson)
Aamna Taseer (Member)
Umair Fakhar Alam (Member)

Company Secretary

Sajjad Ahmad

Auditors

Malik Haroon Ahmad & Co.
Chartered Accountants

Legal Advisers

M/s. Ibrahim and Ibrahim
Barristers and Corporate Consultants Lahore

Bankers

Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Soneri Bank Limited
Silkbank Limited

Registrar and Shares Transfer Office

Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial Model Town
Lahore
Tel: ☐(042) 35839182

Registered Office

First Capital House
96-B/1, Lower Ground Floor
M.M. Alam Road, Gulberg-III
Lahore, Pakistan
Tele: + 92-42-35778217-18



**First
Capital
Securities
Corporation Ltd**

REGISTERED OFFICE:
FIRST CAPITAL HOUSE
96-B/1, Lower Ground Floor,
M.M. Alam Road, Gulberg-III, Lahore.
Tel: +92-42-35778217-8

FIRST CAPITAL SECURITIES CORPORATION LIMITED

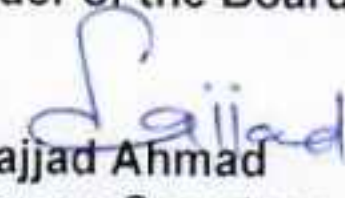
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of First Capital Securities Corporation Limited ("the Company" or "FCSC") will be held on Monday, 28 October 2024 at 11:30 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 27 November 2023;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2024 together with the Chairman's Review, Directors' Report and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2025 and to fix their remuneration;

By order of the Board


Sajjad Ahmad
Company Secretary

Lahore:
07 October 2024

Notes:-

- 1) In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the annual report including the financial statements of the Company for the year ended June 30, 2024 can be viewed using the following link and QR enabled code:

- a) Weblink: http://pacepakistan.com/Pacepakistan/finance_fcsc.html
- b) QR Enabled Code:



- c) The annual report for the year ended June 30, 2024 is also available on website of the Company i.e www.pacepakistan.com

- 2) The Members Register will remain closed from 21 October 2024 to 28 October 2024 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2024 will be treated in time for the purpose of Annual General Meeting.
- 3) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.
- 4) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore, not less than 48 hours before the time of the meeting.
- 5) Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of any other agenda item classified as Special Business subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or E-Voting, in accordance with the requirements and procedure contained in the aforesaid Regulations.
- 6) Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.

The demand for video-link facility shall be received by the Share Registrar of the Company or directly to the Company at the email address given herein blow at least 7 (seven) days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: www.pacepakistan.com

Further, in compliance with Circular 04, of 2021 dated 15.02.2021, the shareholders of the Company can opt to attend the meeting through Video/Webex/Zoom or other electronic means. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2024 and who are interested to attend meeting through Video Link/Zoom are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 48 hours before the meeting:

Email: sajjadahmad@pacepakistan.com, jawahar@pacepakistan.com,
WhatsApp Number 0303-4444800, 0302-8440935

Shareholders are requested to fill the particulars as per the blow table:

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	No. of Shares held	Cell No.	Email address

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

The members can also send their comments/suggestions related to the agenda items of the meeting on the above mentioned email and Whats App number. The login facility will be

opened 10 minutes before the meeting time to enable the participants to join the meeting.

- 7) Address of Independent Share Registrar of the Company: Name: **Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, (042) 35839182**
- 8) The Notice of Annual General Meeting has been placed on the Company's website:

- 9) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 10) The Company Circulate Annual Audited Accounts through CD/DVD and Email (in case email address has been provided). Further, the Company shall send the complete hard copy in case request has been made to the Company by a member;
 - 11) Members are requested to notify any change in their registered address immediately;

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس بذا مطلع کیا جاتا ہے کہ فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ ("کمپنی" یا "FCSC") کے شیئرز ہولڈرز کا اکتیسواں (31واں) سالانہ اجلاس عام مورخہ 28 اکتوبر 2024ء بروز پیر دن 11:30 بجے کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 1-B-96، ایم ایم عالم روڈ، گلبرگ III، لاہور میں مندرجہ ذیل امور پر کارروائی کے لئے منعقد ہوگا:

عمومی امور

1. 27 نومبر 2023ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ چیئرمین کا تجزیہ، ڈائریکٹرز رپورٹ اور آڈیٹرز رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کی تقرری کرنا اور ان کا معاوضہ طے کرنا۔

بجکم بورڈ

سجاد احمد
کمپنی سیکریٹری

لاہور:

07 اکتوبر 2024ء

مندرجات:

- (1) کمپنیز ایکٹ 2017ء کے سیکشن 223 اور S.R.O. نمبر 389(I)/2023 مورخہ 21 مارچ، 2023ء کی پیروی میں 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ رپورٹ بمعہ مالیاتی اسٹیٹمنٹس مندرجہ ذیل لنک اور QR کوڈ کے ذریعے ملاحظہ کی جاسکتی ہیں:

a. ویب لنک http://pacepakistan.com/Pacepakistan/finance_fcsc.html

b. QR کوڈ



c. 30 جون 2024ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ کمپنی کی ویب سائٹ www.pacepakistan.com پر بھی دستیاب ہے۔

- (2) اراکین کار جسٹر مورخہ 21 اکتوبر 2024ء، 28 اکتوبر 2024ء (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2024ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرار کارپ لنک (پرائیویٹ) لمیٹڈ، 1-K کمرشل ماڈل ٹاؤن لاہور اور کمپنی کے شیئرز ٹرانسفر آفس کو موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت وصولی شمار کیا جائے گا۔

- (3) اجلاس میں شرکت اور رائے شماری کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے رکن کو اپنا کسی مقرر کر سکتا ہے۔ کارآمد کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔

- (4) کارآمد کرنے کی غرض سے پراکسیز کا دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 1-B-96، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

- (5) خصوصی قرارداد پر مشتمل ایجنڈا آخر کے لئے کمپنیز (پوسٹل بیلٹ) قواعد 2018ء کی پیروی میں اور کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 سے مشروط اراکین کو بذریعہ پوسٹل بیلٹ یعنی بذریعہ ڈاک یا ای ویونگ اپنا حق رائے دہی استعمال کرنے کا اختیار ہوگا جو مذکورہ بالا ضوابط میں درج اصولوں اور طریقہ کار کے عین

مطابق ہوگا۔

(6) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد کل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز کمپنی کو ویڈیو لنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کا مطالبہ کر سکتے ہیں۔

وڈیو لنک سہولت کی درخواست اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست اسٹینڈرڈ فارم پر دی جائے۔ یہ اسٹینڈرڈ فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔

مزید یہ کہ، مورخہ 15.02.2021 کے سرکلر نمبر 04/2021 کی تعمیل میں کمپنی کے شیئر ہولڈرز ویڈیو/ویب ایکس/زوم یا دیگر برقی ذرائع سے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2024ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کی کتابوں میں ظاہر ہوتے ہیں اور وہ آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہش مند ہیں تو انہیں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

ای میل: jawahar@pacepakistan.com ; sajjadahmad@pacepakistan.com

فون نمبر: 0303-4444800 ; 0302-8440935

شیئر ہولڈرز سے التماس ہے کہ وہ اپنی تفصیلات مندرجہ ذیل جدول کے مطابق پُر کریں۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو نمبر/CDC اکاؤنٹ نمبر	تعداد ملکیتی حصص	موبائل نمبر	ای میل ایڈریس

خواہش مند شیئر ہولڈرز سے مذکورہ بالا معلومات کی وصولی پر کمپنی ان کے ای میل ایڈریس پر لاگ ان تفصیلات/پاس ورڈ بھیجے گی۔ اجلاس کے دن شیئر ہولڈرز اپنے سمارٹ فون یا کمپیوٹر ڈیوائس کے ذریعے کسی بھی مناسب مقام سے لاگ ان کر کے اجلاس کی کارروائی میں شرکت کر سکتے ہیں۔

اراکین اجلاس کے ایجنڈا آئٹمز سے متعلق اپنی آراء/تجاویز بھی مذکورہ بالا ای میل ایڈریس اور فون نمبر پر بھیج سکتے ہیں۔ لاگ ان کی سہولت اجلاس کے انعقاد سے 10 منٹ قبل کھولی جائے گی تاکہ شرکا، اجلاس میں شرکت کر سکیں۔

(7) کمپنی کے خود مختار شیئر رجسٹرار کا پتہ: کارپ لنک (پرائیویٹ) لمیٹڈ، بنگلز آر کیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور (042)-35839182

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

(9) (a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بنی فیشنل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور

اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ

جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

(b) پراسیز کے تقرر کے لئے، CDC کا فرد واحد بنی فیشنل مالک مذکورہ بالا تقاضوں کے مطابق پراسیز فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ذیلی

اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتہ اور CNIC نمبر کے ساتھ پراسیز فارم کی

توثیق ہونی چاہئے۔ پراسیز کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط

کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراسیز فارم کے ساتھ جمع کرنا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

(10) کمپنی نے سالانہ پڑتال شدہ کھاتے بذریعہ DVD/CD اور ای میل (اگر ای میل ایڈریس فراہم کیا گیا ہو) ارسال کر دیئے ہیں۔ مزید یہ کہ، کمپنی کسی رکن کی

درخواست موصول ہونے پر مکمل کاغذی نقل بھی ارسال کرے گی۔

(11) اراکین سے گزارش کی جاتی ہے کہ اپنے رجسٹرڈ پتہ میں تبدیلی سے متعلق فوراً آگاہ کریں۔

First Capital Securities Corporation Limited

Chairman's Review Report

The outgoing fiscal year witnessed moderate economic recovery. Government's prudent policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have rallied due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,810 points by June 21, 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

BOARD OF DIRECTORS' PERFORMANCE

I am pleased to report on the Board's overall performance and its effectiveness in achieving the Company's objectives:


- ❖ The Board of Directors ("the Board") of First Capital Securities Corporation Limited (FCSC) 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 FCSC is highly professional and experienced people. They bring a vast experience from different businesses including the independent directors. All board members are well aware of their responsibilities and fulfilling these diligently.
- ❖ The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- ❖ The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the four directors 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;

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 2024


Shehrbano Taseer
Chairman

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

چیئر مین کی جائزہ رپورٹ

بورڈ کی مجموعی کارکردگی اور کمپنی ایکٹ 2017ء کے سیکشن 192 کے تحت کمپنی کے مقاصد حاصل کرنے میں بورڈ کے کردار کی افادیت پر چیئر مین

کی جائزہ رپورٹ

کوڈ آف کارپوریٹ گورننس کے تحت، فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ ("FCSC") کے بورڈ آف ڈائریکٹرز ("بورڈ") کا سالانہ جائزہ لیا گیا۔ اس جائزے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کا تعین کیا جائے اور کمپنی کے طے شدہ مقاصد کے پیش نظر توقعات پوری کرنے کو ہدف بنایا جائے۔ بہتری کے حامل شعبوں پر باقاعدہ غور کیا گیا اور ایکشن پلان مرتب کئے گئے۔

میں 30 جون 2024ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ ازراہ مسرت پیش کرتی ہوں۔

- فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ (FCSC) کے بورڈ آف ڈائریکٹرز ("بورڈ") نے کمپنی کے شیئر ہولڈرز کے بہترین مفاد میں انتہائی مستعدی سے اپنے فرائض سرانجام دیئے ہیں اور مؤثر انداز اور عمدگی سے کمپنی کے امور کو سنبھالا ہے۔
- FCSC کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ وہ بشمول خود مختار ڈائریکٹرز مختلف شعبوں سے وسیع تجربہ لے کر آئے ہیں۔ بورڈ کے تمام اراکین اپنی ذمہ داریوں سے بخوبی آگاہ ہیں اور انتہائی مستعدی سے یہ ذمہ داریاں سرانجام دے رہے ہیں۔
- بورڈ اور اس کی کمیٹیوں میں ضابطہ کے مطابق نان ایگزیکٹو اور خود مختار ڈائریکٹرز کی مناسب نمائندگی موجود ہے اور یہ کہ بورڈ اور اس کی کمیٹیوں کے اراکین کے پاس معقول مہارت، تجربہ اور علم بھی ہے تاکہ وہ کمپنی کے امور پر نگرانی رکھ سکیں۔
- بورڈ نے یقینی بنایا ہے کہ ڈائریکٹرز کو اور نیشنل کورسز پیش کئے جائیں تاکہ انہیں اپنے فرائض مؤثر انداز میں سرانجام دینے کے قابل بنایا جاسکے اور یہ کہ ان میں سے چار ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت پہلے ہی سرٹیفیکیشن حاصل کر لی ہے اور بقیہ ڈائریکٹرز ضابطہ کے مطابق قابلیت اور تجربہ کے معیار پر پورا اترتے ہیں۔
- بورڈ نے آڈٹ اور ہیومن ریسورس اینڈ ریمونریشن کمیٹیاں تشکیل دی ہیں اور ان کے متعلقہ کام کے طریقہ کار کو منظور کیا ہے اور معقول وسائل مختص کئے ہیں تاکہ کمیٹیاں اپنی ذمہ داری مستعدی کے ساتھ سرانجام دے سکیں۔
- بورڈ نے یقینی بنایا کہ بورڈ اور اس کی کمیٹیوں کے اجلاس درکار کورم کے تحت منعقد ہوں اور تمام تر فیصلہ سازی کا عمل بورڈ قرار داد کے تحت ہو جب کہ تمام اجلاسوں کی کارروائی (بشمول کمیٹی اجلاس) کا مناسب انداز میں ریکارڈ رکھا گیا ہے۔
- بورڈ نے اسٹریٹجک پلاننگ، انٹر پرائز رسک مینجمنٹ سسٹم، پالیسی ڈیولپمنٹ اور مالیاتی ڈھانچے کی نگرانی اور منظوری کے عمل میں فعال کردار ادا کیا۔ سال بھر میں تمام خصوصی معاملات کو بورڈ اور اس کی کمیٹیوں کے روبرو پیش کیا گیا تاکہ کاروباری فیصلہ سازی کو مضبوط اور حتمی شکل دی جاسکے۔ خصوصاً کمپنی کی جانب سے متعلقہ فریقین کے ساتھ کئے گئے لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظور کیا۔
- بورڈ نے یقینی بنایا ہے کہ داخلی نظم و ضبط کا ایک معقول نظام قائم رہے اور خود ساختہ جائزہ کے طریقہ کار اور داخلی آڈٹ کی سرگرمیوں کے ذریعے اس کا باقاعدہ جائزہ لیا جاسکے۔

- بورڈ نے ڈائریکٹرز رپورٹ مرتب و منظور کی ہے اور موجودہ قوانین و ضوابط کے تحت کمپنی کی سہ ماہی اور سالانہ مالیاتی اسٹیٹمنٹس کے ساتھ ڈائریکٹرز کی رپورٹ کی اشاعت کو یقینی بنایا جب کہ موجودہ قوانین و ضوابط کے تحت ڈائریکٹرز رپورٹ کے متن کو ترتیب دیا گیا۔
- بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین و ضوابط کی روشنی میں حاصل اختیارات پر من و عن عمل کیا۔ بورڈ نے بطور ڈائریکٹر اپنے اختیارات کے استعمال اور فیصلہ سازی میں تمام موجودہ قوانین و ضوابط کی تعمیل کو ترجیح دی۔
- بورڈ نے اہم ایگزیکٹو عہدوں بشمول چیف ایگزیکٹو، چیف فنانسٹیل آفیسر، کمپنی سیکریٹری اور سربراہ انٹرنل آڈٹ کی تعیناتی، جائزے اور معاوضے کو یقینی بنایا ہے۔
- بورڈ نے اپنے ممبرز کو معقول معلومات کی بروقت فراہمی کو یقینی بنایا ہے اور بورڈ ممبرز کو اجلاسوں کے درمیان ہونے والی پیش رفت سے آگاہ رکھا ہے۔
- کام کے انتہائی مشکل حالات میں، میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، مینجمنٹ اور عملے کی غیر متزلزل حمایت کا شکر یہ ادا کرنا چاہتی ہوں۔ میں امید رکھتی ہوں کہ مستقبل میں کمپنی کی کامیابیوں کا سلسلہ جاری رہے گا۔

شہر بانو تا شیر
چیرمین

لاہور
تاریخ: 104 اکتوبر 2024ء

FIRST CAPITAL SECURITIES CORPORATION LIMITED DIRECTORS' REPORT

On behalf of the Board of Directors of First Capital Securities Corporation Limited ("the Company" or "FCSC"), we are pleased to present the annual report of the Company together with the audited annual financial statements for the financial year 2024.

Operational Results

The principal business activities of the Company is equity investments, currently the Company has suspended Money market operations. The Company's financial results for the Financial Year 2024 ("FY24") are summarized as follows:

	30 June 2024	30 June 2023
	Rupees	Rupees
Revenue	294,813,983	246,654,970
Operating expenses	30,641,146	10,733,173
Finance and other costs	440,424,199	312,574,798
Profit / (loss) after taxation	(159,305,800)	(64,652,365)
Earnings/(loss) per share (basic & diluted)	(0.50)	(0.20)

During the period under review, the Company has reported loss after tax of Rs. 159.306 million EPS: (0.50) as compared to loss of Rs. 64.652 million EPS: (0.20) during the same period last year. The Company has generated gross revenue of Rs. 294.814 during the period under review as compared to Rs. 246.655 in the same period last year. Finance cost increased to Rs. 440.424 million from Rs. 312.575 million.

During the year company reported loss before tax amounting Rs. 160.972 Million, but still the accumulated losses of the company stood at Rs. 1,352.96 Million as at June 30, 2024 (2023: 1,194.14 Million). Moreover, the current liabilities of the Company exceed its current assets by Rs. 2,607.80 Million.

The BoD and the management of the Company is taking various effective steps to make business operations profitable. In this regard the Board of the Directors of the Company and management is in negotiation with lenders and a third party for sale its pledge investment properties to settle principal amount and rental payable against diminishing Musharaka agreement. The management is confident that this will be done on favorable terms.

Further, the management of the Company is confident that with economic stability in country and positive trends in Pakistan Stock Exchange will have positive impact on the financial performance of the company.

In view of the situation set out above, although material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern, however, the BoD and the management of the company are satisfied and firmly confident that all these conditions are temporary and would reverse in the near future and that the going concern assumption is appropriate, therefore, these financial statements have been prepared on the assumption that the company will continue as a going concern.

Performance of Key Investments

First Capital Equities Limited ("FCEL")

FCEL reported a profit after tax from continuing operations of Rs. 18.82 million in FY24, compared to a loss of Rs. 17.19 million in the same period last year. Additionally, the loss from discontinued operations amounted to Rs. 1.02 million during the review period, compared to a loss of Rs. 0.89 million in the previous year. Furthermore, an unrealized gain of Rs. 17.04 million was recorded on the re-measurement of investments, in contrast to a loss of Rs. 17.07 million in the same period last year..

During the current year, FCEL earned profit before taxation of Rs. 18.82 Million (2023: Loss Rs. 17.19 Million) after recognizing unrealized gain on investments amounting Rs. 17.04

Million (2023: Loss Rs. 17.07 Million), moreover the accumulated losses of the company stand at Rs. 1,060.79 Million as at June 30, 2024 (2023: 1,078.59 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 496.13 Million (2023: Rs. 508.04 Million).

Lanka Securities (Private) Limited (“LSL”)

LSL has reported profit after tax of LKR 24.55 million during the period under review as compared of LKR 114.38 million during the same period last year. Earnings per share for the year is recorded at LKR 1.00 as compared to LKR 4.64 in the preceding year.

First Capital Investments Limited (“FCIL”)

FCIL has profit after taxation of Rs. 32.78 million during the Financial Year 2024 (“FY-24”) as compared to loss after taxation of Rs. 0.40 million during the Financial Year 2023 (“FY-23”). Earnings per share during the period under review is recorded at Rs. 1.56 as compared to loss per share of Rs. 0.02 during the same period last year. The earnings per share of the FCIL is mainly on the back of equity market performance that stated positive return during the period under review

Evergreen Water Valley (Pvt.) Limited (“EGWV”)

EGWV during the financial year ending 30th June 2024 (FY-2024), the sales of the EGWV decreased by 29.221%. The EGWV recorded the net sales of Rs.235.282 million as compared to Rs. 332.419 million during last year, with the decrease of Rs.97.138 million. Such decrease in EGWV’s revenue is primarily attributable to decrease in construction works. Cost of sales decreased to Rs 149.292 million as compared to Rs 330.243 million in corresponding period along with decrease in Administrative expenses by Rs. 3.284 million (FY 2023-24: 17.052 million and FY 2022-23: 20.336 million). Finance cost is decreased by Rs. 69.243 million (FY 2023-24: 0.009 million and FY 2022-23: 69.252 million) and other income increased by Rs. 63.220 million (FY 2023-24: 75.077 million and FY 2022-23: 11.857 million) due to Waiver of Markup on Loan - Silk Bank. After incorporating the impact of aforementioned factors, the Net Profit after Tax (NPAT) of the EGWV arrived at PKR. 119.641 million During FY-2024, as compared with the Net loss after Tax (NLAT) of PKR. (100.542) million during last year, Profit per Share (PPS) of PKR. 167.24 for the year ended June 2024 and Loss per Share (LPS): PKR. (140.54) for the year ended June 2023.

Corporate Social Responsibility

The 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 2024.

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.

Risk management:

The Board recognizes that risk is an integral component of the business, and that it is characterized by both threat and opportunity. The Company fosters a risk aware corporate culture in all decision-making, and is committed to managing all risk in a proactive and effective manner through competent risk management. To support this commitment, risk is analyzed in order to inform the management decisions taken at all levels within the organization. Due to the limitations inherent in any risk management system, the process for identifying, evaluating and managing the material business risks is designed to manage, rather than eliminate, risk and to provide reasonable, but not absolute assurance, against material misstatement or loss. Certain risks, for example natural disasters, cannot be managed to an acceptable degree using internal controls. Such major risks are transferred to third parties in the local insurance markets, to the extent considered appropriate. During the period under review the Company has formed a Risk Management Committee.

Impact of the company's business on the environment

The Company's nature of business is service provider and Investments, 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.

Key Financial Indicators

The key financial indicators of the Company's performance for the last six years are annexed to the report.

Payouts for the Shareholders

Keeping in view the cash flows of the company during the year ended June 30, 2024, board of directors does not recommend any pay out/ dividend for the year.

(Loss)/Earnings per share

Loss per share (basic and diluted) for the year ended June 30, 2024 Rs. (0.50) as compared to earnings per share Rs. (0.20) for the last year.

Delay in Election of Directors

The term of directors was expired on 26th September 2012, however, the board did not decide the date of election of directors due to an impediment in holding the election of Directors, i.e. non completion of succession of shares of late Mr. Salmaan Taseer.

Corporate and Financial Reporting Framework:

- The financial statements together with the notes drawn up by the management present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment, except for changes referred in Note – 3 to the financial statements.
- The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure there from (if any) is adequately disclosed.

- Significant deviations from last year in operating results of the Company have been highlighted and reasons thereof explained above.
- There are statutory payments on account of taxes, duties, levies and charges which are outstanding and have been disclosed in Note – 27 to financial statements.
- Information about loans and other debt instruments in which the Company is in default or likely to default are disclosed in Note – 31 to the financial statements.

Code of Corporate Governance;

“Listed Companies (Code of Corporate Governance) Regulations” has been implemented. The Company has made the composition of Board and its committees in pursuance of CCG.

Composition of Board

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

Names	Designation
Shehribano Taseer	Chairman
Aamna Taseer	CEO
Shehryar Ali Taseer	Non-Executive Director
Shahbaz Ali Taseer	Non-Executive Director
Umair Fakhra Alam	Independent Director
Naeem Akhtar	Non-Executive Director
Mustafa Mujeeb Ch	Independent Director

Total number of Directors 7

a) Male; 5

b) Female: 2

Composition:

a) Independent Directors	2
b) Other Non-Executive Directors	4
c) Executive Directors; and	1
d) Female Director	2

Committee of the board

Audit Committee Mr. Umair Fakhra Alam (Chairman)
Miss Shehribano Taseer (Member)
Mr. Naeem Akhtar (Member)

Human Resource and Remuneration (HR&R) Committee Mr. Umair Fakhra Alam (Chairman)
Mrs. Aamna Taseer (Member)
Miss Shehribano Taseer (Member)

Risk Management Committee Miss Shehribano Taseer (Chairperson)
Mrs Aamna Taseer (Member)
Mr. Umair Fakhra Alam (Member)

The Statement of Compliance with Code of Corporate Governance is annexed.

EXECUTIVE REMUNERATION

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

	Directors			
	Chief Executive Officer		Executive Director	
	2024	2023	2024	2023
	----- R u p e e s -----			
Managerial remuneration	2,400,000	2,400,000	1,349,280	1,505,280
Provision for gratuity	706,414	706,414	84,330	77,530

Trading of Directors

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

Auditors

The present Auditors M/s Messrs Malik Haroon Ahmad & Co. (Chartered Accountants), retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the Company for the year ending June 30, 2025, at a fee to be mutually agreed.

Pattern of Shareholdings

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

Acknowledgement

Availing this opportunity the Board desires to place on record their appreciation to the financial institutions, Government authorities and other stakeholders for their dedication and commitments. We would like to thank all shareholders of the company for the trust and confidence. We would like to express our gratitude towards Securities and Exchange Commission of Pakistan for its persistent guidance. Finally the Board would like to record its appreciation to all staff members for their hard work.

For and on behalf of the Board

Lahore



04 October 2024

Director



CEO/Director

فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ

ڈائریکٹرز کی رپورٹ

فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ ("کمپنی" یا "FCSC") کے بورڈ آف ڈائریکٹرز کی جانب سے ہم مالیاتی سال 2024ء کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سالانہ رپورٹ ازراہ سرت پیش کرتے ہیں۔

آپریٹنگ نتائج

کمپنی کی مرکزی کاروباری سرگرمی ایکویٹی انویسٹمنٹ ہے۔ فی الوقت کمپنی نے منی مارکیٹ آپریٹنگ کو معطل کر رکھا ہے۔ کمپنی کے مالیاتی نتائج برائے مالیاتی سال 2024 ("FY24") کا خلاصہ حسب ذیل ہے:

30 جون 2023ء	30 جون 2024ء	
روپے	روپے	
246,654,970	294,813,983	آمدنی
10,733,173	30,641,146	آپریٹنگ اخراجات
312,574,798	440,424,199	مالیاتی لاگت و دیگر اخراجات
(64,652,365)	(159,305,800)	نفع / (نقصان) علاوہ ٹیکسیشن
(0.20)	(0.50)	فی حصص آمدنی / (خسارہ) بنیادی و ڈائیویڈنڈ

زیر جائزہ مدت کے دوران کمپنی نے گزشتہ برس کی اسی مدت کے دوران 64.652 ملین روپے خسارہ فی حصص آمدنی: (0.20) روپے کے مقابلے میں 159.306 ملین روپے خسارہ علاوہ ٹیکس فی حصص آمدنی: (0.50) روپے رپورٹ کیا۔ کمپنی نے گزشتہ برس میں 246.655 ملین روپے کے مقابلے میں زیر جائزہ مدت کے دوران 294.814 ملین روپے کی کل آمدنی حاصل کی۔ قرض پر لاگت میں بھی 312.575 ملین روپے سے 440.424 ملین روپے اضافہ ہوا۔ مذکورہ سال کے دوران کمپنی نے 160.972 ملین روپے خسارہ بعد ٹیکس رپورٹ کیا لیکن 30 جون 2024ء کو کمپنی کا مجموعی خسارہ 1,352.96 ملین روپے رہا (2023): 1,194.14 ملین روپے)۔ مزید برآں، کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 2,607.80 ملین روپے سے تجاوز کر چکے ہیں۔

کاروباری امور کو منافع بخش بنانے کے لئے بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ متعدد مؤثر اقدامات کر رہی ہے۔ اس بابت کمپنی کے بورڈ آف ڈائریکٹرز اور انتظامیہ اپنے قریب دہندگان اور دیگر فریقین کے ساتھ مذاکرات کر رہی ہے تاکہ اصلی زر اور ڈیٹا مشنگ مشارکہ معاملہ کے عوض واجب الادا کرایہ کی ادائیگی کے لئے اپنی گروہی رکھی گئی پراپرٹیز کو فروخت کیا جاسکے۔

مزید یہ کہ، کمپنی کی انتظامیہ پر امید ہے کہ ملک میں معاشی استحکام اور پاکستان اسٹاک ایکسچینج میں مثبت رجحان کے کمپنی کی مالیاتی کارکردگی پر مثبت اثرات مرتب ہوں گے۔ مذکورہ بالا حالات کے پیش نظر، اگرچہ واضح ہے یقینی کی صورت حال قائم ہے جس کے کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر واضح شکوک و شبہات پیدا ہو سکتے ہیں البتہ کمپنی کے بورڈ آف ڈائریکٹرز اور انتظامیہ مطمئن ہے اور قوی یقین رکھتی ہے کہ یہ تمام حالات عارضی ہیں اور مستقبل قریب میں یہ حالت بدل جائیں گے اور یہ کہ کاروبار جاری رکھنے کا مفروضہ معقول ہے لہذا یہ مالیاتی اسٹیٹمنٹس اس مفروضے پر تیار کی گئی ہیں کہ کمپنی اپنا کاروبار جاری رکھے گی۔

اہم انویسٹمنٹس کی کارکردگی

فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("FCEL")

کمپنی نے فعال آپریٹنگ سے گزشتہ برس میں 17.19 ملین روپے خسارے کی نسبت مالیاتی سال 2024ء کے دوران جاری آپریٹنگ سے 18.82 ملین روپے منافع علاوہ ٹیکس درج کیا۔ مزید برآں، غیر فعال آپریٹنگ سے خسارہ گزشتہ برس کی اسی مدت میں 0.89 ملین روپے کی نسبت زیر جائزہ مدت کے دوران 1.02 ملین روپے رہا۔ مزید یہ کہ سرمایہ داری کے دوبارہ تعین پر غیر وصول شدہ آمدنی 17.04 ملین روپے رہی جب کہ گزشتہ برس یہی آمدنی 17.07 ملین روپے تھی۔

17.04 ملین روپے (2023ء: 17.07 ملین روپے آمدنی) کی سرمایہ داری پر غیر وصول شدہ آمدنی کے بعد رواں برس کے دوران FCEL نے 1882 ملین روپے منافع

بعد ٹیکسیشن حاصل کیا (2023ء: 17.19 ملین روپے نقصان)۔ مزید برآں 30 جون 2024 تک کمپنی کو 1,060.79 ملین روپے (2023ء: 1078.59 ملین روپے) مجموعی خسارہ برداشت کرنا پڑا اور رپورٹنگ کی تاریخ کو کمپنی حالیہ واجبات حالیہ اثاثہ جات سے 496.13 ملین روپے (2023ء: 508.04 ملین روپے) سے تجاوز کر چکے ہیں۔

لٹا سکیورٹیز (پرائیویٹ) لمیٹڈ ("LSL")

LSL نے گذشتہ برس کی اسی مدت کے دوران 114.38 ملین لٹن روپے کی نسبت 24.55 ملین لٹن روپے نفع علاوہ ٹیکس رپورٹ کیا۔ فی حصص آمدنی گذشتہ برس میں 4.64 لٹن روپے کے مقابلے میں زیر جائزہ سال کے دوران 1.00 لٹن روپے ریکارڈ ہوئی۔

فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ ("FCIL")

FCIL نے مالیاتی سال 2023ء ("FY-23") کے دوران 0.40 ملین روپے خسارہ علاوہ ٹیکسیشن کے مقابلے میں مالیاتی سال 2024ء ("FY-24") کے دوران 32.78 ملین روپے نفع علاوہ ٹیکسیشن درج کیا۔ گذشتہ برس کی اسی مدت کے دوران 0.02 روپے فی حصص خسارے کے مقابلے میں زیر جائزہ مدت کے دوران فی حصص آمدنی 1.56 روپے ریکارڈ ہوئی۔ FCIL کی فی حصص آمدنی ایکویٹی مارکیٹ کی کارکردگی پر منحصر ہے جس نے زیر جائزہ مدت کے دوران مثبت ریٹرن درج کئے۔

ایورگرین واٹر ویلی (پرائیویٹ) لمیٹڈ ("EGWV")

30 جون 2024ء کو اختتام پذیر مالیاتی سال (FY-2024) کے دوران EGWV کی سیلز میں 29.221% کمی واقع ہوئی۔ EGWV نے گذشتہ برس کی اسی مدت میں 332.419 ملین روپے کے مقابلے میں 235.282 ملین روپے خالص سیلز درج کی جو گذشتہ برس کی نسبت 97.138 ملین روپے کم ہے۔ 3.284 ملین روپے کے انتظامی اخراجات (2023-24: 17.052 ملین روپے اور 2022-23: 20.336 ملین روپے) میں کمی کے ساتھ سیلز پر لاگت میں گذشتہ برس کی اسی مدت میں 330.243 ملین روپے کے مقابلے میں 149.292 ملین روپے تک کمی واقع ہوئی۔ قرضوں پر لاگت میں 69.243 ملین روپے تک کمی (2023-24: 0.009 ملین روپے اور 2022-23: 69.252 ملین روپے) کی اور سلگ بینک کے قرضہ پر مارک اپ میں چھوٹ کے باعث دیگر آمدنی میں 63.220 ملین روپے تک اضافہ ہوا۔ (2023-24: 75.077 ملین روپے اور 2022-23: 11.857 ملین روپے)۔ مذکورہ بالا عوامل کے اثرات کے باعث مالیاتی سال 2024ء کے دوران EGWV کا خالص منافع علاوہ ٹیکس (NPAT) 119.641 ملین روپے تک پہنچ گیا جب کہ گذشتہ برس کے دوران کمپنی کو (100.542) ملین روپے کا خسارہ علاوہ ٹیکس (NLAT) برداشت کرنا پڑا تھا۔ 30 جون 2024ء کو اختتام پذیر مالیاتی سال کے لئے فی حصص منافع (PPS) 167.24 روپے جب کہ جون 2023ء کو اختتام پذیر مالیاتی سال کے لئے خسارہ فی حصص (LPS) (140.54) روپے تھا۔

کاروباری و سماجی ذمہ داری

کمپنی کے لئے کام کرنے والے افراد، کام کی جگہ کی ملحد آبادیوں اور معاشرے کی جانب اپنے فرائض کی انجام دہی کے ذریعے کمپنی سماجی لحاظ سے ذمہ دار ادارے کی حیثیت سے معاشرے میں اپنا مثبت کردار جاری رکھے ہوئے ہے۔

ہیومن ریسورس مینجمنٹ

کمپنی کی انتظامیہ کمپنی کے اصولوں، اعتقادات اور فلسفہ پر مضبوطی سے یقین رکھتی ہے جہاں ملازمین کے ساتھ گھر کے رکن کی حیثیت سے رویہ رکھا جاتا ہے۔ کمپنی اپنے ملازمین کو کام کا کاروباری و سماجی ماحول فراہم کرنے کے لئے کوشاں ہے اس طرح یہ صحت افزا اور پیشہ ورانہ ماحول میں مکمل ہم آہنگی میں کام کرنے میں مددگار ثابت ہوتا ہے۔

داخلی نظم و ضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی نظم و ضبط کے سسٹم کے نفاذ اور سالانہ موثر نظر ثانی کے لئے ذمہ دار ہیں تاکہ وہ اپنے سٹیک ہولڈرز کو ان کی سرمایہ دار پر معقول منافع دے سکیں جو خطرات کے ذمہ دار تعین اور انتظام سے منسلک ہوتا ہے۔ اس میں مالیاتی، آپریشنل اور تعمیلی کنٹرولز اور رسک مینجمنٹ طریقہ ہائے کار اور ان پر متاثر عمل درآمد پر نظر ثانی شامل ہے۔ ڈائریکٹرز نے 2024ء کو اختتام پذیر سال کے لئے اپنا سالانہ جائزہ اور تخمینہ مکمل کر لیا ہے۔

بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک سے متعلق انٹرنل آڈٹ فنکشن پر باقاعدگی سے نظر ثانی کرتے ہیں تاکہ داخلی نظم و ضبط کے امور پر عمل درآمد کی تسلی ہو جائے۔ کمپنی کا انٹرنل آڈٹ فنکشن کنٹرول سرگرمیوں کی مضبوطی اور موثر عمل درآمد پر نظر ثانی کرتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے رپورٹ کرتا ہے۔

رسک مینجمنٹ

بورڈ کو علم ہے کہ کسی بھی کاروبار میں خطرہ بنیادی عوامل میں سے ایک ہے اور یہ کہ اس میں خطرہ اور مواقع دونوں شامل ہوتے ہیں۔ کمپنی فیصلہ سازی کے تمام امور میں خطرے سے آگاہی کے کاروباری کلچر کو مضبوط کرنے پر یقین رکھتا ہے۔ جس رسک مینجمنٹ کے ذریعے خطروں سے نبرد آزما ہونے کے لئے موثر انداز میں اور بروقت عمل کرنے میں بھی یقین

رکھتا ہے۔ اس عزم اعادہ کرنے کے لئے ادارے میں ہر سطح پر لئے گئے فیصلوں کی بابت انتظامیہ کو آگاہ کرنے کے لئے غرض سے خطرے کا جائزہ لیا جاتا ہے۔ کسی بھی رسک مینجمنٹ سسٹم میں موجود دو دوقیود کے پیش نظر کاروباری خطرات کی نشاندہی، تخمینہ اور انتظام کا عمل خطرے کو ختم کرنے کی بجائے کنٹرول کرنے کے لئے استعمال ہوتا ہے اور مادی بے یقینی یا خطرے کے برعکس یہ کلی کی بجائے جزوی یقین دہانی کراتا ہے۔ قدرتی آفات جیسے مخصوص خطرات کو داخلی لہم و ضبط کے ذریعے قابل قبول سطح پر ضبط نہیں کیا جاسکتا۔ ایسے بڑے خطرات کو حسب ضرورت طے شدہ شرائط پر مقامی انشورنس مارکیٹ میں فریق ثالث کو منتقل کر دیا جاتا ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کی کاروباری نوعیت خدمات فراہم کرنا ہے لہذا اس کی سرگرمیاں ماحول پر بہت کم اثر انداز ہوتی ہیں۔ کمپنی کاغذ کے استعمال کو کم کرنے کی پالیسی پر عمل پیرا ہے۔ اور ملازمین، تمام شعبہ جات اور کلائینٹس کو کثرت سے بذریعہ ای میل اس کی یاد دہانی کرائی جاتی ہے۔

اہم مالیاتی اشاریے

گذشتہ چھ برس کے لئے کمپنی کی کارکردگی پر اہم مالیاتی اشاریے رپورٹ ہذا کے ساتھ منسلک ہیں۔

شیر ہولڈرز کے بے آؤٹس

30 جون 2024ء کو اختتام پذیر سال کے دوران کمپنی کے کیش فلوکوڈ نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے رواں برس کوئی بے آؤٹ/منافع منقسمہ تجویز نہیں کیا ہے۔

فی حصص آمدنی/(خسارہ)

30 جون 2024ء کو اختتام پذیر سال کے لئے فی حصص (بیسک اور ڈائیویڈنڈ) خسارہ گذشتہ برس کے لئے (0.20) فی حصص خسارے کے مقابلے میں (0.50) روپے رہا۔

ڈائریکٹرز کے انتخاب میں تاخیر

ڈائریکٹرز کی میعاد 26 ستمبر 2012ء کو ختم ہو گئی۔ البتہ بورڈ نے ڈائریکٹرز کے انتخاب میں خلل یعنی مسٹر سلمان تاثیر مرحوم کے حصص کی عدم تقسیم کے باعث ڈائریکٹرز کے انتخابات کی تاریخ کا فیصلہ بنا حال نہیں ہو سکا۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ نوٹس اور مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج ہر ماہ اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتے ہیں۔
- کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار کر رکھی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور درست فیصلوں کی بنیاد پر لگائے گئے ہیں۔ ماسوائے مالیاتی اسٹیٹمنٹس کے نوٹ-3 میں بیان کی گئی تبدیلیوں کے۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی قواعد کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے انحراف (اگر کوئی ہے) کو مناسب انداز میں ظاہر کیا گیا ہے۔

● کمپنی کے آپریشنز کے نتائج کا گذشتہ برس سے انحراف کا خلاصہ اور اس کی وجوہات اوپر بیان کی گئی ہیں۔

● ٹیکس، ڈیوٹی، لیوی اور چارجز کی بابت قانونی واجبات کی ادائیگی لازمی ہے جس کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ-27 میں بیان کی گئی ہیں۔

● قرضوں اور دیگر انشورمنٹس کی تفصیلات جن میں کمپنی نادر ہندہ ہے یا نادر ہندہ ہونے والی ہے کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ 31 میں بیان کی گئی ہیں۔

کوڈ آف کارپوریٹ گورننس

’لنڈن کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط‘ کو نافذ کیا گیا ہے۔ کوڈ آف کارپوریٹ گورننس کی پیروی میں کمپنی نے بورڈ اور اس کی کمیٹیاں تشکیل دی ہیں۔

بورڈ کی ترکیب

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

عہدہ	نام
چیئر مین	شہر بانو تاثیر
CEO	آمنہ تاثیر
مان ایگزیکٹو ڈائریکٹر	شہر یار علی تاثیر
مان ایگزیکٹو ڈائریکٹر	شہباز علی تاثیر
خود مختار ڈائریکٹر	عمیر فخر عالم
مان ایگزیکٹو ڈائریکٹر	نعیم اختر
خود مختار ڈائریکٹر	مصطفیٰ مجیب چوہدری

ڈائریکٹرز کی کل تعداد 07

(a) مرد: 05

(b) خاتون: 02

ترکیب:

02 خود مختار ڈائریکٹرز

04 دیگر مان ایگزیکٹو ڈائریکٹرز

01 ایگزیکٹو ڈائریکٹرز

02 خاتون ڈائریکٹرز

بورڈ کمیٹیاں

آڈٹ کمیٹی

جناب عمیر فخر عالم (چیئر مین)

محترمہ شہر بانو تاثیر (رکن)

جناب نعیم اختر (رکن)

ہیومن ریسورس اینڈ ریموونیشن جناب عمیر فخر عالم (چیئر مین)

(HR&R) کمیٹی محترمہ آمنہ تاثیر (رکن)

محترمہ شہر بانو تاثیر (رکن)

رسک مینجمنٹ کمیٹی محترمہ شہر بانو تاثیر (چیئر پرسن)

محترمہ آمنہ تاثیر (رکن)

جناب عمیر فخر عالم (رکن)

کوڈ آف کارپوریٹ گورننس کا تعمیلی بیان لف ہذا ہے۔

ایگزیکٹو کا معاوضہ

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

ڈائریکٹرز

ایگزیکٹو ڈائریکٹر		چیف ایگزیکٹو آفیسر	
2023ء	2024ء	2023ء	2024ء

..... روپے

1,505,280	1,349,280	2,400,000	2,400,000	انتظامی معاوضہ
77,530	84,330	706,414	706,414	گریجویٹی

ڈائریکٹرز کی تجارت

مالیاتی سال کے دوران ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت نہیں کی گئی ہے۔

آڈیٹرز

حالیہ آڈیٹرز میسرز ملک ہارون احمد اینڈ کو (چارٹرڈ اکاؤنٹنٹس) ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے باہمی طے شدہ فیس پر 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017ء کے سیکشن (f)(2)227 کے تحت اور لسٹنگ ضوابط کی پیروی میں شیئر ہولڈنگ کا پیٹرن لف ہڈا ہے۔

اظہار تشکر

اس موقع کا فائدہ اٹھاتے ہوئے بورڈ بھرپور جذبہ اور عزم کے لئے مالیاتی اداروں، سرکاری محکموں اور دیگر سٹیک ہولڈرز کو خراج تحسین پیش کرنا چاہتا ہے۔ ہم کمپنی کے تمام شیئر ہولڈرز کے اعتماد اور بھروسہ پر بھی شکر گزار ہیں۔ ہم سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان کی مسلسل رہنمائی کے لئے بھی تہہ دل سے شکر گزار ہیں۔ آخر میں بورڈ کمپنی کے عملے کی ان تھک محنت پر ان کی حوصلہ افزائی بھی ریکارڈ پر رکھنا چاہتا ہے۔

منجانب / برائے بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر / ڈائریکٹر

ڈائریکٹر

لاہور

تاریخ: 04 اکتوبر 2024ء

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
 [Section 227(2)(f) and Regulation 30]
PATTERN OF SHAREHOLDING

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 Name of the Company **FIRST CAPITAL SECURITIES CORPROTION LIMITED**

PART-II

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

30-06-2024

2.2 No. of Shareholder	-----Shareholdings-----		Total Shares Held
	From	To	
389	1	100	12,107
611	101	500	203,700
476	501	1,000	391,578
1095	1,001	5,000	2,888,542
497	5,001	10,000	3,724,040
141	10,001	15,000	1,807,128
113	15,001	20,000	2,087,005
67	20,001	25,000	1,592,432
62	25,001	30,000	1,765,836
28	30,001	35,000	924,235
27	35,001	40,000	1,049,483
12	40,001	45,000	512,626
49	45,001	50,000	2,416,701
23	50,001	55,000	1,213,548
17	55,001	60,000	988,025
16	60,001	65,000	1,010,299
19	65,001	70,000	1,307,010
12	70,001	75,000	895,468
12	75,001	80,000	943,200
10	80,001	85,000	829,702
5	85,001	90,000	445,000
4	90,001	95,000	372,180
29	95,001	100,000	2,893,589
6	100,001	105,000	603,818
4	105,001	110,000	429,500
4	110,001	115,000	456,000
8	115,001	120,000	946,258
5	120,001	125,000	619,000
4	125,001	130,000	514,500
1	130,001	135,000	133,000
3	135,001	140,000	416,500
7	145,001	150,000	1,045,050
3	150,001	155,000	463,645

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794,871
651,545
171,500
178,500
366,000
190,000
580,500
2,396,432
816,460
205,500
424,491
435,560
448,500
683,500
233,500
477,500
484,000
990,951
254,500
260,000
275,000
600,000
305,000
306,500
319,101
322,500
655,500
331,500
340,000
694,500
354,000
367,484
744,789
384,616
390,000
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1,040,000
2,636,043
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556,000
576,500
586,140
1,795,500
611,000
642,000
695,750

1	700,001	705,000	705,000
1	795,001	800,000	800,000
1	820,001	825,000	820,500
1	830,001	835,000	835,000
4	895,001	900,000	3,591,969
1	915,001	920,000	915,441
1	945,001	950,000	946,391
1	960,001	965,000	961,636
1	975,001	980,000	976,000
1	1,055,001	1,060,000	1,058,940
1	1,100,001	1,105,000	1,104,000
1	1,145,001	1,150,000	1,148,000
1	1,215,001	1,220,000	1,217,000
1	1,300,001	1,305,000	1,302,500
1	1,355,001	1,360,000	1,359,013
1	1,400,001	1,405,000	1,403,000
1	1,495,001	1,500,000	1,500,000
2	1,540,001	1,545,000	3,081,398
1	1,560,001	1,565,000	1,564,500
1	1,645,001	1,650,000	1,648,500
1	1,695,001	1,700,000	1,696,000
9	1,795,001	1,800,000	16,177,856
1	2,045,001	2,050,000	2,048,345
1	2,155,001	2,160,000	2,157,890
1	2,370,001	2,375,000	2,372,289
1	2,385,001	2,390,000	2,390,000
1	2,455,001	2,460,000	2,456,500
1	2,500,001	2,505,000	2,502,726
1	2,735,001	2,740,000	2,739,988
1	3,545,001	3,550,000	3,550,000
1	3,600,001	3,605,000	3,602,283
1	3,840,001	3,845,000	3,844,059
1	3,960,001	3,965,000	3,965,000
1	3,990,001	3,995,000	3,991,754
1	4,015,001	4,020,000	4,016,000
1	5,285,001	5,290,000	5,288,000
1	7,175,001	7,180,000	7,177,978
1	7,850,001	7,855,000	7,852,000
1	8,270,001	8,275,000	8,272,928
1	31,390,001	31,395,000	31,395,000
1	33,770,001	33,775,000	33,772,767
1	68,430,001	68,435,000	68,432,023
3,919	Total		316,610,112

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.	9,571,366	3.023
2.3.2	Associated Companies, undertakings and related parties	103,429,306	32.668
2.3.3	NIT and ICP	3,845,559	1.215
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	2,300,144	0.726
2.3.5	Insurance Companies	8,272,928	2.613
2.3.6	Modarabas and Mutual Funds	4,402	0.001
2.3.7	Shareholders holding 10%	107,609,141	33.988
2.3.8	General Public		
	a. Local	153,418,446	48.457
	b. Foreign	21,089,348	6.661
2.3.9	Others (to be specified)		

JOINT STOCK COMPANIES

S.B.E. (PRIVATE) LIMITED	5,837	0.002
AIB GOVETT ASSET MANAGEMENT LIMITED	400,000	0.126
IGI HOLDINGS LIMITED (CDC)	491	0.000
WTL SERVICES (PVT) LIMITED (CDC)	56,500	0.018
AL-MAL SECURITIES (PRIVATE) LIMITED - MF (CDC)	337	0.000
AMPLE SECURITIES (PRIVATE) LIMITED (CDC)	2,502,726	0.790
DALAL SECURITIES (PVT) LTD. (CDC)	50,000	0.016
IMPERIAL INVESTMENT (PVT) LTD. (CDC)	4,819	0.002
KTRADE SECURITIES LIMITED (CDC)	2,000	0.001
MAM SECURITIES (PVT) LIMITED (CDC)	174	0.000
MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE	5,288,000	1.670
MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.000
MRA SECURITIES LIMITED - MF (CDC)	195,000	0.062
MSMANIAR FINANCIALS (PVT) LTD. (CDC)	5,264	0.002
NCC-PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	1,000	0.000
NH SECURITIES (PVT) LIMITED. (CDC)	33	0.000
PAK GASES (PVT.) LIMITED (CDC)	64,000	0.020
PRUDENTIAL SECURITIES LIMITED (CDC)	293	0.000
PYRAMID INVESTMENTS (PVT) LTD. (CDC)	120	0.000

S.H. BUKHARI SECURITIES (PVT) LIMITED (CDC)	2,195	0.001
SARFARAZ MAHMOOD (PRIVATE) LIMITED (CDC)	1,040	0.000
SHAFFI SECURITIES (PVT) LIMITED (CDC)	2,837	0.001
TAAS SECURITIES (PRIVATE) LIMITED (CDC)	605	0.000
UNI PAK SECURITIES (PVT) LTD. (CDC)	1,956	0.001
WIRELESS N CABLE (PVT) LIMITED (CDC)	93,884	0.030
WIRELESS N CABLE (PVT) LTD (CDC)	961,636	0.304
WORLDCALL TELECOM LTD (CDC)	3,991,754	1.261
WTL SERVICES (PRIVATE) LIMITED (CDC)	115,856	0.037
WTL SERVICES (PVT) LTD (CDC)	372,289	0.118
Y.S. SECURITIES & SERVICES (PVT) LTD. (CDC)	15,002	0.005
ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD. (CDC)	500	0.000
PAKISTAN STOCK EXCHANGE LIMITED (CDC)	160,917	0.051
	14,297,066	4.516

OTHERS

TRUSTEE NATIONAL BANK OF PAKISTAN EMP PENSION	367,484	0.116
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOI	12,895	0.004
TRUSTEE -KARACHI SHERATON HOTEK EMPLOYEES PR	1,168	0.000
	381,547	0.121
TOTAL PAID UP CAPITAL	316,610,112	100.000

KEY FINANCIAL DATA FOR LAST 7 YEARS

FINANCIAL DATA

Rupees in Thousands

	2024	2023	2022	2021	2020	2019	2018
Operating revenue	294,813	246,654	414,035	364,608	(148,516)	(250,343)	(67,561)
Operating expenses	(30,641)	(10,733)	(12,199)	(9,330)	(48,786)	(45,660)	63,742
Operating profit/ (loss)	264,172	235,921	401,835	355,278	(197,303)	(296,004)	(209,018)
Other revenue	21,856	12,000	13,390	111,102	11,524	12,245	12,129
Financial Expenses	(440,424)	(312,574)	(305,873)	(263,739)	(242,768)	(175,324)	(5,133,556)
Taxation	1,666	(8,252)	(17,125)	4,788	2,025	34,871	(1,617)
Profit / Loss after Taxation	(159,305)	(72,905)	92,227	207,429	(426,521)	(424,210)	(203,640)

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED
FOR THE YEAR ENDED JUNE 30 2024

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:	05
b.	Female:	02
2.	The composition of board is as follows:	
(i)	Independent Directors (*)	02
(ii)	Other Non-Executive Directors	04
(iii)	Executive Directors	01
(iv)	Female Directors	02
(*)	The Board of Directors are of the view that the expertise and experience of 02 Independent Directors are sufficient to perform their relevant role & responsibilities required under the provision of Code of Corporate Governance and law, therefore rounding up is not needed.	
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The Board have 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)	Aamna Taseer
		Shahbaz Ali Taseer
		Shehryar Ali Taseer
		Shehrbano Taseer
	(Name of Executive & Designation (if applicable))	Shahzad Jawahar (Chief Compliance Officer)
10.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
11.	CFO and CEO duly endorsed the financial statements before approval of the board.	

12.	The board has formed committees comprising of members given below:	
a.	Audit Committee (Name of members and Chairman)	Umair Fakhar Alam, (Chairman) Shehrbano Taseer, (Member) Naeem Akhtar, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Umair Fakhar Alam, (Chairman) Aamna Taseer, (Member) Shehrbano Taseer, (Member)
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	Miss Shehrbano Taseer (Chairman) Mrs. Aamna Taseer (Member) Mr. Umair Fakhar Alam (Member)
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	01
15.	The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company	
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.	
18.	We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.	
19.	Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27,32, 33 and 36 are below	
	Regulation	Requirement
	Regulation 29	The Board may constitute a separate committee, designed as the nomination committee for considering and making recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees
		The responsibilities prescribed for the nomination committee are being taken care of at Board level on need bases so a separate committee is not considered to be necessary
	Regulation 19 (2)	A newly appointed director
		The Company is in process



MALIK HAROON AHMAD & CO.

(Formerly Malik Haroon Shahid Safdar & Co.)

Chartered Accountants

An Independent Member of



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**Independent Auditor's Review Report
To the Members of "First Capital Securities Corporation Limited"**

Review Report on the Statement of Compliance Contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of First Capital Securities Corporation Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the 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 require 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. 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.

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 the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Lahore
October 04, 2024
CR2024102067z9PZhSgf

Malik Haroon Ahmad & Co.

**Malik Haroon Ahmad & Co.
Chartered Accountants**



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Karachi Office: M 7/3, Khayaban-e-Saadi, DHA Phase VII, Karachi

Islamabad Office: Office No. 9 & 10, 3rd Floor, Pakland Square, G8 Markaz, Islamabad

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New York Mexico



INDEPENDENT AUDITOR'S REPORT
to the Members of First Capital Securities Corporation Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **First Capital Securities Corporation Limited** (the Company), which comprise the statement of financial position as of **June 30, 2024**, and the statement of profit or loss, the statement of 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 material 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan 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 Related to the Going Concern

We draw attention to note 2 of the financial statements, which states that at reporting date, the Company's accumulated losses of the company stand at Rs 1,352.96 Million (2023: Rs 1,194.14 Million) and as of that date current liabilities of the Company's exceed its current assets by Rs. 2,607.80 Million (2023: Rs. 1,735.06 Million). The above situation of the Company indicates the existence of a material uncertainty 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 period. 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.

Following are the key audit matters:

 Head Office: 25-G, Gulberg II, Lahore - 54660 Pakistan.

 Karachi Office: M 7/3, Khayaban-e-Saadi, DHA Phase VII, Karachi

Islamabad Office: Office No. 9 & 10, 3rd Floor, Pakland Square, G8 Markaz, Islamabad

Gujrat Office: Upper Floor Shehroze Plaza, Near S.A Fans Area Estate, Main GT Road, Gujrat

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Sr. No	Matter	How the matter was addressed in our audit
1.	<p>Contingencies and commitments</p> <p>Refer to note 19 to the financial statements; The Company is currently facing significant litigations pertaining to various legal and regulatory matters requiring the management judgment, particularly in assessing the likelihood of outcomes and potential financial impact. We identified this as a key audit matter due to the high level of judgment required, which could materially affect the financial disclosures and the level of provisioning.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Inquire with in-house legal counsel about significant cases, new developments, and management's assessment of litigation provisions. • Review legal documentation and correspondence to verify consistency with disclosed contingencies and adequacy of provisions under IAS 37. • Review Board of Directors and key management meeting minutes to identify potential litigation, regulatory actions, or unrecorded exposures impacting financial statement disclosures.
2.	<p>Valuation of long-term investment</p> <p>Refer to note 8 to the financial statements; The Company has significant investment in various quoted and unquoted entities which are valued at fair value, and a substantial amount of fair value gain is recognized on those investments during the year. We identified this as a key audit matter because there is a significant risk over the valuations of these investments due to inherent subjectivity and estimation involved in the valuation of such investment.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Obtain and review external confirmations or statements from brokers or custodians to verify the existence and ownership of quoted investments. • Inspect share certificates or other legal documents for unquoted investments to verify ownership and classification. • Assess the fair value of quoted investments by comparing them to market prices, and for unquoted investments, evaluate the reasonableness of valuation methods used.



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MALIK HAROON AHMAD & CO.

(Formerly Malik Haroon Shahid Safdar & Co.)

Chartered Accountants

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 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 the Companies Act, 2017 (XIX of 2017) and 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. The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- 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 period 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, except for the matters stated in Basis for Qualified Opinion above:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Usher ordinance, 1980 (XVIII 1980).



MALIK HAROON AHMAD & CO.

(Formerly Malik Haroon Shahid Safdar & Co.)

Chartered Accountants

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Other Matter

The financial statements of the Company for the year ended June 30, 2023, were audited by another auditor, who expressed an unmodified opinion on those financial statements on November 03, 2023.

The engagement partner on the audit resulting in this independent auditor's report is *Malik Haroon Ahmad, FCA.*

Lahore
October 04, 2024
UDIN: AR202410206kwh9FUVgr

Malik Haroon Ahmad
Malik Haroon Ahmad & Co.
Chartered Accountants



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FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	147,148,416	141,113,083
Investment properties	7	3,364,342,900	3,026,342,900
Long term investments	8	1,539,695,763	1,638,426,553
Long term deposits		37,500	37,500
		5,051,224,579	4,805,920,036
CURRENT ASSETS			
Trade debts	9	-	-
Loans, advances, prepayments and other receivables	10	52,297,701	48,976,354
Short term investments	11	36,198,120	24,166,325
Advance tax	12	6,914,135	7,957,517
Cash and bank balances	13	12,387,540	204,990
		107,797,496	81,305,186
CURRENT LIABILITIES			
Trade and other payables	14	64,290,590	74,323,674
Current portion of long term loan	15	1,150,787,273	681,818,182
Accrued markup	16	1,500,520,327	1,060,226,781
		2,715,598,190	1,816,368,637
NON-CURRENT LIABILITIES			
Long term loan	15	627,272,727	1,096,241,818
Accrued markup	16	-	-
Staff retirement benefits payable	17	3,011,171	2,657,518
Deferred tax liability	18	-	-
		630,283,898	1,098,899,336
CONTINGENCIES AND COMMITMENTS			
	19		
NET ASSETS		1,813,139,987	1,971,957,249
REPRESENTED BY:			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (June 2023: 320,000,000) ordinary shares of Rs. 10 each		3,200,000,000	3,200,000,000
Issued, subscribed and paid-up capital	20	3,166,101,120	3,166,101,120
Accumulated losses		(1,352,961,133)	(1,194,143,871)
		1,813,139,987	1,971,957,249

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

MHA & CO


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE YEAR ENDED JUNE 30, 2024

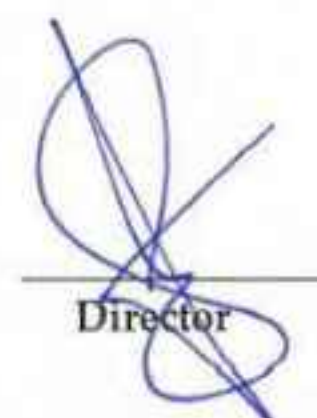
	Note	Restated	
		2024 Rupees	2023 Rupees
Revenue			
Dividend income	21	43,512,978	-
Unrealized gain/(loss) on re-measurement of investments at fair value through profit or loss	22	(86,698,995)	(83,435,789)
Change in fair value of investment properties	7	338,000,000	330,090,761
		294,813,983	246,654,972
Expenses			
Operating and administrative expenses	23	(30,641,146)	(10,733,173)
Operating profit		264,172,837	235,921,799
Other income	24	21,856,731	12,000,635
Finance cost	25	(440,424,199)	(312,574,798)
Loss before income tax and final tax differential		(154,394,631)	(64,652,364)
Final tax differential	26	(6,577,675)	-
Loss before taxation		(160,972,306)	(64,652,364)
Taxation	27	1,666,506	-
Loss after taxation		(159,305,800)	(64,652,365)
Loss per share			
- basic and diluted	28	(0.50)	(0.20)

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

MHA & CO


 Chief Executive Officer


 Chief Financial Officer


 Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2024

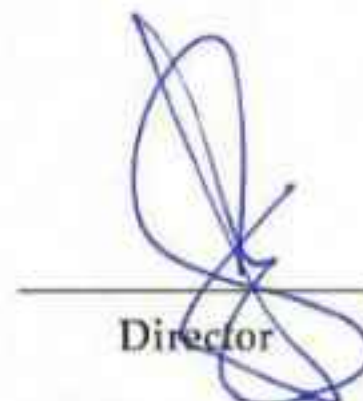
	2024	2023
	Rupees	Rupees
Loss after taxation for the period	(159,305,800)	(64,652,365)
Other comprehensive income for the year:		
<i>Items that will never be reclassified to profit and loss:</i>		
Remeasurement of post retirement benefit obligation - net of tax	488,538	1,158,709
<i>Items that may be reclassified to statement of profit or loss:</i>	-	-
Other comprehensive income for the period - net of tax	488,538	1,158,709
Total comprehensive loss for the period - net of tax	(158,817,262)	(63,493,656)

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

MHA & CO


 Chief Executive Officer


 Chief Financial Officer


 Director


FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and final tax differential		(154,394,631)	(64,652,364)
Adjustments for:			
Finance cost	25	440,424,199	312,574,798
Unrealized loss on re-measurement of investments at 'fair value through profit or loss'	22	86,698,995	83,435,789
Change in value of investment properties	7	(338,000,000)	(330,090,761)
Depreciation	23	2,092,467	2,310,255
Dividend income	21	(43,512,978)	-
Interest income	24	(2,243,504)	(417,955)
Gain on disposal of property, plant and equipment	24	(8,709,532)	-
Provision for staff retirement benefits	17.2	842,191	861,482
		137,591,838	68,673,608
Operating profit / (loss) before working capital changes		(16,802,793)	4,021,244
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets:			
Trade debts		-	-
Loans, advances, prepayments and other receivables		(3,321,347)	(10,653,362)
Increase/(decrease) in current liabilities:			
Trade and other payables		(10,033,084)	2,537,303
		(13,354,431)	(8,116,059)
Cash used in operations		(30,157,224)	(4,094,815)
Finance cost paid	25	(130,653)	(29,914)
Taxes paid / adjusted-net		(3,867,787)	(62,693)
		(3,998,440)	(92,607)
Net cash used in operating activities		(34,155,664)	(4,187,422)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Vehicle	6.1	(14,780,000)	-
Purchase of investment property		-	(10,973,258)
Proceeds from disposal of property, plant and equipment		15,361,732	-
Dividend received		43,512,978	-
Interest received		2,243,504	417,955
Net cash generated from/(used in) investing activities		46,338,214	(10,555,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		12,182,550	(14,742,725)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		204,990	14,947,715
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		12,387,540	204,990

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


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2024

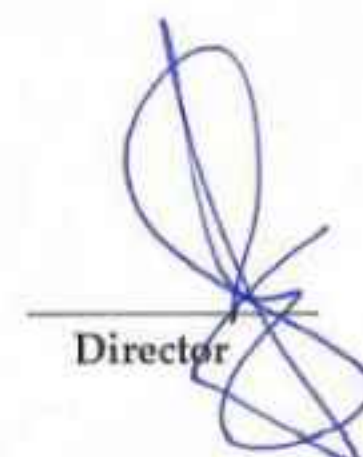
	Issued, subscribed and paid up capital	Accumulated losses	Total
	Rupees		
Balance as at July 01, 2022 - as previously stated	3,166,101,120	(1,153,151,394)	2,012,949,726
Effect of restatement (Note 18.2)	-	22,501,180	22,501,180
Balance as at July 01, 2022 - as restated	3,166,101,120	(1,130,650,214)	2,035,450,906
Loss for the year	-	(64,652,365)	(64,652,365)
Other comprehensive income for the year- net of tax	-	1,158,709	1,158,709
Total comprehensive loss for the year - net of tax	-	(63,493,656)	(63,493,656)
Balance as at 30 June 2023 - restated	3,166,101,120	(1,194,143,871)	1,971,957,249
Balance as at July 01, 2023 - restated	3,166,101,120	(1,194,143,871)	1,971,957,249
Loss for the year	-	(159,305,800)	(159,305,800)
Other comprehensive income for the year - net of tax	-	488,538	488,538
Total comprehensive loss for the year - net of tax	-	(158,817,262)	(158,817,262)
Balance as at 30 June 2024	3,166,101,120	(1,352,961,133)	1,813,139,987

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

MHA & CO


 Chief Executive Officer


 Chief Financial Officer


 Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on April 11, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and is listed on the Pakistan Stock Exchange. The Company is involved in making long and short term investments, money market operations and financial consultancy services.

Geographical location and location of other offices are as under:

Lahore-Head Office

First Capital House, Lower Ground Floor, 96-B-1, MM Alam Road, Gulberg II, Lahore.

2 GOING CONCERN ASSUMPTION

During the year company reported loss before tax amounting Rs.160.97 Million, but still the accumulated losses of the company stand at Rs.1,352.96 Million as at June 30, 2024 (2023: 1,194.14 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 2,607.80 Million (2023: 1,735.06 Million). The BoD and the management of the Company is taking various effective steps to make business operations profitable. In this regard the Board of the Directors of the Company and management is in negotiation with lenders and a third party for sale its pledge investment properties to settle principal amount and rental payable against diminishing musharaka agreement. The management is confident that this will be done on favourable terms.

Furthter, the management of the Company is confident that with economic stability in country and positive trends in Pakistan Stock Exchange will have positive impact on the financial performance of the company.

In view of the situation set out above, although material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern, however, the BoD and the management of the company are satisfied and firmly confident that all these conditions are temporary and would reverse in the near future and that the going concern assumption is appropriate, therefore, these financial statements have been prepared on the assumption that the company will continue as a going concern.

3 BASIS OF PREPARATION

3.1 Separate financial statements

These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately.

The Company has following major investments:

Company	Country of Incorporation	Nature of business	Effective holding %	
			2024	2023
Subsidiaries				
First Capital Investments Limited (FCIL)	Pakistan	Providing asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.	78.86	78.86
Lanka Securities (Private) Limited (LSL)	Sri Lanka	Sale / purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	51.00	51.00

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

First Capital Equities Limited (FCEL)	Pakistan	Sale / purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	73.23	73.23
Ever Green Water Valley (Private) Limited	Pakistan	Installation and manufacturing of water purification plants, RO systems, water softness system and other related activities. The company is also engaged in construction activities.	100.00	100.00
Falcon Commodities (Private) Limited (FCL)	Pakistan	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited.	100.00	100.00
First Construction Limited	Pakistan	A construction company.	100.00	100.00
Ozer Investments Limited (OIL)	Sri Lanka	OIL has not yet started its commercial activity however main objects are providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage.	100.00	100.00

Associates

Pace Barka Properties Limited	Pakistan	A real estate services company	17.95	17.95
Pace Super Mall (Private) Limited	Pakistan	A real estate services company	0.07	0.07
Media Times Limited	Pakistan	A media company	25.31	25.31
Pace (Pakistan) Limited	Pakistan	A real estate services company	2.52	2.52

3.2 Statement of compliance

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

3.3 Basis of measurement

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

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.4 Critical accounting estimates and judgments

The Company's significant accounting policies are stated in Note 5. The preparation of financial statements in conformity with approved accounting standards 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 and 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The areas where various assumptions and estimates are significant to Company's financial statements are as follows:

a)	Useful life and residual values of property and equipment	Note 5.1
b)	Impairment	Note 5.1
c)	Provisions and contingencies	Note 5.13 & Note 19
d)	Valuation of investment properties	Note 5.3
e)	Staff retirement benefits	Note 5.14
f)	Provision for taxation	Note 5.16

4 INITIAL APPLICATION OF NEW STANDARDS, INTERPRETATIONS OR AMENDMENTS TO EXISTING STANDARDS

4.1 Standards, interpretations and amendments to accounting standards that are effective in the current period

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies.

These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the change in its accounting policy as per the requirement of the IAS 8 "Accountin Policies, Change in Accounting Estimates and Errors". The Company has applied the accounting policy of IAS-12 as per guidance. Accordingly, the Company has applied the requirements as per the guidance. Resultantly, the Final taxes classified as Final Taxes differential (categorized as levy as per IFRIC 21/ IAS 37). For deferred taxation see note 18.



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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the SECP. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

5 MATERIAL ACCOUNTING POLICIES

The significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

5.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss by applying the straight-line method whereby the cost is written-off over its estimated useful life at the rates specified in note 6.1 to the financial statements.

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

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

Maintenance and repairs are charged to profit or loss 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 2024 did not require any adjustment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 5.11).

5.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to property, plant and equipment as and when these are available for use.



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FIRST CAPITAL SECURITIES CORPORATION LIMITED
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FOR THE YEAR ENDED JUNE 30, 2024

5.3 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional 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 charged to the statement of profit or loss. Rental income from investment properties is accounted for as described in Note 7.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference 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 fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings. Any loss arising in this manner is immediately charged to profit or loss.

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

5.4 Financial Instruments

i- Initial measurement of financial asset

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

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

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

ii- Subsequent measurement

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

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

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

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

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iii Non-derivative financial assets

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

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

5.5 Trade debts, advances and other receivables

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

5.6 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash in hand, balances with banks that form an integral part of the Company's cash management.

5.7 Financial liabilities

Financial liabilities are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognizes the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

5.8 Mark-up bearing borrowings and borrowing cost

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the statement of profit or loss over the period of the borrowing using the effective interest method. Borrowing cost that is directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset.

5.9 Impairment

Financial Assets

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

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

- debt securities that are determined to have low credit risk at the reporting date; and

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

5.10 Settlement date accounting

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

5.11 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Liabilities for creditors and other costs payable are initially recognized at cost which is the fair value of the consideration to be paid in future for goods and/or services, whether or not billed to the Company and subsequently measured at amortized cost using the effective interest method.



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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

5.13 Provisions

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

5.14 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.

5.15 Revenue recognition

Capital gains or losses on sale of investments are recognized in the year in which they arise. Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided. Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up. Dividend income is recognized when the right to receive the dividend is established i.e. at the time of closure of share transfer book 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 credited to profit or loss on accrual basis.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5.16 Taxation

Income tax expense comprises of current and deferred tax. Income tax is charged or credited to profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law 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 all 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.

However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. 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.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is charged or credited to profit or loss, except in the case of items credited or charged directly to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.17 Related party transactions

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

5.18 Functional and presentation currency

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

5.19 Foreign currency

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the statement of financial position date. Transactions in foreign currencies are translated into Pak 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 profit or loss.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5.20 Operating Segments

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive Officer (CEO) of the Company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The CEO is responsible for the Company's entire product portfolio and considers business as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis. The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
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6 PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees
Operating fixed assets	6.1	14,723,310	8,687,977
Advance against capital asset	6.2	132,425,106	132,425,106
		<u>147,148,416</u>	<u>141,113,083</u>

6.1 Operating fixed assets

	Leasehold improvements	Computers	Office equipments	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
	(Rupees)						
COST							
Balance as at 1 July 2022	470,315	720,622	2,061,090	154,000	88,250,000	17,492,230	109,148,257
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2023	470,315	720,622	2,061,090	154,000	88,250,000	17,492,230	109,148,257
Balance as at 1 July 2023	470,315	720,622	2,061,090	154,000	88,250,000	17,492,230	109,148,257
Additions during the year	-	-	-	-	-	14,780,000	14,780,000
Disposals during the year	-	(720,622)	(2,011,190)	(131,000)	-	(11,087,000)	(13,949,812)
Balance as at 30 June 2024	470,315	-	49,900	23,000	88,250,000	21,185,230	109,978,445

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	Leasehold improvements	Computers	Office equipments	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
	(Rupees)						
DEPRECIATION							
Balance as at 1 July 2022	470,315	720,622	2,052,481	154,000	83,250,000	6,502,607	98,150,025
Charge for the year	-	-	5,450	-	-	2,304,805	2,310,255
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2023	470,315	720,622	2,057,931	154,000	83,250,000	8,807,412	100,460,280
Balance as at 1 July 2023	470,315	720,622	2,057,931	154,000	83,250,000	8,807,412	100,460,280
Charge for the year	-	-	3,159	-	-	2,089,308	2,092,467
Disposals during the year	-	(720,622)	(2,011,190)	(131,000)	-	(4,434,800)	(7,297,612)
Balance as at 30 June 2024	470,315	-	49,900	23,000	83,250,000	6,461,920	95,255,135
Book value as at 30 June 2023	-	-	3,159	-	-	8,684,818	8,687,977
Book value as at 30 June 2024	-	-	-	-	-	14,723,310	14,723,310
Annual depreciation rate	10%	33%	10%	10%	20%	20%	

6.1.1 Depreciation is fully charged to operating and administrative expenses.

6.1.2 Assets with cost of Rs. 95,198,445 (2023: Rs. 98,006,757) are carried at nil book value.

6.1.3 Disposal details of operating fixed assets, whose book value exceeds Rs. 500,000, during the year:

Description	Cost	Accumulated Depreciation	Carrying Value	Sale Proceeds	Gain/(Loss)	Mode of disposal & Particular of buyers
Toyota Fortuner (AKM-773)	11,087,000	4,434,800	6,652,200	14,915,000	8,262,800	Negotiation / Kaleem Mehmood (Individual buyer)
Assets having book value lower than Rs. 500,000	2,862,812	2,862,812	-	446,732	446,732	Negotiation / Various
30-Jun-24	13,949,812	7,297,612	6,652,200	15,361,732	8,709,532	
30-Jun-23	-	-	-	-	-	

6.1.4 Vehicle with cost of Rs. 11,087,000 which was disposed off during the year had been registered in the name of Evergreen Water Valley.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

6.2 Advance against capital asset

Opening balance
 Additions during the year
 Disposals during the year
 Closing balance

Note	2024	2023
	Rupees	Rupees
	132,425,106	132,425,106
	-	-
	-	-
6.2.1	<u>132,425,106</u>	<u>132,425,106</u>

6.2.1 This represents advance against purchase of properties in Plot # 27 Block H, Pace Tower Gulberg II, Lahore and 131- A Amjad Chaudhry Road, Guldasht Town, Pace Circle, Lahore amounting to Rs 107,090,858 (2023: Rs 107,090,858) and Rs. 25,319,151 (2023: Rs 25,334,248) respectively. These properties are not in operating condition as the seller has not yet completed the construction work on these properties till the reporting date.

This includes Rs. Rs. 25,334,248 (2023: Rs 25,334,248) paid for purchase of leasehold property.

6.2.2 The Company does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2023: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2023: Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.32 million (2023: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion. The possession of said property will be transferred on completion.



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FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
7 INVESTMENT PROPERTIES			
Opening balance		3,026,342,900	2,685,278,881
Acquisition during the year		-	10,973,258
Disposal during the year		-	-
Fair value adjustment		338,000,000	330,090,761
Closing balance	7.1	<u>3,364,342,900</u>	<u>3,026,342,900</u>
Break of investment property is as follows:			
Owned properties		296,189,300	296,189,300
Leased properties - right to use		3,068,153,600	2,730,153,600
	7.3	<u>3,364,342,900</u>	<u>3,026,342,900</u>

7.1 Investment property amounting Rs.3,068 Million (2023: 2,730 Million) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

The Company does not hold the title of investment property amounting Rs. 3,364 Million (2023: Rs. 3,026 Million), title of property amounting Rs. 3,108.15 Million, Rs 212.6 Million and Rs. 43.6 Million is held in the name of Pace (Pakistan) Limited, First Capital Equities Limited and Capital Heights (Pvt.) Limited respectively. The transfer of this property is in process as at year end. However, the Company has complete control and possession of said property.

7.2 Fair value of investment properties is determined by independent professional valuers. Latest valuation of these properties was carried out on June 30, 2024 by approved independent valuers present on panel of Pakistan Bankers Association, K.G Traders Pvt. Limited and Fairwater Property Valuers & Surveyors Pvt. Limited. The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

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).

The following table presents the Company's investment properties that are measured at fair value at June 30, 2024:

**Fair value measurements at 30 June 2024 using
'significant other observable inputs (Level 2)**
Rupees

Recurring fair value measurements

Investment properties 3,364,342,900

The following table presents the Company's investment properties that are measured at fair value at June 30, 2023:

**Fair value measurements at 30 June 2023 using
Rupees**

Recurring fair value measurements

Investment properties 3,026,342,900

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2024 or 2023.

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Note	2024	2023
	Rupees	Rupees

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.

7.3 Particulars of the investment properties and forced sale value (FSV) are as follows:

Particulars	Area (sq/ft)	Fair value		Force sale value	
		2024	2023	2024	2023
Rupees					
Shop situated at Pace Shopping Mall, Mouza Dhola Zari G.T. Road, Gujranwala.	196	7,590,100	7,590,100	6,072,080	6,831,090
Plot-D situated Near Rangers Headquarters Lahore Cantt.	87444	3,068,153,600	2,730,153,600	2,454,522,880	2,457,138,240
Shops situated at 5th Floor, Pace Shopping Mall, Model	4000	40,000,000	40,000,000	32,000,000	36,000,000
Apartments situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi.	6926	43,590,000	43,590,000	34,872,000	39,231,000
79 Shops Second and third Floor Pace Shopping Mall, Grand Turk Road, Near Service Industries, Gujrat.	9009	205,009,200	205,009,200	164,007,360	184,508,280
		<u>3,364,342,900</u>	<u>3,026,342,900</u>	<u>2,691,474,320</u>	<u>2,723,708,610</u>

7.4 The direct expense relating to investment properties were Rs. 75,000 (2023: Rs. 65,000).

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

8 LONG TERM INVESTMENTS

Investment in related parties

Subsidiary companies - Unquoted	8.1	590,542,438	532,139,243
Associated companies - Unquoted	8.2	665,042,920	840,756,374
Associated company - Quoted	8.3	73,328,927	72,423,632
Subsidiary company - Quoted	8.4	210,781,478	193,107,304
		<u>1,539,695,763</u>	<u>1,638,426,553</u>

Note	Shares		2024	2023	Percentage of holding	
	2024	2023			2024	2023
	Number		Rupees		%	

8.1 Subsidiary companies - unquoted - at fair value

		2024	2023	2024	2023	2024	2023
First Capital Investments Limited		16,561,634	16,561,634	216,364,444	185,699,758	78.86%	78.86%
Lanka Securities (Private) Limited	8.1.2	12,583,886	12,583,886	202,682,934	271,607,446	51.00%	51.00%
Falcon Commodities (Private) Limited		3,150,000	3,150,000	-	-	100.00%	100.00%
Evergreen Water valley (Private) Limited		715,400	715,400	171,495,060	74,832,039	100.00%	100.00%
Ozer Investments Limited		1,000	1,000	-	-	100.00%	100.00%
First Construction Limited		20,000	20,000	-	-	100.00%	100.00%
				<u>590,542,438</u>	<u>532,139,243</u>		

8.1.1 Investment in unquoted securities are valued at fair value. Level 3 inputs were used for fair value calculation as per detail mentioned in note 31.3.4.

8.1.2 During the financial year 2000-2001, the Company has made an investment of 148,575 US Dollars (8,170,141 PKR) in Lanka Securities (Pvt.) Limited (LSPL), subsidiary of the Company, incorporated and domiciled in Sri Lanka subscribing 3,564,900 ordinary shares of LSPL @ 2.29/ PKR-each. Subsequently during the financial year 2007-2008 the company made a further investment of 626,429 US Dollars (38,059,842 PKR) subscribing 3,564,900 ordinary shares of LSPL @ 10.67/ PKR-each. During the financial year 2021-2022, Lanka Securities (Pvt.) Limited have issued one bonus share for every 2.68 shares. This shares issuance has resulted in increase of company shares holding in LSPL, by 3,417,000 shares. The company have received return amounting 1,985,308 US Dollars (225,365,097 PKR) to date from LSPL.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8.2 Associated companies - unquoted - at fair value

Note	Shares		2024		2023		Percentage of holding	
	2024	2023					2024	2023
	Number		Rupees		%			
Pace Barika Properties Limited	54,790,561	54,790,561	664,930,420	840,643,874	11.41%	17.95%		
Pace Super Mall Private Limited	11,250	11,250	112,500	112,500	0.07%	0.07%		
			<u>665,042,920</u>	<u>840,756,374</u>				

8.2.1

8.2.1 The Company's investment in Pace Barika Properties Limited and Pace Super Mall Private Limited is less than 20% but they are considered to be an associates as per the requirement of IAS 28 'Investments in Associates' because the Company has significant influence over the financial and operating policies of these companies through representation on the Board of Directors of these companies.

8.2.2 Investment in unquoted securities are valued at fair value. Level 3 inputs were used for fair value calculation as per detail mentioned in note 31.3.4.

8.3 Associated company - quoted - at fair value

Note	Shares		Market value		Market Value per share		Percentage of holding	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number		Rupees		Rupees		%	
Media Times Limited	45,264,770	45,264,770	73,328,927	72,423,632	1.62	1.60	25.31%	25.31%

8.3.1 Change in value of investment amounts of Rs. 905,295 (2023: Rs. 17,653,260) represents change in fair value of investment during the year. Level 1 inputs were used for fair value calculation for this quoted investment.

8.4 Subsidiary company - at fair value

Note	Shares		Market value		Market Value per share		Percentage of holding	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number		Rupees		Rupees		%	
First Capital Equities Limited	103,494,200	103,494,300	210,781,478	193,107,304	2.04	1.87	73.23%	73.23%

8.4.1 Investment in subsidiary Company are valued at fair value. Level 3 inputs were used for fair value calculation as per detail mentioned in note 31.3.4.

8.5 All investee companies incorporated in Pakistan except for Lanka Securities (Pvt.) Ltd. and Ozer Investments Ltd. which are incorporated in Sri Lanka. Shares of all investee companies are fully paid-up ordinary shares, having a face value of Rs. 10 per share except for Evergreen Water Valley (Pvt.) Limited, Lanka Securities (Pvt.) Ltd and Ozer Investments Ltd. where face value of share is Rs. 100, 8.75 and 8.75 respectively.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
9 TRADE DEBTS - CONSIDERED DOUBTFUL			
Money market receivables		503,784	503,784
Expected credit loss		(503,784)	(503,784)
		-	-
10 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Due from related parties - unsecured, considered good			
Media Times Limited	10.1	-	399,100
Evergreen Water Valley (Private) Limited	10.2	52,297,701	48,577,254
		52,297,701	48,976,354
10.1	This represents advance payment made to Media Times Limited against publishing which is normal course of business. No collateral is available against this. Maximum aggregate receivable balance on the month end basis is Rs. 399,100 (2023: Rs. 399,100).		
10.2	This represents receivables from subsidiary company against rental income for use of construction equipment, which is maximum aggregate receivable balance on the month end basis. No collateral is available against same.		
10.3 Aging of receivable from related parties			
Neither past due nor impaired			
Past due 1 - 60 days		-	-
Past due 61 - 120 days		-	-
Above 120 days		52,297,701	48,976,354
		52,297,701	48,976,354
10.4	Management did not anticipate any credit loss due to the related party relationship.		
11 SHORT TERM INVESTMENTS			
Investments - at fair value through profit or loss	11.1	36,198,120	24,166,325
		36,198,120	24,166,325
11.1 Investments - at fair value through profit or loss			
Carrying value at 1 July:			
Related parties		19,519,222	27,167,998
Others		4,647,103	5,666,324
Addition		-	-
Disposal		-	-
		24,166,325	32,834,322
Unrealized (loss)/gain on remeasurement of investments during the year		12,031,795	(8,667,997)
		36,198,120	24,166,325
Fair value of short term investments at 30 June:			
Related parties	11.2	30,809,959	19,519,222
Others	11.3	5,388,161	4,647,103
		36,198,120	24,166,325

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

11.2 Investments at fair value through profit or loss - related parties

	Percentage of holding		Note	Shares/units		Carrying value		Fair value	
	2024	2023		2024	2023	2024	2023	2024	2023
	%			Number		Rupees		Rupees	
a) Real Estate Investment and Services									
Pace (Pakistan) Limited	2.52%	2.52%		7,038,176	7,038,176	13,794,825	21,255,292	21,255,292	13,794,825
b) Mutual Funds									
First Capital Mutual Fund Limited	6.09%	5.63%		935,466	935,466	5,724,397	5,912,706	9,554,667	5,724,397
						19,519,222	27,167,998	30,809,959	19,519,222

11.3 Investments at fair value through profit or loss - others

	Note	Shares		Carrying value		Fair value	
		2024	2023	2024	2023	2024	2023
		Number		Rupees		Rupees	
a) Insurance							
Shahbeen Insurance Company Limited		15,329	15,329	45,987	52,119	69,440	45,987
b) Telecommunication							
Worldcall Telecom Limited	11.3.1	4,221,207	4,221,207	4,601,116	5,614,205	5,318,721	4,601,116
				4,647,103	5,666,324	5,388,161	4,647,103

11.3.1 This includes 4,220,677 (2023: 4,220,677) shares held under lien as security by National Accountability Bureau (NAB). These shares are held in possession of NAB. Refer to Note 19.1.

11.4 Shares of all investee companies are fully paid-up ordinary shares, having a face value of Rs 10/- per share except First Capital Mutual Fund. Fair value of these investments are determined using quoted market prices.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
12 ADVANCE TAX			
Income tax deducted at source		336,460	7,957,517
Final tax deducted at source		6,577,675	-
		<u>6,914,135</u>	<u>7,957,517</u>
13 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at bank			
- current accounts		178,737	-
- deposit accounts	13.1	12,208,803	204,990
		<u>12,387,540</u>	<u>204,990</u>
		<u>12,387,540</u>	<u>204,990</u>
13.1	The deposit accounts carry mark-up at rates ranging from 15.5% to 20.5% (2023: 13% to 17%) per annum.		
14 TRADE AND OTHER PAYABLES			
Creditors		11,009,972	11,738,129
Accrued liabilities	14.1	20,821,729	17,465,521
Security deposit from tenants	14.2	486,660	486,660
Payable against purchase of investment property	14.3	-	6,681,123
Final settlements payable	14.4	22,190,476	22,190,476
Withholding income tax payable		3,204,078	5,867,525
Sales tax payable		-	244,082
Levy tax payable	26	6,577,675	-
Provision for Taxation		-	9,624,023
Other liabilities		-	26,135
		<u>64,290,590</u>	<u>74,323,674</u>

14.1 This includes an amount of Rs.17.8 million related to the salaries of employees.

14.2 This amount shall be payable on demand.

14.3 This represent payment of Rs. 6,681,123 made to Pace (Pakistan) Limited an associated company against purchase of property during the year.

14.4 This represents amount payable to employees who have left the Company on account of final settlement of gratuity.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
15 LONG TERM LOAN			
Payable against diminishing musharka--secured	15.1	1,600,000,000	1,600,000,000
Payable against long term loan from non-financial institutions--unsecured	15.2	178,060,000	178,060,000
		<u>1,778,060,000</u>	<u>1,778,060,000</u>
Less Current portion of loan		(1,150,787,273)	(681,818,182)
Non current portion of loan		<u>627,272,727</u>	<u>1,096,241,818</u>
15.1 This represents balance payable against two diminishing musharka facilities obtained from Silk Bank Limited (Eman Islamic Banking) Facility 1 and 2 amounting to Rs. 1,100 Million and Rs. 500 Million respectively. Details of rental payable on these facilities is mentioned in note 17.1. Principal amount of Facility 1 and 2 is repayable in 11 equal semi-annual instalments commencing from June 14, 2022 and August 08, 2022 respectively. The Company has not paid installments due on respective dates. In case of failure to make due payments by the Company, Bank can charge penalty at the rate of 6 month KIBOR (Ask side) plus 5% per annum on overdue amount. Silk Bank Limited has charge by way of hypothecation over following assets:			
- Diminishing Musharka Asset			
- Current Assets of the company			
15.2 This represents loan received on interest at the rate of 24% obtained from WTL Services (Private) Limited. During the year ended June 30, 2022, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the interest rate have been modified from 24% per annum to Kibor plus 5%.			
16 ACCRUED MARKUP			
Diminishing musharka	16.1	1,370,793,945	982,277,261
Interest payable against long term loan from non-financial institutions	16.2	129,726,382	77,949,520
		<u>1,500,520,327</u>	<u>1,060,226,781</u>
16.1 This is payable against the diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking) was at the rate of 6 month KIBOR (ask side) plus 2% margin per annum. In 2021, on the request of the Company, the Bank agreed to defer the repayment of principal and rental for two years starting from July 15, 2020 and interest rate to be charged during deferment period is 2 year KIBOR plus 2% spread per annum. Rental deferred is measured at present value using the applicable rental rate of 2Y KIBOR plus 2%. Afterwards, interest rate to be charged will be 3M KIBOR plus 2% spread. After deferment period the liability is now payable on demand.			
16.2 This represents interest at the rate of 24% on loan obtained from WTL Services (Private) Limited. During the year, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%.			

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees			
17 STAFF RETIREMENT BENEFITS PAYABLE						
Fair value of plan assets		-	-			
Present value of defined benefit obligation	17.1	3,011,171	2,657,518			
		3,011,171	2,657,518			
17.1 Present value of defined benefit obligation						
Statement of financial position liability at 01 July		2,657,518	3,125,943			
Expense chargeable to Profit or Loss account	17.2	842,191	861,482			
Remeasurements chargeable in other comprehensive income	17.3	(488,538)	(1,158,709)			
Benefit payable transferred to short term liability		-	(171,198)			
Statement of financial position liability at 30 June		3,011,171	2,657,518			
17.2 Amount charged to profit or loss						
Current service cost		410,344	458,636			
Past Service Cost (Credit)		-	-			
Interest cost		431,847	402,846			
Total amount chargeable to profit or loss		842,191	861,482			
17.3 Charged to other comprehensive income						
Actuarial loss/(gains) from changes in financial assumptions		(433)	(1,158,709)			
Actuarial loss/(gains) due to Experience adjustments		(488,105)	-			
		(488,538)	(1,158,709)			
17.4 Historical information for gratuity plan						
		2024	2023	2022	2021	2020
		Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligation		3,011,171	2,657,518	3,125,943	2,293,421	4,606,376
Gain/(loss) on actuarial experience						
Adjustments on plan liability		(488,538)	(1,158,709)	(288,353)	(236,728)	(1,618,290)

17.5 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the impact on the present value of the defined obligation as at June 30, 2024 would have been as follows:

	Increase	Decrease
Discount rate	2,979,952	3,046,702
Future salary increase	3,046,702	2,979,433

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for defined benefit obligation reported in the statement of financial position

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

Note	2024	2023
	Rupees	Rupees
17.6 Actuarial valuation of this plan was carried out on June 30, 2024 using the Projected Unit Credit Method of which the principle actuarial assumptions used are as follows:		
Discount rate used for profit or loss charge	16.25%	13.25%
Discount rate used for year-end obligation	14.75%	16.25%
Expected rate of salary increase in future years		
Salary increase FY 2024	N/A	15.25%
Salary increase FY 2025	13.75%	15.25%
Salary increase FY 2026	13.75%	15.25%
Salary increase FY 2027	13.75%	15.25%
Salary increase FY 2028	13.75%	15.25%
Salary increase FY 2029	13.75%	15.25%
Salary increase FY 2030 and onward	13.75%	15.25%
Retirement assumption	Age 60	Age 60
Mortality rate	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
17.7 Estimated expenses to be charged to profit or loss account for financial year 2024-2025 is Rs. 668,743 which includes Rs. 405,991 in respect of current service cost and Rs. 262,752 in respect of interest cost in defined benefit obligation.		
17.8 Weighted average duration of the defined benefit obligation is 3 years for gratuity (previously: 2 years).		

18 DEFERRED TAX LIABILITY

18.1 Pursuant to the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), issued by the Institute of Chartered Accountants of Pakistan, the Company has changed its accounting policy to recognise current and deferred taxation.		
18.2 Although the Company has temporary tax differences however, as sufficient taxable profits may not be available in foreseeable future and due to non availability of taxable income, effective tax rate is 0% (2023: 0%), the Company has not recognized deferred tax assets or liabilities in these financial statements. The opening deferred tax liability is restated in accordance with guidance and impact is recognized in opening equity. The effect of restatement is as follows:		
Opening deferred tax liability	-	22,501,180
Effect of restatement in opening equity	-	(22,501,180)
Deferred tax charge for the year	-	(8,252,660)
Effect of restatement in current year (PorL)	-	8,252,660
Closing deferred taxation	-	-



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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note	2024	2023
	Rupees	Rupees

19 CONTINGENCIES AND COMMITMENTS

- 19.1** The senior management of the Company was contacted by 'National Accountability Bureau' (NAB) dated June 22, 2002 in respect of certain transactions in FIB carried out by the Company related to Workers Welfare Fund ("WWF") during the year 1999. On review of related records and information and discussions with the senior management, National Accountability Bureau's investigation concluded that two employees of the Company had colluded with WWF officials to defraud WWF. On this basis, National Accountability Bureau required the Company to pay or guarantee to pay on account of WWF a sum of Rs. 46 Million in view that public funds were involved and it was the Company's vicarious liability. The Company had paid National Accountability Bureau an amount of Rs. 13.8 Million and had provided adequate security against the balance amount recovered from the parties involved.
- National Accountability Bureau had recovered Rs 12.127 million from various parties involved and informed that Company's liability stands reduced by the said amount. The Company had also paid an amount of Rs 10 million as full and final settlement during the financial year ended 30 June 2004. Thus a sum of Rs 23.8 million as discussed above has so far been written off in the Company's accounts. However, the Bureau has again raised a demand of Rs. 10 million, which remains un-recovered from various parties involved. The Company has informed National Accountability Bureau that the said amount is not payable. The Company has also lodged a counter claim for sums paid to National Accountability Bureau, which were actually siphoned by the employees of WWF and other parties involved. The instant writ petition was disposed of with direction to the respondents / National Accountability Bureau authorities that they shall hear the petitioner and decide the matter in accordance with law expeditiously. The Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.
- 19.2** During financial year 1998-1999, Securities and Exchange Commission of Pakistan ("SECP") raised a demand of Rs. 0.8 Million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP had filed an appeal in the Supreme Court of Pakistan against the Judgment of the honourable Lahore High Court. The Appeal has resulted in remand of the proceedings to the Lahore High Court; by the honourable Supreme Court vide order dated 29.04.2010. The matter will be re-decided by the Lahore High Court. Honourable Lahore High Court passed an order dated 20-05-2015 to issue notices to the Appellants and consigned the appeal to record. In stated proceedings, Company has engaged a new Counsel who has filed Application for restoration of the stated Appeal and matter is pending before Lahore High Court. Management considers that there are strong grounds to support the Company's stance and is hopeful for a favourable decision. Consequently, no provision has been made in these financial statements for this amount
- 19.3** CTR No. 14/2002 reference has been directed against the judgment of ITAT dated 03.02.2001 whereby the order passed under 66 - A of the Income Tax Ordinance, 1979, for the assessment years 1995-1996, by IAC of the Income tax Range - III, Companies Zone - II, Lahore has been affirmed. The C.T.R is now pending before the Honourable Lahore High Court and is to be heard along with other identical matters. There is likelihood of a favourable decision in favour of Company in as much as said order is in conflict with earlier judgments of the superior courts. The case has to be fixed by office of the Honourable Lahore High Court Lahore.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note	2024	2023
	Rupees	Rupees

19.4 The Income Tax Appellate Tribunal Lahore vide its Order dated 19th November 2008 for Assessment Year 1996-1997, 1999-2000, 2001-2001, 2002-2003, Tax Year 2003 and 2004 held that allocation of expense cannot be made against Capital Gain. During the preceding year Tax References No. PTR 131/09 to 140/09 filed by the Tax Department against order of Income Tax Appellate Tribunal Lahore dated 19th November 2008.

The Honourable Lahore High Court vide its order dated 10th March 2015 accepted the references filed by department for the above mentioned years, and cases were remanded back to Income Tax Appellate Tribunal Lahore. The Company has preferred CPLAs before the August Supreme Court against the Orders passed by the Lahore High Court Lahore in all Tax References Nos. PTR 131/09 to 140/09. The Company is confident of a favourable decision in the matter.

19.5 During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Equities Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the cumulative recovery of Rs. 188.74 Million from the Company or alternatively recovery of Rs. 0.513 Million from the Company against insurance premium. The case is pending before the honourable court of Mr. Rana Abdul Jabbar, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favour.

19.6 During the year 2017-2018, Al-Hoqani Securities & Investment Corporation (Pvt.) Ltd has filed suit against the Company, First Capital Equities Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Aamna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honourable High Court of Sindh. The legal counsel is confident of success of the case in company's favour.

19.7 The company extended the corporate guarantee amounting Rs. 480,000,000 in favour of Silk Bank Limited against the loan facility obtained by one of the wholly owned subsidiary Evergreen Water Valley (Pvt.) Limited.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

38,165,030	38,165,030	Ordinary shares of Rs 10/- each fully paid in cash	381,650,300	381,650,300
278,445,082	278,445,082	Ordinary shares of Rs 10/- each issued as bonus shares	2,784,450,820	2,784,450,820
<u>316,610,112</u>	<u>316,610,112</u>		<u>3,166,101,120</u>	<u>3,166,101,120</u>

20.1 Ordinary shares of the Company held by related parties as at year end are as follows:

Amythest Limited	20.2	72,034,182	72,034,182
Sisley Group	20.3	31,395,000	31,395,000

20.2 Beneficial owner of the above mentioned holding was Salman Taseer (Late) resident House No. 118, Street No 3 Cavalry Ground Lahore and also the authorized agent. Pakistani shareholder associated with this entity is Mrs. Aamna Taseer.

20.3 Beneficial owner of the above mentioned holding is Aamna Taseer resident House No. 118, Street No 3 Cavalry Ground Lahore and also the authorized agent. Pakistani shareholder associated with this entity is Mrs. Aamna Taseer.

21 DIVIDEND INCOME

Subsidiary	21.1	43,512,978	-
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21.1 This represents dividend received from Lanka Securities (Pvt.) Limited during the year.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
22 GAIN/(LOSS) ON INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Unrealized gain/(loss) on remeasurement of short term investments	11	12,031,795	(8,667,997)
Unrealized loss on remeasurement of long term investments	8	(98,730,790)	(74,767,792)
		<u>(86,698,995)</u>	<u>(83,435,789)</u>
23 OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	23.1	5,096,532	5,371,761
Postage, telephone and stationary		6,000	6,000
Insurance		-	156,540
Travelling and conveyance		17,670,956	-
Repairs and maintenance		500,000	9,500
Entertainment		-	96,000
Legal and professional		4,125,191	1,583,117
Auditors' remuneration	23.2	1,150,000	1,200,000
Depreciation	6.1	2,092,467	2,310,255
		<u>30,641,146</u>	<u>10,733,173</u>
23.1 Salaries, wages and other benefits includes Rs. 842,191 (2023: Rs. 861,482) in respect of gratuity expense for the year.			
23.2 Auditors' remuneration			
Annual audit fee		800,000	500,000
Fee for audit of consolidated financial statements		200,000	500,000
Half yearly review		150,000	200,000
		<u>1,150,000</u>	<u>1,200,000</u>
24 OTHER INCOME			
<u>Income from financial assets</u>			
Income on treasury bills /saving accounts		2,243,504	417,955
<u>Income from non-financial assets</u>			
Rental income of plant and machinery	24.1	5,700,000	11,400,000
Gain on sale of property plant and equipment	6.1.2	8,709,532	-
Liabilities written off	24.2	5,125,943	-
Miscellaneous income		77,752	182,680
		<u>21,856,731</u>	<u>12,000,635</u>
24.1 This represents income from lease of plant and machinery (construction equipment) to Evergreen Water Valley (Pvt.) Limited a subsidiary company. During the year, the contract was terminated by mutual consent of both parties.			
24.2 During the year, withholding tax payable amounting to Rs. 3.42 million, which had been outstanding for five years, was written off.			

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
25 FINANCE COST			
Bank charges and commission		3,630	29,914
Loss on currency translation		127,023	-
Impact of Unwinding on rentals		-	4,253,757
Markup / rental on long term financing	16.1 16.2	440,293,546	308,291,127
		<u>440,424,199</u>	<u>312,574,798</u>
26 FINAL TAX DIFFERENTIAL			
Final tax u/s 150	26.1	<u>6,577,675</u>	-
26.1 This represents the portion of the final tax expense under various provisions of the Income tax Ordinance (ITO,2001) representing levy in terms of requirements of IFRIC 21/ IAS 37.			
27 TAXATION			Restated
<u>Current tax</u>			
For the year	27.1	-	-
Prior year adjustment	27.2	(1,666,506)	-
<u>Deferred tax expense/(income)</u>	18.2	-	-
		<u>(1,666,506)</u>	-
27.1 Since the company showing tax loss for the year as a result taxable income for the year is Nil.			
27.2 This represents the prior year balance of provision for taxation payable that has been written off.			
27.3 Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss accounts is as follows:			
Current tax liability for the year as per applicable tax laws		6,577,675	-
Portion of current tax liability as per tax laws representing current taxation for current years.		-	-
Portion of current tax computed as per tax laws representing levy in terms of requirements of IFRIC-21/ IAS 37.		(6,577,675)	-
<u>Difference</u>		<u>-</u>	<u>-</u>
28 LOSS PER SHARE			Restated
28.1 Loss per share - basic			
Loss for the year	Rupees	<u>(159,305,800)</u>	<u>(64,652,365)</u>
Weighted average number of ordinary shares	Numbers	<u>316,610,112</u>	<u>316,610,112</u>
Loss per share - basic	Rupees	<u>(0.50)</u>	<u>(0.20)</u>
28.2 Loss per share - diluted			
There is no dilution effect on the basic EPS as the Company has no such commitments.			

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
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Note	2024	2023
	Rupees	Rupees

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the Chief Executive, Directors and Executives of the company is as follows:

	Chief executive		Executive and non executive directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	2,400,000	2,400,000	-	-	1,349,280	1,505,280
Medical Expenses Reimbursed	-	-	-	-	-	-
Provision for gratuity	706,414	706,414	-	-	84,330	77,530
	<u>3,106,414</u>	<u>3,106,414</u>	<u>-</u>	<u>-</u>	<u>1,433,610</u>	<u>1,582,810</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>1</u>	<u>1</u>

29.1 The Company has also provided executives with company maintained cars. No fees were paid to any director for attending board and audit committee meetings.

29.2 Executives are employees whose basic salary exceed Rs. 1,200,000 in a financial year.

30 NUMBER OF EMPLOYEES

The average and total number of employees are as follows:

Average number of employees during the year

Total number of employees as at 30 June

2	3
<u>2</u>	<u>2</u>



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FOR THE YEAR ENDED JUNE 30, 2024

31 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between various sources of finance to minimize the risk. Taken as a whole, risk arising from the Company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

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

- Credit risk
- Liquidity risk
- Market risk

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk arises from deposits with banks, trade debts, loans and advances and credit exposure arising as a result of dividends from equity securities and other receivable. The Company has concentration of credit risk in other receivables but this not considered to be significant as this includes a major portion overdue from related parties and remaining exposure is spread over a large number of counter parties in the case of trade debts to manage exposure to credit risk, the Company applies credit limits to its customers.

31.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

Long term deposits		37,500	37,500
Trade debts	9	-	-
Loans, advances, prepayments and other receivables	10	52,297,701	48,976,354
Cash and bank balances	13	12,387,540	204,990
		<u>64,722,741</u>	<u>49,218,844</u>

All financial assets subject to credit exposure at the statement of financial position' date represent domestic parties.

31.1.2 Credit quality of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Banking companies and financial institutions have external credit ratings determined by various credit rating agencies. Credit quality of customers, supplier and others is assessed by reference to historical defaults rates and present ages.



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31.1.2.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties, past experiences and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank balances

The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
Faysal Bank Limited	A-1+	AA	PACRA	2,166	1,733
Allied Bank Limited	A-1+	AAA	PACRA	12,200,695	18,579
Bank Islami	A-1	AA-	PACRA	5,942	5,942
Soneri Bank Limited	A-1+	AA-	PACRA	-	-
Bank Alfalah Limited	A-1+	AAA	PACRA	-	-
Silk Bank Limited	A-2	A-	VIS	178,736	178,736
				<u>12,387,539</u>	<u>204,990</u>

Trade debts

The trade debts as at the statement of financial position date are classified in Pak Rupees. The aging of trade receivables at the reporting date is:

Neither past due nor impaired		-	-
Past due	9	503,784	503,784
		<u>503,784</u>	<u>503,784</u>

The maximum exposure to credit risk for trade debts at the reporting date by type of counter party are as follows:

Commercial banks	381,734	381,734
Others	122,050	122,050
	<u>503,784</u>	<u>503,784</u>

Based on past experience, impairment allowance is necessary in respect of trade receivables and for other revceivables.

31.1.2.2 Counterparties without external credit ratings

Management estimates that the below mentioned balances will be recovered within next 12 months and the probability of default is expected to be zero as all the balance is receivable from related parties and employees of the Company. Consequently, no expected credit loss allowance is required.

Loan and advances

Related parties	10	52,297,701	48,976,354
Employees		-	-
		<u>52,297,701</u>	<u>48,976,354</u>

31.1.3 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 broadly diversified and all other transactions are entered into with credit-worthy counterparties there by mitigating any significant concentrations of credit risk.

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NOTES TO THE FINANCIAL STATEMENTS
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31.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. During the year Company came under severe liquidity pressure as mentioned in note 2.

The following are the contractual maturities of financial liabilities as on June 30 2024:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
Rupees					
Financial liabilities					
Loan payable	1,778,060,000	1,778,060,000	1,150,787,273	627,272,727	-
Rental payable	1,500,520,327	1,500,520,327	1,500,520,327	-	-
Trade and other payables	64,290,590	64,290,590	64,290,590	-	-
	<u>3,342,870,917</u>	<u>3,342,870,917</u>	<u>2,715,598,190</u>	<u>627,272,727</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as on June 30 2023:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
Rupees					
Financial liabilities					
Loan payable	1,778,060,000	1,778,060,000	681,818,182	1,096,241,818	-
Rental payable	1,060,226,781	1,060,226,781	1,060,226,781	-	-
Trade and other payables	74,323,674	74,323,674	74,323,674	-	-
	<u>2,912,610,455</u>	<u>2,912,610,455</u>	<u>1,816,368,637</u>	<u>1,096,241,818</u>	<u>-</u>

31.3 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.

Market risk comprises of three types of risks:

- currency risk
- interest rate risk
- other price risk

31.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currency. The Company was not exposed to foreign currency's risk as there was no foreign currency held by the Company at year end.

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31.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Company has adopted appropriate policies to cover interest rate risk.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates.

The Company's interest rate risk arises from bank deposit accounts and long-term borrowing. These borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The interest rate profile of the Company's variable interest-bearing financial instruments at the statement of financial position date was as under:

Financial assets	12,387,540	204,990
Financial liabilities	1,778,060,000	1,778,060,000
	1,790,447,540	1,778,264,990

Cash flow sensitivity analysis for variable rate instruments

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises on bank deposit accounts and long term loans. The Company does not have any fixed rate financial instrument.

31.3.3 Other price risk

Equity price risk arise from equity securities classified as at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee.

Sensitivity analysis

All of the Company's listed equity investments are listed on Pakistan Stock exchange. The table below summarizes the Company's equity price risk as of June 30 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

	Fair value	"Hypothetical price change"	2024		
			Estimated fair value after hypothetical change	Hypothetical increase / (decrease) in OCI	"Hypothetical increase/ (decrease) in profit / (loss)"
	Rupees		Rupees		
<u>Investments</u>					
Long term investments	284,110,405	10% increase	312,521,446	-	28,411,041
		10% decrease	255,699,365	-	(28,411,041)
Short term investments	36,198,120	10% increase	39,817,932	-	3,619,812
		10% decrease	32,578,308	-	(3,619,812)
	320,308,525				

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	2023				
	Fair value Rupees	"Hypothetical price change"	Estimated fair value after hypothetical change	Hypothetical increase/(decrease) in OCI	Hypothetical increase/(decrease) in profit/(loss) before tax
<u>Investments</u>					
Long term investments	265,530,936	10% increase	292,084,030	-	26,553,094
		10% decrease	238,977,842	-	(26,553,094)
Short term investments	24,166,325	10% increase	26,582,958	-	2,416,633
		10% decrease	21,749,693	-	(2,416,633)
	<u>289,697,261</u>				

31.3.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

The carrying amount less impairment provision of trade debts and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

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).

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

Recurring fair value measurements

	30-Jun-24			
	Level 1	Level 2	Level 3	Total
<u>Long term investments</u>				
Quoted investments	73,328,927	-	210,781,478	284,110,405
Unquoted investments	-	-	1,255,585,358	1,255,585,358
<u>Investment properties</u>	-	3,364,342,900	-	3,364,342,900
<u>Short term investments</u>	36,198,120	-	-	36,198,120

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	30-Jun-23			
	Level 1	Level 2	Level 3	Total
	Rupees			
<u>Long term investments</u>				
Quoted investments	72,423,632	-	193,107,304	265,530,936
Un Quoted investments	-	-	1,372,895,617	1,372,895,617
<u>Investment properties</u>				
	-	3,026,342,900	-	3,026,342,900
				-
<u>Short term investments</u>	24,166,325	-	-	24,166,325

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 statement of financial position date except for one quoted investment (FCEL) where level 3 inputs are used to determine fair value as shares of FCEL are not actively traded based on which management ascertained that quoted market value does not reflect actual fair value of investment. 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.

As at June 30, 2024, the Company's long term investments in unquoted securities (see note 8), carried at fair value. The fair value of such investments is determined by using level 3 techniques. The fair value of investment in unquoted securities has been determined based on the net asset value.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

31.4 Capital management

The Company's board policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the Company's business. The Board of Directors monitors the Return on Capital Employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. 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.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

31.5 Financial instruments by category

	30-Jun-24			
	At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Rupees				
Financial Assets				
Long term investments	-	1,539,695,763	-	1,539,695,763
Long term deposits	37,500	-	-	37,500
Short term investments	-	36,198,120	-	36,198,120
Loans, advances, prepayments and other receivables	52,297,701	-	-	52,297,701
Cash and bank balances	12,387,540	-	-	12,387,540
	<u>64,722,741</u>	<u>1,575,893,883</u>	<u>-</u>	<u>1,640,616,624</u>

	30-Jun-24		
	At Amortized Cost	At fair value through profit or loss	Total
Rupees			
Financial Liabilities			
Trade and other payables-Unsecured		64,290,590	64,290,590
Long term loan		1,778,060,000	1,778,060,000
Mark up payable		1,500,520,327	1,500,520,327
		<u>3,342,870,917</u>	<u>3,342,870,917</u>

	30-Jun-23			
	At Amortized Cost	At fair value through profit or loss	At fair value through OCI	Total
Rupees				
Financial Assets				
Long term investments	-	1,638,426,553	-	1,638,426,553
Long term deposits	37,500	-	-	37,500
Short term investments	-	24,166,325	-	24,166,325
Loans, advances, prepayments and other receivables	48,976,354	-	-	48,976,354
Cash and bank balances	204,990	-	-	204,990
	<u>49,218,844</u>	<u>1,662,592,878</u>	<u>-</u>	<u>1,711,811,722</u>

	30-Jun-23		
	At Amortized cost	At fair value through profit or loss	Total
Rupees			
Financial Liabilities			
Trade and other payables-Unsecured		74,323,674	74,323,674
Long term payable		1,778,060,000	1,778,060,000
Mark up payable		1,060,226,781	1,060,226,781
		<u>2,912,610,455</u>	<u>2,912,610,455</u>

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NOTES TO THE FINANCIAL STATEMENTS
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32 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of entities over which the Directors are able to exercise significant influence. Related parties include entities with common Directors, major shareholders, subsidiary undertakings, associated companies, Directors and key management personnel. Details of transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment (disclosed in note 32) are as follows:

Name of Parties	Nature of relationship	Nature of transactions	2024	2023
			Rupees	
Evergreen Water Valley (Private) Limited	Subsidiary(100% owned)	Rental income earned	5,700,000	11,400,000
		Payment on behalf of Company	552,000	-
		Rental income received	-	-
Pace (Pakistan) Limited	Common Directorship	Payment against outstanding balance	6,681,123	-
Media Times Limited	Common Directorship	Adjustment against liability	399,100	-
Lanka Securities (Pvt.) Limited	Subsidiary (51% owned)	Dividend Income	43,512,978	-
		Dividend received	43,512,978	-

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

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

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04th October 2024 by the Board of Directors.


34 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison and duly disclosed in respective accounts.


35 GENERAL

The figures have been rounded off to the nearest Rupee.

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 Chief Executive Officer


 Chief Financial Officer


 Director

**First Capital Securities Corporation
Limited
Consolidated Financial
Statements**

For the Year Ended June 30, 2024



INDEPENDENT AUDITOR'S REPORT
to the Members of First Capital Securities Corporation Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of First Capital Securities Corporation Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of **June 30, 2024**, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of **June 30, 2024**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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 Related to the Going Concern

We draw attention to note 2 to the consolidated financial statements which explains the factors that indicate the existence of material uncertainty that may cast significant doubt about the ability to continue as a going concern of First Capital Securities Corporation Limited (Parent Company), First Capital Equities Limited and Falcon Commodities (Private) Limited (Subsidiary Companies). However, the financial statements of said subsidiaries and parent company have been prepared on a going concern basis, based on the financial and operational measures taken by the management except for Falcon Commodities (Private) Limited's financial statements, which have been prepared on non-going concern basis. Our opinion is not qualified in respect of this matter.

Emphasis of Matter

We draw your attention to note 7.2 of the consolidated financial statements which explains that license to undertake asset management services of one subsidiary (First Capital Investment Limited) has expired and it has applied for renewal which is pending due to outstanding matters related to debt servicing on part of Holding Company. Our opinion is unmodified 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 Relating to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the key audit matters:

Sr. No	Matter	How the matter was addressed
1.	Contingencies and commitments	
	<p>Refer to note 23 to the consolidated financial statements;</p> <p>The Group is currently facing significant litigations pertaining to various legal and regulatory matters requiring the management judgment, particularly in assessing the likelihood of outcomes and potential financial impact. We identified this as a key audit matter due to the high level of judgment required, which could materially affect the financial disclosures and the level of provisioning.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Inquire with in-house legal counsel about significant cases, new developments, and management's assessment of litigation provisions. • Review legal documentation and correspondence to verify consistency with disclosed contingencies and adequacy of provisions under IAS 37. • Review Board of Directors and key management meeting minutes to identify potential litigation, regulatory actions, or unrecorded exposures impacting financial statement disclosures.

2	<p>Valuation of long-term investment</p> <p>Refer to note 10 to the consolidated financial statements;</p> <p>The Group has significant investment in various quoted and unquoted entities which are valued at fair value, and a substantial amount of fair value gain is recognized on those investments during the year. We identified this as a key audit matter because there is a significant risk over the valuations of unquoted investments due to inherent subjectivity and estimation involved in the valuation of such investment.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Obtain and review external confirmations or statements from brokers or custodians to verify the existence and ownership of quoted investments. • Inspect share certificates or other legal documents for unquoted investments to verify ownership and classification. • Assess the fair value of quoted investments by comparing them to market prices, and for unquoted investments, evaluate the reasonableness of valuation methods used.
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Information Other than the Consolidated and Unconsolidated 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 but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Head Office: 25-G, Gulberg II, Lahore - 54660 Pakistan.

Karachi Office: M 7/3, Khayaban-e-Saadi, DHA Phase VII, Karachi

Islamabad Office: Office No. 9 & 10, 3rd Floor, Pakland Square, G8 Markaz, Islamabad

Gujrat Office: Upper Floor Shehroze Plaza, Near S.A Fans Area Estate, Main GT Road, Gujrat

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A Strategic Alliance
New York Mexico



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.

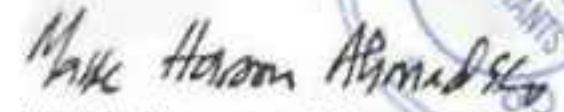
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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.

Other Matter

The consolidated financial statements of the Group for the year ended June 30, 2023, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on November 03, 2023.

The engagement partner on the audit resulting in this independent auditor's report is *Malik Haroon Ahmad, FCA.*

Lahore
October 04, 2024
UDIN: AR202410206othirGRAv

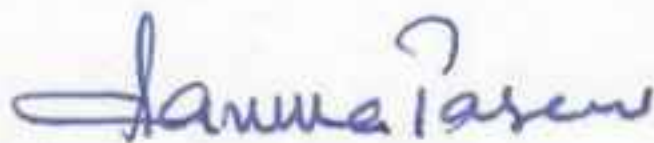

Malik Haroon Ahmad & Co.
Chartered Accountants



FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	Restated	
		2024 Rupees	2023 Rupees
Non-current assets			
Property, plant and equipment	6	380,016,730	285,878,615
Intangible assets	7	2,500,000	2,500,000
Investment properties	8	4,713,004,700	4,374,314,700
Investments accounted for using the equity method	9	381,166,701	493,674,430
Long term investments	10	14,118,413	8,267,752
Long term deposits and advances - considered good	11	5,437,995	14,257,827
		<u>5,496,244,539</u>	<u>5,178,893,324</u>
Current assets			
Stock in trade	13	290,053,500	290,053,500
Trade debts	14	521,710,060	612,770,504
Loans, advances and other receivables	15	296,085,878	337,987,306
Prepayments		2,752,830	1,200,278
Short term investments	16	727,611,926	753,434,240
Cash and bank balances	17	62,709,264	41,939,201
		<u>1,900,923,458</u>	<u>2,037,385,029</u>
Current liabilities			
Trade and other payables	18	687,211,705	752,088,622
Short term borrowings		-	5,560,342
Current portion of lease liability	21	11,622,432	-
Current portion of long term loans	19	2,285,063,359	1,784,276,086
Current portion of accrued markup	20	1,642,020,327	1,271,336,370
Provision for taxation		118,206,897	144,344,899
		<u>4,744,124,720</u>	<u>3,957,606,319</u>
Net current assets/(liability)		<u>(2,843,201,262)</u>	<u>(1,920,221,290)</u>
		<u>2,653,043,277</u>	<u>3,258,672,034</u>
Non-current liabilities			
Deferred tax liability	12	1,091,059	363,915
Staff retirement benefits	22	30,447,509	26,500,552
Long term loans	19	627,272,727	1,178,060,000
Long term lease liability	21	16,329,572	-
Accrued markup	20	-	-
		<u>675,140,867</u>	<u>1,204,924,467</u>
Contingencies and commitments	23	<u>1,977,902,410</u>	<u>2,053,747,567</u>
Represented by			
Equity			
Share capital and reserves			
Authorized share capital: 320,000,000 (2023: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up share capital	24	3,166,101,120	3,166,101,120
Exchange translation reserve		83,463,782	88,371,681
Reserves capitalized		480,054,923	480,054,923
Retained earnings		(2,154,581,776)	(2,108,052,738)
Equity attributable to owners of the parent company		<u>1,575,038,049</u>	<u>1,626,474,986</u>
Non-controlling interests (NCI)		<u>402,864,361</u>	<u>427,272,581</u>
		<u>1,977,902,410</u>	<u>2,053,747,567</u>

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer

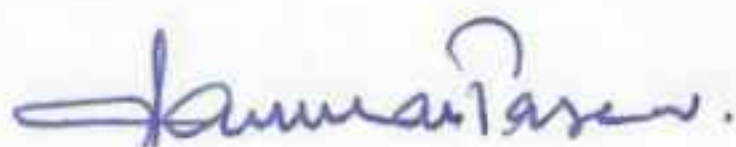

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	Restated 2023
	Note	Rupees	Rupees
<u>CONTINUED OPERATIONS</u>			
Operating revenue	25	496,934,171	569,849,870
Direct costs	26	(173,633,974)	(335,742,736)
Gross profit		323,300,197	234,107,134
Unrealized gain/(loss) on re-measurement of investments at fair value through profit or loss	27	66,313,060	(22,206,139)
Fair value gain on investment properties	8	338,690,000	330,860,860
Operating and administrative expenses	28	(334,604,937)	(246,439,799)
Operating profit		393,698,320	296,322,056
Other income	29	185,590,838	133,881,531
Finance costs	30	(449,998,781)	(385,172,039)
		129,290,377	(251,290,508)
Share of loss from investments accounted for using the equity method - net of tax	9.1	(107,754,748)	(52,963,629)
Profit/(loss) before income tax and final tax differential		21,535,629	(7,932,081)
Final tax differential	31	(6,608,950)	-
Loss before taxation		14,926,679	(7,932,081)
Taxation	32	(33,842,597)	(63,763,852)
Loss after taxation		(18,915,918)	(71,695,933)
<u>DISCONTINUED OPERATION</u>			
Loss after taxation from discontinued operation	33	(1,025,763)	(886,297)
Loss after taxation for the year		(19,941,681)	(72,582,230)
Basic and diluted loss per share from continued operations	34	(0.1315)	(0.3721)
Basic and diluted loss per share from discontinued operations	34	(0.0024)	(0.0020)
Profit/(Loss) attributable to:			
- Owners of the parent company		(42,399,880)	(110,197,288)
- Non-controlling interests		22,458,199	37,615,058
Loss for the year		(19,941,681)	(72,582,230)

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

MHA & CO



Chief Executive Officer



Chief Financial Officer



Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	Rupees
Loss after taxation		(19,941,681)	(72,582,230)
Other comprehensive income for the year			
Items that will not be reclassified to profit and loss:			
Remeasurement of defined benefit plan - net of tax	22.3	279,423	4,273,298
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive loss of investments accounted for using the equity method - net of tax	9.2	(728,950)	(137,318)
Exchange differences on translation of foreign operations recognized as:			
- Exchange translation reserve		(4,907,899)	102,458,438
- Non-controlling interests		(4,715,432)	98,440,461
Other comprehensive gain for the year		(9,623,331)	200,898,899
Total comprehensive income for the year		(30,014,539)	132,452,649
Total comprehensive income attributable to :			
- Owners of the parent company		(47,412,906)	(5,053,714)
- Non-controlling interests		17,398,367	137,506,363
		(30,014,539)	132,452,649

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

MHA & CO


Chief Executive Officer


Chief Financial Officer


Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Attributable to owners of the parent company				Total	Non-controlling interests	Total equity
	Capital Reserves		Reserves Reserve				
	Share capital	Exchange translation reserve	Reserve capitalized	Retained earnings			
	Rupees -						
Balance at 01 July 2022 - as previously stated	3,166,101,120	(14,086,757)	480,054,923	(2,927,065,797)	1,605,003,489	289,766,218	1,894,769,707
Effect of re-statement (Note - 3.2)				22,501,180	22,501,180		
Balance at 01 July 2022 - as restated	3,166,101,120	(14,086,757)	480,054,923	(2,904,564,617)	1,627,504,669	289,766,218	1,894,769,707
Total comprehensive income for the year							
Loss for the year	-	-	-	(110,197,388)	(110,197,280)	37,615,068	(72,582,330)
Other comprehensive income	-	102,458,438	-	2,685,136	105,143,574	99,891,305	205,034,879
Share of reserve on incremental depreciation - net of tax from associate	-	-	-	4,024,031	4,024,031	-	4,024,031
Total comprehensive income for the year	-	102,458,438	-	(103,488,121)	(1,029,683)	127,506,363	136,476,680
Transaction with owners							
Dividend paid to non-controlling interest	-	-	-	-	-	-	-
Balance at 30 June 2023	3,166,101,120	88,371,681	480,054,923	(2,108,052,738)	1,626,474,986	427,272,581	2,031,246,387
Total comprehensive income for the year							
Loss for the year	-	-	-	(42,399,880)	(42,399,890)	22,458,199	(19,941,601)
Other comprehensive income	-	(4,907,899)	-	(105,127)	(5,013,026)	(5,059,832)	(10,072,858)
Share of reserve on incremental depreciation - net of tax from associate	-	-	-	(4,024,031)	(4,024,031)	-	(4,024,031)
Total comprehensive income for the year	-	(4,907,899)	-	(46,529,038)	(51,436,937)	17,398,367	(34,838,570)
Transaction with owners							
Dividend paid to non-controlling interest	-	-	-	-	-	(41,806,587)	(41,806,507)
Balance at 30 June 2024	3,166,101,120	83,463,782	480,054,923	(2,154,581,776)	1,575,038,049	402,864,361	1,955,401,230

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

MHA & CO


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Cash flows from operating activities			
Cash generated from/(used) in operations	36	357,141,051	(243,503,940)
Finance costs paid		(73,104,830)	(3,398,566)
Benefits paid to employees during the year		(2,850,408)	-
Taxes paid		(65,303,559)	(41,267,336)
Net cash generated from/(used) in operating activities		215,882,254	(288,169,842)
Cash flows from investing activities			
Purchase of property plant and equipment		(87,811,519)	(16,657,819)
Proceeds from sale of property, plant and equipment		16,519,265	11,626,263
Purchase of investment property		-	(10,973,258)
Proceeds from sale of investment property		-	80,894,000
Expenditure on capital work in process		(3,500,000)	-
Payment of lease rentals		(26,028,606)	-
Long term deposits		8,819,832	(10,060,572)
Proceeds from short term investment		3,879,097	2,500,000
Net cash generated from/(used) in investing activities		(88,121,931)	57,328,614
Cash flows from financing activities			
Dividend paid to non-controlling interest		(41,806,587)	-
Payment of long term loans		(50,000,000)	-
Bank overdraft facility		(5,560,342)	5,560,342
Net cash generated from/(used in) financing activities		(97,366,929)	5,560,342
Net increase/(decrease) in cash and cash equivalents		30,393,394	(225,280,886)
Impact of exchange translation		(9,623,331)	200,898,899
Cash and cash equivalents at the beginning of the year		41,939,201	66,321,188
Cash and cash equivalents at the end of the year	17	62,709,264	41,939,201

The annexed notes 1 to 44 form an integral part of these consolidated financial statements.

MHA & CO


Chief Executive Officer


Chief Financial Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 The Group and its operations

- 1.1** The Group consists of First Capital Securities Corporation Limited, (the Holding Company), Ever Green Water Valley (Private) Limited, Falcon Commodities (Private) Limited, First Capital Equities Limited, First Capital Investments Limited, First Construction Limited, Lanka Securities (Private) Limited and Ozer Investments Limited (the subsidiary companies) [together referred to as "the Group"] and the Group's interest in equity accounted investee namely; First Capital Mutual Fund, Media Times Limited and Pace Baraka Properties Limited.
- 1.2** First Capital Securities Corporation Limited ("the Holding Company") was incorporated in Pakistan on April 11, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and is listed on the Pakistan Stock Exchange. The Company is involved in making long and short term investments, money market operations and financial consultancy services.
- Head Office**
First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore.
- 1.3** Ever Green Water Valley (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The Company is engaged in the business of Installation & manufacturing of Water purification plants, RO systems, water softness systems and Construction of Buildings and other related activities. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III Lahore. Ever Green Water Valley (Private) Limited is the wholly owned subsidiary of the Holding Company.
- 1.4** Falcon Commodities (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The principal activity of the Company is to carry on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 4th Floor, Lakson Square Building No.01 Sarwar Shaheed Road Karachi. Falcon Commodities (Private) Limited is the wholly owned subsidiary of the Holding Company.
- 1.5** First Capital Equities Limited (FCEL) (the Subsidiary Company) was incorporated in Pakistan on January 26, 1995 as a private limited company, under the repealed 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 principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings. The Holding Company has 73.23% ownership in First Capital Equities Limited.
- Head Office**
First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore.
- 1.6** First Capital Investments Limited (FCIL) (the Subsidiary Company) was incorporated in Pakistan on October 27, 1994 as a private company limited by shares, under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) having registered office at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. Status of the Company was changed from private limited to public limited on August 06, 2003. The Securities and Exchange Commission of Pakistan (SECP) has issued a license to the Company to undertake Asset Management Services as required under the NBFC (Establishment and Regulation) Rules, 2003. The Company has been assigned Management Quality Rating "AM4++" by The Pakistan Credit Rating Agency Limited "PACRA" Credit Rating Company. The main activity of the company is to provide asset management services to First Capital Mutual Fund Limited (The fund). The Holding Company has 78.86% ownership in First Capital Investments Limited. The registered office of the Company is situated at 4th Floor, Lakson Square Building No.01 Sarwar Shaheed Road Karachi.
- 1.7** First Construction Limited (the Subsidiary Company) was incorporated on August 15, 2014 as Public Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The principal activity of the Company is to undertake construction, development and related activities. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. First Construction Limited is the wholly owned subsidiary of the Holding Company.
- 1.8** Lanka Securities (Private) Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 1989. The principal activity of the Company is equity debt security brokering and undertaking placement of equity debt securities. The registered office of the Company is situated at No. 22B/1, Galle Road, Colombo 04, Sri Lanka. The Holding Company has 51% ownership in Lanka Securities (Private) Limited.
- 1.9** Ozer Investments Limited (OIL) (the Subsidiary Company) was incorporated in Sri Lanka in the year of 2010. OIL has not yet started its commercial activity however main objective of the Company is to provide financial advisory, portfolio management, margin provision unit trust management and stock brokerage services. The registered office of the Company is situated Colombo, Sri Lanka. Ozer Investments Limited is the wholly owned subsidiary of the Holding Company.

2 Going concern assumption

- 2.1** During the year the Parent Company incurred Loss before tax amounting Rs. 160.972 Million, and the accumulated losses of the Parent Company stand at Rs. 1352.961 Million as at June 30, 2024 (2023: 1,194.143 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 2,607.80 Million.
- Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. During the year end, management is in negotiation with Bank and a third party for sale of its pledge investment properties to settle principal amount and rental payable against diminishing musharaka agreement. The management is confident that this will be done on favourable terms.
- Based on above mentioned assumption of the management these financial statements have been prepared on the going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

- 2.2 The Board of the Directors of the subsidiary First Capital Equities Limited in their meeting held on June 28, 2019, owing to the continuous loss and adverse market conditions, decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and discontinue its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company. Although, during the year company earned profit before taxation of Rs. 18.85 Million (2023: Loss Rs. 17.19 Million) after recognizing unrealized gain on investments amounting Rs. 17.04 Million (2023: Loss Rs. 17.07 Million), however the accumulated losses of the company stand at Rs. 1,060.8 Million as at June 30, 2024 (2023: 1,078.6 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 496.13 Million (2023: Rs. 508.04 Million).

Further, the management of the Company is continuously in process of negotiating its outstanding loan facilities and is hopeful that outstanding loan of UBL will be settled against investment property. The management of the Company is confident that with change in principal activity and overall expertise of group in real estate sector will have positive impact on the financial performance of the company. In view of the situation set out above, although material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern, however, the BOD and the management of the company are satisfied and firmly confident that all these conditions are temporary and would reverse in the near future and that the going concern assumption is appropriate, therefore, these financial statements have been prepared on the assumption that the company will continue as a going concern.

- 2.3 The financial statements of the Falcon Commodities (Private) Limited (the subsidiary company) have been prepared on non-going concern basis because the management has intention to wind up the entity within next 12 months.

The Company has generated no revenue during the year (2023: Rs. Nil) against administrative expenses of Rs. 150,000 (2023: Rs. 59,000). The historical trend of earning versus expenses shows a downward trend.

The net worth and net capital balances of the Company as at June 30, 2024 is less than the minimum net worth requirement of Rs. 10 million and net capital balance requirement of Rs. 2.5 million.

The above mentioned conditions indicate existence of material uncertainty which cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As the management has no realistic alternative basis, therefore these financial statements have been prepared using the non-going concern assumptions of accounting.

3 Basis of preparation

- 3.1 These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan for these financial reporting comprises of International Financial Reporting (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated financial statements have been prepared from the information available in the separate audited financial statements of the Parent Company for the year ended 30 June 2024 and the audited financial statements of the subsidiary companies for the year ended June 30, 2024 except for Ozer Investments Limited and First Construction Limited the result of whom have been consolidated based on unaudited financial statements. Details regarding the financial information of associates used in the preparation of these consolidated financial statements are given in Note 9 to these consolidated financial statements.

MHA & CO

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.2 Restatement

Persuant to the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), issued by the Institute of Chartered Accountants of Pakistan, the Company has changed its accounting policy to recognise current and deferred taxation.

The temporary differences of holding company and its local subsidiaries are not accounted for deferred taxation as effective tax rate of these entities is 0% whereas deferred taxation related to foreign subsidiary 'Lanka Securities (Private) Limited' is accounted for in these consolidated financial statements as per applicable tax rates of its jurisdiction.

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effects on statement of profit or loss			
For the year ended June 30, 2024			
Levy (Minimum tax)	-	6,608,950	6,608,950
Profit before current income tax	21,535,629	(6,608,950)	14,926,679
Current Income tax	(40,451,547)	6,608,950	(33,842,597)
Deferred taxation for the year	-	-	-
For the year ended June 30, 2023			
Levy (Minimum tax)	-	-	-
Loss before current income tax	(7,932,081)	-	(7,932,081)
Current Income tax	(63,763,852)	-	(63,763,852)
Deferred taxation for the year	(8,252,660)	8,252,660	-
Effects on statement of financial position			
For the year ended June 30, 2024			
Deferred tax liability	1,091,059	-	1,091,059
For the year ended June 30, 2023			
Deferred tax liability	31,117,755	(30,753,840)	363,915
Effects on statement of changes in equity			
For the year ended June 30, 2024			
Retained earnings	(2,154,581,776)	-	(2,154,581,776)
For the year ended June 30, 2023			
Retained earnings	(2,027,065,797)	22,501,180	(2,004,564,617)

3.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.3.1 Standards, interpretations and amendments to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2023 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

a) Narrow scope amendments to International Accounting Standard (IAS) 1 Practice Statement 2 and International Accounting Standard (IAS) 8

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

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b) IFRIC Interpretation 21 Levies (IFRIC 21)

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Group has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The Group has accounted for the change in its accounting policy as per the requirement of the IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors'. The group has applied the accounting policy of IAS-12 as per guidance. Resultantly, the Final taxes classified as Final Taxes differential (categorized as levy as per IFRIC 21/ IAS 37). For deferred taxation see note 31.

3.3.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

There are certain new standards and amendments that will be applicable to the Group for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Group's financial reporting framework upon adoption by the SECP. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Group's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements (effective for annual reporting periods beginning on or after January 1, 2024). The amendments introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024). The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. It requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

3.3.3 Standards, amendments and improvements to approved accounting standards that are issued by IASB but not yet adopted by SECP

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP)

Standard or Interpretation

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts
- IFRIC 12 (Service concession arrangements)

4 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial statements of one subsidiary Falcon Commodities (Private) Limited that are prepared on break up basis, certain financial assets and investment properties that are stated at fair value and staff benefits which are presented at present value.

4.1 Critical accounting estimates and judgments

The Group's significant accounting policies are stated in Note 5. The preparation of financial statements in conformity with approved accounting standards 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 and 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. Revision to accounting estimates is recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The areas where various assumptions and estimates are significant to the Group's financial statements are as follows:

a)	Useful life and residual values of property, plant and equipment	Note 5.2
b)	Impairment	Note 5.7
c)	Valuation of investment properties	Note 5.9
d)	Provisions	Note 5.18
e)	Staff retirement benefits	Note 5.21
f)	Provision for taxation	Note 5.23

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5 Summary of significant accounting policies

5.1 Principles of consolidation and equity accounting

a) Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary companies. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities except otherwise stated.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in consolidated statement of profit or loss. The fair value is the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to consolidated profit or loss.

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis and carrying value of investments held by the Parent Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements. Material intra-group balances and transactions have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net reserves of the operation and of net assets of subsidiaries attributable to interests which are not owned by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the acquiree. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss or through other comprehensive income as appropriate.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the consolidated profit or loss, and the Group's share of movements in other comprehensive income of the investee in consolidated other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

c) Foreign currency transactions and translation

Functional and presentation currency

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

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the statement of financial position date. Transactions in foreign currencies are translated into Pak 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 Pak 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 Pak Rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the profit or loss.

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d) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rupees at exchange rates taking US Dollar as base rate at the reporting date. The income and expenses of foreign operations, are translated to Rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the exchange translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the exchange reserve in equity.

5.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income applying the straight-line method whereby the cost is written-off over its estimated useful life at the rates specified in note 6.1 to these consolidated financial statements.

Depreciation on additions is charged on a pro-rata basis from the month in which the asset available for intended 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 asset's 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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Maintenance and repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group 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 Group's estimates of residual value of property and equipment at 30 June 2024 did not require any adjustment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

5.3 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to property, plant and equipment as and when these are available for intended use.

5.4 Non-current assets classified as held for sale and discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale (IFRS 5). When an operation is classified as a discontinued operation, the comparative statement of profit or loss and statement of other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

5.5 Leases

Right of use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets that falls under the category of investment properties are carried at fair value as mentioned in note 5.9.

Where the Group determines that the lease term of identified lease contracts are short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option where renewal option of lease is available to group, is lease payments in an optional renewal period if the Group is reasonably certain to exercise the extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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5.6 Intangible assets

5.6.1 Trading Right Entitlement Certificate (TREC)

During 2019, the company surrendered its TREC to Pakistan Stock Exchange Limited and TREC. Due to the absence of an active market and a lack of information regarding the recoverable amount, the carrying value of the TREC, amounting to Rs. 2.5 million, was written down to Rs. Nil during the year ended June 30, 2019.

5.6.2 Others

Intangible assets acquired by the Group are stated at cost less accumulated amortization and impairment losses, if any.

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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Amortization is charged to the profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each statement of financial position date. Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

5.7 Impairment

Financial Assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for

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

Non-Financial Assets

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

5.8 Long term loans

These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

At initial recognition these financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition these are measured at amortized cost using the effective interest rate method less impairment loss, if any. A provision for impairment of long term loan is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of loan.

5.9 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently, these are stated at fair value. The fair value is determined annually by an independent professional 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

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 5.22(k).

When an item of property, plant and equipment is transferred to investment properties following a change in its use, any difference 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 fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings. Any loss arising in this manner is immediately charged to 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.

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5.10 Financial assets

i). Initial measurement of financial asset

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

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

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

ii). Subsequent measurement

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

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

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

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

iii). Non-derivative financial assets

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

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

5.11 Trade debts

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

5.12 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 Group. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

5.13 Inventories

Inventories except for stock in transit, are stated at lower of cost and net realizable value. Cost is determined as follows:

- Raw materials are valued using weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.
- Work in process is valued at the cost of material including appropriate conversion cost.
- Finished goods are valued at cost comprising cost of materials and appropriate conversion cost.

Net realizable value is the estimated selling price in ordinary course of business, less estimated incidental selling cost.

5.14 Stores, spares and loose tools

Usable stores and spares are valued at the lower of weighted average cost and net realizable value, while items considered obsolete are carried at nil value. Items in transit are stated at cost comprising invoice values plus other charges incurred thereon.

Net realizable value is the estimated selling price in ordinary course of business, less estimated incidental selling cost.

5.15 Cash and cash equivalents

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

5.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Liabilities for creditors and other costs payable are initially recognized at cost which is the fair value of the consideration to be paid in future for goods and/or services, whether or not billed to the Group and subsequently measured at amortized cost using the effective interest rate method.

5.17 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 when the Group has a legally enforceable right to set off the recognized amounts and intends to either settle on net basis or realize the asset and settle the liability simultaneously.

5.18 Provisions

Provisions are recognized when the Group has a 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.

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5.19 Securities purchased and sold under resale / repurchase agreements

Repurchase agreements

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

Reverse repurchase agreements

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

5.20 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction cost. Subsequent to the initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.21 Staff retirement benefits

Defined benefit plan

The Group 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 except for some subsidiaries where effect of actuarial assumption is immaterial. When the calculation results in a potential asset for the Group, 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 Group 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.

Lanka Securities (Private) Limited operates an gratuity plan for those employees who have completed specific period of service and provision is made annually to cover the obligations under the plan. These benefits are calculated with reference to last drawn salary and prescribed qualifying period of services of the employees.

5.22 Revenue recognition

- a) Capital gains or losses on sale of investments are recognized in the year in which they arise.
- b) Brokerage income, consultancy and money market services are recognized on accrual basis and when services are provided.
- c) Income on placements on account of continuous funding system is recognized on accrual basis.
- d) Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.
- e) Income from bank deposits, loans and advances is recognized on accrual basis.
- f) Dividend income is recognized at the time of book closure of the company declaring the dividend.
- g) Return on securities other than shares is recognized as and when it is due on time proportion basis.
- h) Mark-up/interest income is recognized on accrual basis.
- i) Investment advisory fee is accounted for on accrual basis.
- j) Revenue from sale of goods is recorded when the risks and rewards are transferred i.e. on delivery of goods to
- k) Rental income is recognized on accrual basis.
- l) Revenue from printing services are accounted for at the time of acceptance of goods by the customers.
- m) **Construction contracts**
Revenue is recognized in accordance with the five step model by applying the following:
Step 1 : Identify the contract with a customer;
Step 2 : Identify the performance obligations in the contract;
Step 3 : Determine the transaction price of the contract;
Step 4 : Allocate the transaction price to each of the separate performance obligations in the contract; and
Step 5 : Recognize the revenue when (or as) the entity satisfies a performance obligation.

Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) the customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs;
- (ii) the group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- (iii) the group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at a point in time. For sale of properties

5.23 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law 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. 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.

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Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all 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. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. 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

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is charged or credited to profit or loss, except in the case of items credited or charged directly to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

5.24 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized upto the date of commissioning of the related property, plant and equipment acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit in the year/period in which they are incurred.

5.25 Proposed dividend and appropriations to reserves

Dividends declared and appropriations to reserves made subsequent to the statement of financial position date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / appropriations are made.

5.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, intangibles, stock in trade and trade and other debts. Segment liabilities comprise of operating liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

6 Property, plant and equipment

Operating fixed assets
 Capital work-in-progress
 Right of use assets

Note	2024	2023
	Rupees	Rupees
6.1	81,554,669	26,832,309
6.2	258,730,106	255,230,106
6.3	39,731,955	3,816,200
	380,016,730	285,878,615

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6.1 Operating fixed assets

	Owned assets						Total	
	Construction equipment	Leasehold improvements	Plant and machinery	Computers	Office equipment	Furniture and fixtures		Vehicles
	Bpoco							
Cost								
Balance at 01 July 2022	1,241,388	476,315	88,250,000	34,841,482	12,938,132	26,561,754	58,880,872	208,190,144
Additions during the year	-	-	-	311,252	1,932,575	913,992	13,000,000	16,657,819
Disposals during the year	-	-	-	(115,707)	-	-	(1,830,800)	(3,946,557)
Exchange differences	-	-	-	10,278,343	1,607,920	1,740,250	1,149,870	18,856,329
Balance at 30 June 2023	1,241,388	476,315	88,250,000	45,317,370	20,658,633	28,521,946	55,199,092	239,758,744
Balance at 01 July 2023	1,241,388	476,315	88,250,000	45,317,370	20,658,633	28,521,946	55,199,092	239,758,744
Additions during the year	-	-	-	300,976	9,303,603	52,258,007	26,948,853	87,811,519
Disposals during the year	-	-	-	(28,187,180)	(5,576,839)	(18,422,987)	(11,007,000)	(51,274,006)
Exchange differences	-	-	-	(156,093)	(62,334)	(106,805)	(177,011)	(701,443)
Balance at 30 June 2024	1,241,388	476,315	88,250,000	25,283,073	25,323,143	66,156,961	70,875,934	275,594,814
Accumulated depreciation								
Balance at 01 July 2022	886,000	476,315	88,250,000	33,287,267	17,128,273	25,943,895	27,817,948	193,781,708
Depreciation for the year	-	-	-	1,471,240	323,700	188,124	3,177,306	5,360,556
Depreciation on disposals	-	-	-	(115,707)	-	-	(2,020,850)	(3,946,557)
Exchange differences	-	-	-	9,592,607	1,402,611	1,502,188	5,146,870	17,726,676
Balance at 30 June 2023	886,000	476,315	88,250,000	44,235,387	18,934,064	27,636,307	31,514,274	212,928,435
Balance at 01 July 2023	886,000	476,315	88,250,000	44,235,387	18,934,064	27,636,307	32,518,274	212,928,435
Depreciation for the year	-	-	-	517,031	1,163,727	17,186,184	4,356,061	25,223,006
Depreciation on disposals	-	-	-	(19,463,038)	(5,660,969)	(18,117,477)	(4,434,809)	(43,666,285)
Exchange differences	-	-	-	(158,304)	(23,619)	(141,456)	(127,621)	(443,011)
Balance at 30 June 2024	886,000	476,315	88,250,000	25,139,073	14,423,192	30,563,558	34,307,917	191,046,145
Carrying value								
As at 30 June 2023	355,388	-	-	1,081,983	1,724,569	985,639	23,684,818	26,831,309
As at 30 June 2024	355,388	-	-	1,61,978	8,899,951	35,587,403	36,568,017	81,554,669
Rate of depreciation (%)	20	10	3.5 to 20	33 to 50	10 to 12.5	10 to 50	20 to 25	

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	Note	2024 Rupees	2023 Rupees
6.1.1	Depreciation for the year has been allocated as follows:		
	Direct costs	26	-
	Operating and administrative expenses	28	5,360,550
		<u>25,223,006</u>	<u>5,360,550</u>
6.2	Capital work-in-progress		
	Opening balance	255,230,106	255,230,106
	Additions during the year	3,500,000	-
	Disposals during the year	-	-
	Closing balance	<u>258,730,106</u>	<u>255,230,106</u>
6.2.1	This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 233.39 Million (2023: Rs 229.89 Million) and Rs. 25.33 Million (2023: Rs 25.33 Million) respectively. Construction work on these properties is in progress as at 30 June 2024. This includes Rs. 25.33 Million (2023: 25.33 Million) paid for purchase of leasehold property.		
6.2.2	The Group does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2023: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2023: Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.32 million (2023: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion. The possession of said property will be transferred on completion.		
6.3	Right of use assets - Leasehold Building		
	Cost		
	Cost of ROU	71,320,561	23,549,945
	Accumulated depreciation		
	Opening balance	19,733,745	18,298,088
	Charge during the year	11,908,044	1,905,111
	Exchange gain/(loss)	(53,183)	(469,454)
	Closing balance	<u>31,588,606</u>	<u>19,733,745</u>
	Net book value	<u>39,731,955</u>	<u>3,816,200</u>
	Depreciation for the year has been allocated to operating and administrative expenses.		
7	Intangible assets		
	Membership cards	7.1	2,500,000
	Asset management license	-	-
	Total	<u>2,500,000</u>	<u>2,500,000</u>
7.1	Movement in the intangible assets is as follows:		
	Cost of Intangible Assets	3,250,047	3,250,047
	Opening Balance - Accumulated amortization	750,047	687,546
	Add: Amortization for the year	-	62,501
	Amortization of license expired during the year	-	-
	Closing Balance - Accumulated amortization	<u>750,047</u>	<u>750,047</u>
	Closing balance	<u>2,500,000</u>	<u>2,500,000</u>
7.2	License to undertake asset management services of one subsidiary 'First Capital Investments Limited' has expired. The Company has applied for renewal to Securities and Exchange Commission of Pakistan on 22 September 2022 which is pending due to outstanding matters related to debt servicing on part of the parent company.		
7.3	All the amortization on intangibles has been charged to profit or loss.		
7.4	Group has no internally generated intangible assets.		
8	Investment properties		
	Opening balance	4,374,314,700	4,106,031,794
	Acquisition during the year	-	10,973,258
	Disposal during the year	-	(73,551,212)
	Fair value adjustment	338,690,000	330,860,860
	Closing balance	<u>4,713,004,700</u>	<u>4,374,314,700</u>
8.1	Investment properties comprises of following:		
	- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2023: 87444 sqft) and market value of Rs. 3,068 Million (2023: Rs. 2,730 Million), title of this property is in name of Pace Pakistan Limited--related party which is mortgaged against the loan facility and title will be transferred after property is released by bank although group have complete control and possession of property.		
	- Shops situated at 5th Floor Pace Shopping Mall Model Town Link Road Lahore, measuring 4000 sqft (2023: 4000 sqft) having fair value amounting Rs. 40 Million (2023: Rs. 40 Million), title of this property is in the name of Pace Pakistan Limited. The Group has complete		
	- Property situated at Pace Woodlands Lahore, having area of 4,050 Sqft (2023: 4,050 Sqft) and market value of Rs. 13 Million (2023: 12.75 Million), title of this property is in name of Pace Barka Properties Limited--related although group have complete control and possession of property.		
8.2	These includes properties amounting to Rs. 824.8 Million (2023: Rs. 824.8 Million) that are under mortgage by banks against the borrowings. In addition to above Investment property amounting Rs. 3,068 Million (2023: 2,730 Million) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.		
8.3	The direct expense relating to investment properties were Rs. 105,000 (2023: Rs. 100,000).		

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Note	2024	2023
	Rupees	Rupees

- 8.4** The fair value of investment property is based on valuation that was carried out by K.G Traders Pvt. Limited and Fairwater Property Valuers & Surveyors Pvt. Limited., independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30.
- 8.5** The table below analyze the non-financial assets carried at fair value, by valuation method. The different levels of fair value also have been defined below:

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).
 The following table presents the Group's investment properties that are measured at fair value at 30 June 2024.

Fair value measurements at 30 June 2024 using significant other observable inputs (Level 2)

Recurring fair value measurements

Investment properties	4,713,004,700	4,374,314,700
	<u>4,713,004,700</u>	<u>4,374,314,700</u>

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2024 or 2023.

Valuation techniques used to derive level 2 fair values:

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

- 8.6 Forced sale value of the investment properties are as follows:**

Particulars	Location	Forced sale value		Forced sale value	
		Area Sq. Ft	June 2024	Area Sq. Ft	June 2023
			Rupees		Rupees
Various shops, super market and counters	Grand Trunk Road, Pace Gujrat, Gujrat	35,921	804,563,360	35,921	825,064,280
Various Shops	Mouza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1,560	25,336,880	1,560	26,095,890
Plot-D	Near Rangers Headquarters Lahore Cantt	87,444	2,454,522,880	87,444	2,457,138,240
5th Floor	Pace Mall Model town Link Road Lahore	4,000	32,000,000	4,000	36,000,000
Various apartments	Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi	6,926	34,872,000	70,667	39,231,000
House	Pace Woodlands Lahore	4,050	11,050,000	4,050	10,837,500
House	5th Zamzam Street, Phase V, DHA Karachi	7,920	65,352,930	7,920	64,978,930
House	F-49 Block 8, KDA Scheme # 5, Clifton Karachi	18,000	368,900,000	18,000	368,900,000
		<u>165,821</u>	<u>3,796,598,050</u>	<u>229,562</u>	<u>3,828,245,840</u>

- 9 Investment accounted for using the equity method**

Media Times Limited-Quoted

59,592,270 (2023: 59,592,270) ordinary shares of Rs 10 each
 Equity held: 33.32% (2023: 33.32%)

Investment during the year

Share of loss for the year - net of tax

9.1	-	-
	-	-

These includes 13,893,000 shares (2023: 13,893,000 shares) out of total shares that are pledged with various commercial banks.

Pace Super Mall (Private) Limited-Unquoted

11,250 (2023: 11,250) ordinary shares of Rs 10 each
 Equity held: 0.07% (2023: 0.07%)

	112,500	112,500
	<u>112,500</u>	<u>112,500</u>

Pace Barka Properties Limited-Unquoted

54,790,561 (2023: 54,790,561) ordinary shares of Rs 10
 Equity held: 17.95% (2023: 17.95%)

Share of loss for the year - net of tax

Share of other comprehensive income for the year

Share of other reserves for the year

9.1	493,561,930	542,638,846
9.2	(107,754,748)	(52,963,629)
9.3	(728,950)	(137,318)
	(4,024,031)	4,024,031
	<u>381,054,201</u>	<u>493,561,930</u>

Total investments accounted for using equity method

	<u>381,166,701</u>	<u>493,674,430</u>
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	Note	2024	2023
		Rupees	Rupees
9.1 Share of loss from associates.			
Media Times Limited		-	-
Pace Barka Properties Limited		(107,754,748)	(52,963,629)
		<u>(107,754,748)</u>	<u>(52,963,629)</u>
9.2 Share of other comprehensive income from associates			
Media Times Limited		-	-
Pace Barka Properties Limited		(728,950)	(137,318)
		<u>(728,950)</u>	<u>(137,318)</u>
9.3 Share of other reserve from associates			
Media Times Limited		-	-
Pace Barka Properties Limited		(4,024,031)	4,024,031
		<u>(4,024,031)</u>	<u>4,024,031</u>
9.4			
Refer note 42.5 for summarized financial information for associates accounted for using equity method.			

10 Long term Investments

Pakistan Stock Exchange Limited	10.1	13,853,413	8,002,752
Mutual Funds Association of Pakistan	10.2	265,000	265,000
		<u>14,118,413</u>	<u>8,267,752</u>

10.1 Movement of long term Investments

		2024	2023	2024	2023
		Number of shares	Number of shares	Rupees	Rupees
Opening balance		1,081,453	1,081,453	8,002,752	11,063,264
Addition		-	-	-	-
Deletion		-	-	-	-
Closing		<u>1,081,453</u>	<u>1,081,453</u>	<u>8,002,752</u>	<u>11,063,264</u>
Remeasurement of carrying value of shares	10.1.1	1,081,453	1,081,453	13,853,413	8,002,752
Unrealized (loss)/gain charged to P&L				<u>5,850,661</u>	<u>(3,060,512)</u>
Sale proceeds from the disposal				-	-
Carrying value of shares sold during the year				-	-
Capital gain realized				-	-

10.1.1 Shares having value of Rs. 13,850,895/- (2023: Rs. 8,000,836/-) are frozen against Base Minimum Capital with Pakistan Stock Exchange. Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.

10.2 Movement of long term Investments

		2024	2023	2024	2023
		Number of shares	Number of shares	Rupees	Rupees
Opening balance		26,500	-	265,000	-
Addition		-	26,500	-	265,000
Deletion		-	-	-	-
Closing		<u>26,500</u>	<u>26,500</u>	<u>265,000</u>	<u>265,000</u>
Remeasurement of carrying value of shares		26,500		265,000	265,000
Unrealized (loss)/gain charged to P&L/OCI				-	-

10.2.1 Mutual Funds Association of Pakistan (MUFAP) had converted into a Self Regulatory Organization (SRO) upon the directive of SECP and thus, was required to be registered under Section 42 of the Companies Act, 2017. Since it was converted into a SRO, the capital requirements were met from all the Asset Management Companies (AMCs) who are also the members of MUFAP. All AMCs contributed equally towards the share capital of MUFAP by subscribing for 26,500 shares at a par value of Rs. 10 each amounting to Rs. 265,000/-. Hence, the Company also subscribed for the shares of MUFAP being its member.

11 Long term deposits and advances - considered good

Security deposits with:

- Central Depository Company (CDC)		100,000	100,000
- Others		37,500	37,500
- Fix Deposit in Colombo stock exchange		896,720	904,888
- Retention money	11.1	4,403,775	13,215,439
		<u>5,437,995</u>	<u>14,257,827</u>

11.1 This represents money retained by Pace Barka Properties Limited (Associate Company) at 5% of contract work on account of interim payment certificates (IPCs) raised regarding work done on the Pace Circle Project. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 13.22 Million (2023: Rs. 13.22 Million).

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	Note	2024	2023
		Rupees	Rupees
12 Deferred tax			Restated
This comprises of the following:			
Deferred tax liability in respect of gain on investment property		-	-
Deferred tax asset in respect of others	12.2	1,091,059	363,915
Deferred tax liability		<u>1,091,059</u>	<u>363,915</u>
12.1	The Group has not recognized deferred tax asset amounting to Rs. 281.24 Million (2023: Rs. 182.7 Million) arising 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, to recognize this defer tax asset in consolidated financial statement.		
12.2	This includes deferred tax asset relating to Lanka Securities (Private) Limited subsidiary Company. The same falls under the regulation of different tax authority.		
12.3	Increase in deferred tax liability is due to increase in taxable temporary differences of parent company.		
13 Stock in trade			
Stock in trade	13.1	<u>290,053,500</u>	<u>290,053,500</u>
13.1	This represents various shops situated at Pace Gujranwala.		
14 Trade debts			
Money market receivables:			
Unsecured - considered good			
Receivables against purchase of shares by clients:			
Unsecured - considered good		249,171,996	207,412,256
Unsecured - considered doubtful		<u>272,720,612</u>	<u>272,720,612</u>
		521,892,608	480,132,868
Receivable against professional services rendered :			
Related Parties - unsecured, considered good			
	14.1	11,328,278	8,652,186
Others:			
Unsecured - considered good			
Unsecured - considered doubtful		261,209,798	396,706,074
		<u>284,823</u>	<u>13,297,359</u>
		261,494,621	410,003,433
		<u>794,715,495</u>	<u>898,788,475</u>
Less: expected credit loss	14.2	<u>(273,005,435)</u>	<u>(286,017,971)</u>
		<u>521,710,060</u>	<u>612,770,504</u>
14.1	This includes asset management fee amounting to Rs. 3,993,337 (2023: Rs. 3,884,171) receivable from First Capital Mutual Fund, an associated company. Maximum aggregate balance is same as closing. This also includes receivable from Pace Barka Properties Limited, an associated amounting to Rs. 7,334,941 (2023: Rs. 4,768,015). Maximum aggregate balance is Rs. 12,515,733 (2023: 4,768,105).		
14.2 Expected credit loss			
Opening balance		286,017,971	277,728,550
Net change in provision	29	(13,012,536)	8,289,421
Closing balance		<u>273,005,435</u>	<u>286,017,971</u>
14.2.1	The shareholdings of certain trade debtors in Central Depository Company (CDC) accounts have been frozen. These accounts will remain frozen until the Company issues a No Objection Certificate (NOC). Consequently, the management anticipates recovering approximately Rs. 174,162,621 of the outstanding trade receivables. Based on the facts and expectations the management has recognized a credit loss of Rs. 272,720,612 in previous years.		
14.3	During the year the board of directors of the subsidiary Lanka Securities (Pvt.) Ltd. has reversed the provision against the receivable balances of debtors which are considered doubtful.		
15 Loans, advances and other receivables			
Considered good			
Advances to employees:			
- Executives	15.1	4,455,193	2,786,137
- Others		<u>11,256,713</u>	<u>22,346,449</u>
		15,711,906	25,132,586
Unsecured - considered good			
Due from associated companies	15.2	139,803,765	144,171,941
Stock exchanges	15.3	4,300,000	4,300,000
Advance to supplier	15.4	46,833,624	50,227,748
Other		<u>89,436,583</u>	<u>114,155,031</u>
		<u>296,085,078</u>	<u>337,987,306</u>
15.1	This does not include any loan , advance given to Chief executive or Directors.		

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	Note	2024	2023	
		Rupees	Rupees	
15.2				
This include receivable from Media Time Limited given as advance in the normal course of business amounting Rs 557,980 (2023: Rs 957,080) maximum aggregate balance on month end basis is Rs. 957,080 (2023: Rs 1,200,080). This includes receivable from First Capital Mutual Fund amounting Rs. Nil (2023: Rs. 3,884,171) against dividend and expense sharing. This also includes Rs. 139.25 Million (2023: Rs. 143.2 Million) receivable from Pace Barka Properties Limited against construction contract (Contract Asset). Maximum aggregate is also same and no collateral is available against this balance.				
15.3				
This includes exposure deposit with the National Clearing Company of Pakistan Limited under the exposure rules. This includes Rs. 4,300,000 (2023: Rs. 4,300,000) deposited with PSX against requirement of Base Minimum Capital.				
15.4				
This includes amount due with respect to subcontractors against construction work.				
15.5				
This also includes 80.9 million (2023: Rs. 80.9 million) receivable from Pace Pakistan Limited -- Related party against sale of investment property no collateral is available against this and maximum aggregate balance during the year is Rs. 80.9 Million (2023: Rs. 80.9 Million) calculated on month end basis.				
16	Short term investments			
	Term deposits	16.1	565,453,262	647,858,878
	Investments at fair value through profit or loss	16.2	162,158,664	105,575,362
			<u>727,611,926</u>	<u>753,434,240</u>
16.1				
This represents investment in fixed deposits and repo with Bank of Ceylon related party. At the year end, The principal amount of these deposits is Rs. 565.5 Million (2023: Rs. 640.6 Million) whereas the interest receivable against these deposit is Rs. 5.9 Million (2023: Rs. 7.2 Million). The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 565.5 Million (2023: Rs. 647.8 Million).				
16.2	Investments at fair value through profit or loss			
	Carrying value at 30 June:			
	- Related parties	16.2.1	92,306,055	113,942,793
	- Others	16.2.2	9,390,210	10,778,196
			<u>101,696,265</u>	<u>124,720,989</u>
	Unrealized (loss)/gain on remeasurement of investments during the year		60,462,399	(19,145,627)
			<u>162,158,664</u>	<u>105,575,362</u>
	Fair value of investments at fair value through profit or loss at 30 June comprises of:			
	- Related parties	16.2.1	149,189,778	96,185,152
	- Others	16.2.2	12,968,886	9,390,210
			<u>162,158,664</u>	<u>105,575,362</u>

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16.2.1 Investments at fair value through profit and loss - related parties

	Shares/Units		Carrying value		Fair value		Percentage holding	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number		Rupees		Rupees		%	%
Real estate investment and services								
Pace (Pakistan) Limited - associated company	14,638,176	14,638,176	28,690,825	44,207,292	44,207,292	28,690,825	5.25%	5.25%
Mutual funds								
First Capital Mutual Fund Limited - associate	10,278,495	11,438,142	63,615,230	69,735,501	104,982,486	67,494,327	67%	74%
			92,306,055	113,942,793	149,189,778	96,185,152	56,883,723	

16.2.2 Investments at fair value through profit and loss - others

		Shares		Carrying value		Fair value	
		2024	2023	2024	2023	2024	2023
		Number		Rupees		Rupees	
Insurance							
Shahen Insurance Company Limited		905,624	849,329	2,547,987	2,887,719	4,102,476	2,547,987
PICIC Insurance Limited		32,000	32,000	18,560	27,300	53,440	18,560
Investment Banks							
Arif Habib Limited		120	120	3,202	5,327	7,789	3,202
Cement							
Pioneer Cement Limited		11,000	11,000	952,930	663,630	1,855,150	952,930
D.G Khan Cement Limited		-	-	-	-	-	-
Service Industry							
Pakistan Service Industry		80	80	62,000	123,200	66,920	62,000
Telecommunication							
Worliwall Telecom Limited	16.2.4	5,138,707	5,138,707	5,601,191	6,834,480	6,474,771	5,601,191
Pakistan Telecommunication Limited		34,000	34,000	204,340	238,640	408,340	204,340
				9,398,210	10,778,196	12,968,886	9,398,210

16.2.3 Shares having market value of Rs. 27,148,291 (2023: Rs. 37,554,890) are pledged as security against long term loans but management anticipates receiving a settlement letter from the banks within the next 12 months and as a result these shares are classified as short term investments.

16.2.4 This includes 4,220,677 (2023: 4,220,677) shares held under lien as security by National Accountability Bureau (NAB). These shares are held in possession of NAB. Refer to note 23.1.1.

16.2.5 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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	Note	2024	2023
		Rupees	Rupees
17 Cash and bank balances			
Cash in hand		7,416,845	164,907
Cash at bank			
- Current accounts - local and foreign currency		405,556	221,121
- Saving accounts - local and foreign currency	17.1	54,886,863	41,553,173
	17.2	55,292,419	41,774,294
		<u>62,709,264</u>	<u>41,939,201</u>
17.1 The deposit accounts carry mark-up at rates ranging from 13.30 to 26% (2023: 7% to 19.5%) per annum.			
17.2 This includes Sri Lankan Rupees amounting to LKR. 8,072,539 (2023: LKR. 682,560).			
18 Trade and other payables			
Trade creditors		340,130,464	413,019,077
Accrued liabilities	18.1	178,481,043	153,049,978
Payable against purchase of property	18.2	114,822,340	121,503,463
Sales tax		-	244,082
Federal excise duty	18.3	3,713,207	3,713,207
Security deposit of shopkeepers		486,660	486,660
Levy tax payable	31	6,608,950	-
Withholding tax		8,614,801	22,880,392
Other liabilities	18.4	34,354,240	37,191,763
		<u>687,211,705</u>	<u>752,088,622</u>
18.1 This includes payable amounting Rs. 1,702,548 (2023: Rs. 1,702,548) to Media Times Limited, an associated company against printing and advertisement by one of the subsidiary of the company. This also includes payable amounting Rs. Nil (2023: 34.9 Million) to Pace Pakistan Limited, an associated company.			
18.2 This represents payable to Pace Pakistan Limited, an associated company against purchase of properties in Pace Fortress Stadium, and Near Ranger headquarters Lahore and Pace Tower, Gulberg Lahore.			
18.3 Federal Excise Duty (FED):			
Opening balance			
- Related to asset management	18.3.1	3,713,207	3,713,207
- Other		73,623	73,623
Closing balance		<u>3,786,830</u>	<u>3,786,830</u>
18.3.1 As per requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of management company has been applied effectively from 13 June 2013. The subsidiary is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. A stay order against the collection has been granted by the Honourable Sindh High Court on a petition filed by the Mutual Funds Association of Pakistan (MUFAP) as on 04 September 2013. The Honourable Sindh High Court [SHC] through its order dated 02 June 2016, in CPD-3184 of 2014 interalia declared that the levy ultra vires to the constitution. Sindh Revenue Board and Federal Board of Revenue led appeals before Honourable Supreme Court against the SHC's decision dated 02 June 2016, which is pending for the decision. However, after following the exclusion of the mutual funds from federal statute on federal excise duty with effect from 01 July 2016, the Company has discontinued making the provision in this regard. In view of uncertainty regarding the applicability of FED on asset management services, the management as a matter of abundant caution, has not reversed the provision of FED and related sales tax impact amounting to Rs. 3,713 million (2023: Rs. 3,713 million) as the Federal Board of Revenue could file an appeal with Honourable Supreme Court of Pakistan against the judgment passed by Honourable Sindh High Court of Pakistan.			
18.4 This also includes amount Rs. 211,363 (2023: Rs. 211,363) payable to First Capital Mutual Fund a fund managed by FCIL, a subsidiary company.			
19 Long term loans			
Payable against diminishing musharka-secured	19.1	1,600,000,000	1,600,000,000
Payable against loan from financial institutions-secured	19.2	1,134,276,086	1,184,276,086
Payable against loan from non-financial institutions-unsecured	19.3	178,060,000	178,060,000
		<u>2,912,336,086</u>	<u>2,962,336,086</u>
Current portion		(2,285,063,359)	(1,784,276,086)
Non-Current portion		<u>627,272,727</u>	<u>1,178,060,000</u>
19.1 This represents balance payable against two diminishing musharka facilities obtained from Silk Bank Limited (Eman Islamic Banking) Facility 1 and 2 amounting to Rs. 1,100 Million and Rs. 500 Million respectively. Details of rental payable on these facilities is mentioned in note 17.1. Principal amount of Facility 1 and 2 is repayable in 11 equal semi-annual instalments commencing from June 14, 2022 and August 08, 2022 respectively. The Company has not paid installments due on respective dates. In case of failure to make due payments by the Company, Bank can charge penalty at the rate of 6 month KIBOR (Ask side) plus 5% per annum on overdue amount. Silk Bank Limited has charge by way of hypothecation over following assets: - Diminishing Musharka Asset - Current Assets of the company			
19.2 This represents loan payable to United Bank Limited (UBL) with an original mark up rate of 8% (2023: 8%) per annum. But owing to the negotiations with the bank the markup on this loan was frozen and waived off. The interest waived off on this loan amounts to Rs. 354 Million till October 01, 2010. The management of the Company is in negotiation with UBL and are confident that this loan will be settled against debt to property swap as previously done on favorable terms. Based on ongoing negotiations Bank agreed to grant extension to the Company for repayment of loan till December 31, 2024. Although the company was unable to repay its loan facility, but based on legal advisors opinion management is of the view that settlement of this loan will not result in any further cost for the company.			

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	Note	2024	2023
		Rupees	Rupees
19.3			
This represents loan received on interest at the rate of 24% obtained from WTL Services (Private) Limited. During the year ended June 30, 2022, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the interest rate have been modified from 24% per annum to Kibor plus 5%.			
20			
Accrued markup			
Rental payable against-diminishing musharika--secured	20.1	1,370,793,945	982,277,261
Markup payable against long term loan from financial institutions--secured	20.2	141,500,000	211,109,589
Markup payable against long term loan from non-financial institutions--unsecured	20.3	129,726,382	77,949,520
		<u>1,642,020,327</u>	<u>1,271,336,370</u>
Current portion		<u>(1,642,020,327)</u>	<u>(1,271,336,370)</u>
Non Current portion		-	-
20.1			
This is payable against the diminishing musharika agreement with Silk Bank Limited (Eman Islamic Banking) was at the rate of 6 month KIBOR (ask side) plus 2% margin per annum. In 2021, on the request of the Company, the Bank agreed to defer the repayment of principal and rental for two years starting from July 15, 2020 and interest rate to be charged during deferment period is 2 year KIBOR plus 2% spread per annum. Rental deferred is measured at present value using the applicable rental rate of 2Y KIBOR plus 2%. Afterwards, interest rate to be charged will be 3M KIBOR plus 2% spread. After deferment period the liability is now payable on demand.			
Deferred rental	20.1.1	1,370,793,945	982,277,261
Less: Impact of discounting	20.1.2	-	-
		<u>1,370,793,945</u>	<u>982,277,261</u>
20.1.1			
Reconciliation of deferred rental			
Opening balance		982,277,261	710,007,672
Add: Charged during the year		388,516,684	272,269,589
Less: Paid during the year		-	-
		<u>1,370,793,945</u>	<u>982,277,261</u>
20.1.2			
Reconciliation of discounting			
Opening balance		-	4,253,757
Add: Discounting impact of deferred rental		-	-
Less: Impact of unwinding		-	(4,253,757)
		<u>-</u>	<u>-</u>
20.2			
This represents interest on the loan obtained from Silk Bank Limited, Facility 1 amounting Rs. 65 Million and Facility 2 amounting Rs. 300 Million at the rate of 3M KIBOR + 5% per annum and 6M KIBOR + 2.5% per annum with tenure of 3 years and 7 years including grace periods respectively.			
Opening balance		211,109,589	141,881,000
Add: Charged during the year		71,890,411	69,228,589
Less: Waiver of markup on loan - Silk Bank Loan		(141,500,000)	-
		<u>141,500,000</u>	<u>211,109,589</u>
20.3			
This represents interest at the rate of 24% on loan obtained from WTL Services (Private) Limited. During the year, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%.			
Opening balance		77,949,520	41,927,982
Add: Charged during the year		51,776,862	36,021,538
Less: Paid during the year		-	-
		<u>129,726,382</u>	<u>77,949,520</u>
21			
Lease liability			
Balance at bigning of the year		-	-
Obtained during the year		47,429,810	-
Adjustment		340,806	-
Paid during the year		(26,028,606)	-
Intrest		6,209,994	-
Less: Current portion of lease liabilities		(11,622,432)	-
		<u>16,329,572</u>	<u>-</u>
22			
Staff retirement benefits			
Amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation	22.1	30,447,509	26,500,552
		<u>30,447,509</u>	<u>26,500,552</u>
22.1			
Movement in net obligation			
Opening balance		26,500,552	32,612,167
Expense charged to profit or loss account	22.2	6,517,942	3,600,061
Remeasurements charged in other comprehensive income	22.3	(279,423)	(4,273,298)
Benefits payable transferred to short term liability / benefits paid		(2,850,408)	(5,438,378)
Exchange differences - net		558,846	-
Closing balance		<u>30,447,509</u>	<u>26,500,552</u>

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	2024	2023
	Rupees	Rupees
22.2 Charged to profit or loss		
Current service cost	2,383,141	2,602,741
Past Service Cost (Credit)	-	-
Interest cost	4,134,801	997,320
	<u>6,517,942</u>	<u>3,600,061</u>
22.3 Charged to other comprehensive income		
Changes in financial assumptions	-	16,754
Changes in demographic assumption	-	-
Experience adjustments	(279,423)	(4,290,052)
	<u>(279,423)</u>	<u>(4,273,298)</u>

The latest valuation of defined benefit obligation was conducted by Nauman Associates (consulting actuaries) except for Lanka Securities (Private) Limited and Evergreen Water Valley (Private) Limited as of 30 June 2024. Significant actuarial assumptions are as follows:

Discount rate	Per annum	up to 16.25%	up to 13.25%
Discount rate used for year-end obligation	Per annum	up to 14.75%	up to 16.25%
Expected rate of salary increase in future years	Per annum	up to 13.75%	up to 15.25%

23 Contingencies and commitments

23.1 Contingencies

Parent Company

23.1.1 The senior management of the Company was contacted by 'National Accountability Bureau' (NAB) dated June 22, 2002 in respect of certain transactions in FIB carried out by the Company related to Workers Welfare Fund ("WWF") during the year 1999. On review of related records and information and discussions with the senior management, National Accountability Bureau's investigation concluded that two employees of the Company had colluded with WWF officials to defraud WWF.

On this basis, National Accountability Bureau required the Company to pay or guarantee to pay on account of WWF a sum of Rs. 46 Million in view that public funds were involved and it was the Company's vicarious liability. The Company had paid National Accountability Bureau an amount of Rs. 13.8 Million and had provided adequate security against the balance amount recovered from the parties involved.

National Accountability Bureau had recovered Rs 12.127 million from various parties involved and informed that Company's liability stands reduced by the said amount. The Company had also paid an amount of Rs 10 million as full and final settlement during the financial year ended 30 June 2004. Thus a sum of Rs 23.8 million as discussed above has so far been written off in the Company's accounts. However, the Bureau has again raised a demand of Rs. 10 million, which remains un-recovered from various parties involved. The Company has informed National Accountability Bureau that the said amount is not payable. The Company has also lodged a counter claim for sums paid to National Accountability Bureau, which were actually siphoned by the employees of WWF and other parties involved. The instant writ petition was disposed of with direction to the respondents / National Accountability Bureau authorities that they shall hear the petitioner and decide the matter in accordance with law expeditiously. The Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.

23.1.2 During financial year 1998-1999, Securities and Exchange Commission of Pakistan ("SECP") raised a demand of Rs. 0.8 Million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP had filed an appeal in the Supreme Court of Pakistan against the judgment of the honourable Lahore High Court. The Appeal has resulted in remand of the proceedings to the Lahore High Court; by the honourable Supreme Court vide order dated 29.04.2010. The matter will be re-decided by the Lahore High Court. Honourable Lahore High Court passed an order dated 20-05-2015 to issue notices to the Appellants and consigned the appeal to record. In stated proceedings, Company has engaged a new Counsel who has filed Application for restoration of the stated Appeal and matter is pending before Lahore High Court. Management considers that there are strong grounds to support the Company's stance and is hopeful for a favourable decision. Consequently, no provision has been made in these financial statements for this amount.

23.1.3 CTR No. 14/2002 reference has been directed against the judgment of ITAT dated 03.02.2001 whereby the order passed under 66 - A of the Income Tax Ordinance, 1979, for the assessment years 1995-1996, by IAC of the Income tax Range - III, Companies Zone - II, Lahore has been affirmed. The C.T.R is now pending before the Honourable Lahore High Court and is to be heard along with other identical matters. There is likelihood of a favourable decision in favour of Company in as much as said order is in conflict with earlier judgments of the superior courts. The case has to be fixed by office of the Honourable Lahore High Court Lahore.

23.1.4 The Income Tax Appellate Tribunal Lahore vide its Order dated 19th November 2008 for Assessment Year 1996-1997, 1999-2000, 2001-2002, 2002-2003, Tax Year 2003 and 2004 held that allocation of expense cannot be made against Capital Gain. During the preceding year Tax References No. PTR 131/09 to 140/09 filed by the Tax Department against order of Income Tax Appellate Tribunal Lahore dated 19th November 2008.

The Honourable Lahore High Court vide its order dated 10th March 2015 accepted the references filed by department for the above mentioned years, and cases were remanded back to Income Tax Appellate Tribunal Lahore. The Company has preferred CPLAs before the August Supreme Court against the Orders passed by the Lahore High Court Lahore in all Tax References Nos. PTR 131/09 to 140/09. The Company is confident of a favourable decision in the matter.

23.1.5 During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Equities Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the cumulative recovery of Rs. 188.74 Million from the Company or alternatively recovery of Rs. 0.513 Million from the Company against insurance premium. The case is pending before the honourable court of Mr. Rana Abdul Jabbar, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favour.

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- 23.1.6 During the year 2017-2018, Al-Hoqani Securities & Investment Corporation (Pvt.) Ltd has filed suit against the Company, First Capital Equities Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Aamna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honourable High Court of Sindh. The legal counsel is confident of success of the case in company's favour.

First Capital Equities Limited (the subsidiary company)

- 23.1.7 During the year 2007-08, Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its reply to the show cause notice to the SECP. SECP has decided the case and has imposed a fine of Rs. 500,000/- on the Company on April 17, 2009. The Company has filed an appeal in Appellate Tribunal SECP against the aforesaid order and as a result the order was set aside by Tribunal on December 03, 2015 with an instructions to initiate fresh proceedings as per law.
- 23.1.8 On September 27, 2018, the Company filed suit for recovery and permanent injunction in the court of senior civil judge Lahore against legal heirs of one of its trade receivable Mr. Sulaiman Ahmed Saeed Al Houqani (Late) for recovery of receivable balance amounting Rs. 167.94 Million. The Company also pleaded to the Court to freeze Pakistani assets of Mr. Sulaiman Houqani i.e. 73.9 Million shares of Pace Barka Properties Limited (related party) having market value at filing of suit amounting Rs. 369.6 Million until recovery of balance. The case is pending before the court.
- 23.1.9 During the year 2008-09, M/s Savari (Pvt.) Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura (Pvt.) Limited, the clients of the Company has defaulted to pay their debts Rs. 239,900,022/-. The Company has filed a suit on February 01, 2009 in Civil Court, Lahore for recovery from these clients. Legal counsel is confident about the recoverability of balance but adopting conservative approach management has decided to provide provision against this balance.
- 23.1.10 During the year 2009-10 the Company has lodged a complaint to Securities and Exchange Commission of Pakistan on September 10, 2009 for taking appropriate action against the Universal Equities (Pvt.) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities (Pvt.) Limited by the Company and for recovery of Rs. 25.20 million till February 2010. The Universal Equities (Pvt.) Limited has filed a suit for permanent injunction alleging therein that the Company be directed not to initiate criminal proceedings against the dishonored cheque. The Learned Trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities (Pvt.) Limited to interfere in the order of the Learned Trial Court passed in favor of the Company. Later on the civil suit filed by the Universal Equities (Pvt.) Limited was dismissed by the court. However the company has also filed an application on June 20, 2011 for winding up the Universal Equities (Pvt.) Limited before the honorable Lahore High Court Lahore. Which is pending before the High Court and the legal counsel is confident about the recoverability of balance but adopting conservative approach, management has decided to provide provision
- 23.1.11 A case was filed in the Sindh High Court on May 19, 2009 for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. Legal counsel is confident about the recoverability of balance but adopting conservative approach management decided to provide provision against this balance.
- 23.1.12 During the year 2014-2015, Shabeen 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 Million 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. Rana Abdul Jabbar, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor. This case has also been disclosed in note 23.1.5.
- 23.1.13 During the 2018-2019, Al-Hoqani Securities has filed suit against the Company, First Capital Securities Corporation Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Aamna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor. This case has also been disclosed in 23.1.6.
- 23.1.14 During the year ending June 2018 a complaint was filed by Mr. David Williams Jeans before the Learned Judge, Consumer Court, Lahore on November 11, 2017 against the Company stating therein that an amount of € 12,750/- had been transferred in 2003 to the Company for the purchase of shares of World Call Company. The claimant sought relief of Rs. 2,200,000 and € 12,750/- against the Company. While as per the legal counsellor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on the legal counsellor's opinion management decided not to record any provision as value of provision is not certain.
- 23.1.15 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 farther 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.

Lanka Securities (Private) Limited (the subsidiary company)

- 23.1.16 During the year 2014 via case No. HCC/503/2014/MR, plaintiff named CA Chanmukapawan filed a suit against Lanka Securities Private Limited in the Commercial High Court of Colombo for the recovery of amount LKR 3,298,534 (PKR 2,984,804). Plaintiff has concluded its evidence, now trial is pending for evidence of LSL.
- 23.1.17 During the year 2016 via case No. HCC/31/16/MR Plaintiff named HNB filed a suit against Lanka Securities Private Limited in the Commercial High Court of Colombo for the recovery of amount Rs LKR 11,000,000 (Rs. 9,953,767). On last date of hearing LSL has deposed its evidence and now the trial is pending for final arguments and judgment.
- 23.1.18 During the year 2018 via case No. 1/42/2018 Plaintiff named Buddhika Suraj Wickramaratna on account of an industrial dispute filed a suit against Lanka Securities Private Limited in Labour Tribunal No 1-Borella. The case is pending for final order.

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23.1.20 During the year 2018 via case No. B/180/17, Plaintiff named JCR Udayakumara on account of an industrial dispute, filed a suit against Lanka Securities Private Limited in Labour Tribunal No 8-Borella which was decreed in favour of the plaintiff. LSL has assailed this judgment before Supreme Court which is pending adjudication. Settlement has been proposed by LSL at Rs. 850,000/- on question by Supreme Court. The Matter is pending adjudication for further proceeding and reply of the respondent side.

23.1.21 During the year 2018 via case No. 1/43/2018 Plaintiff named KDLK Randeniya on account of an industrial dispute filed a suit against Lanka Securities Private Limited in Labour Tribunal No 1-Borella. The case is pending for final order.

23.1.22 During the year 2019, via case No. CA/Writ/326/2019, Lanka Securities Private Limited filed an appeal against the order of Colombo Stock Exchange to set aside the order. The case is pending for arguments. Meanwhile Colombo Stock Exchange is also requested to entertain this appeal as an arbitration application.

The lawyers and Directors of the subsidiary company are of the opinion that the outcome of these cases will not result in material liability for the company. Accordingly no provision recognized in the financial statements.

Pace Barka Properties Limited (Associated Entity)

The group holds 17.95% interest in the Pace Barka Properties Limited, which has disclosed following contingencies in its separate financial statements:

23.1.21 During the year 2021, the Company received invoices from Athar Marketing Network ('AMN') amounting to Rs 25.248 million in respect of marketing services rendered by it during the previous years. However, the Company's management has raised a dispute with AMN over the aforementioned matter on the grounds that these advertisements were not telecasted/displayed on air as represented by AMN. The management is confident that the dispute will ultimately be settled in the favour of the Company and no outflow of economic resources will be required. Consequently, no provision has been made in this regard in these financial statements.

23.1.22 One of the shareholders (also a director) of the Company, has filed a petition under Section 257 of the Companies Act, 2017, in the Lahore High Court seeking the appointment of an Inspector to investigate the Company's affairs. He alleges that these affairs are being conducted unlawfully and are oppressive to shareholders. Additionally, he has filed another petition under Section 136 of the Companies Act, 2017, requesting a court order to declare the Annual General Meeting (AGM) held on November 20, 2023, invalid, on the grounds that he did not receive the meeting notice within the timeframe stipulated by the Act. Management has indicated that the notice of the AGM was duly provided to him and is confident, based on their consultant's advice, that the Lahore High Court will rule in their favor on both petitions. Furthermore, management anticipates that there will be no repercussions from this litigation on the Company or its operations.

23.2 Commitments

Note	2024	2023
	Rupees	Rupees

Commitments include amounts in respect of:
Capital expenditure

23.2.1	8,695,000	12,195,000
	8,695,000	12,195,000

23.2.1 One of the subsidiaries (First Capital Investment Limited) entered into an agreement to purchase capital work in progress from Wireless n Cable (Pvt.) Ltd for Rs. 49,065,000. Out of this Rs. 40,370,000 is paid as an advance and remaining Rs. 8,695,000 is to be paid as per the property purchase agreement.

23.2.2 The parent has extended the corporate guarantee amounting Rs. 480,000,000 in favour of Silk Bank Limited against the loan facility obtained by one of the wholly owned subsidiary Evergreen Water Valley (Pvt.) Limited.

23.2.3 Purchase orders by Pace Barka Properties Limited (associated entity) for capital expenditure aggregating Rs 19.103 million (2023: Rs 19.323 million).

23.2.4 Letters of credit and purchase orders for other than capital expenditure aggregating Rs 10.674 million (2023: Rs 11.054 million) by Pace Barka Properties Limited (associated entity).

24 Share capital

Issued, subscribed and paid-up share capital

2024		2023		2024		2023	
-----Number of shares-----				-----Rupees-----			
38,165,030	38,165,030	Ordinary shares of Rs 10 each fully paid in cash		381,650,300	381,650,300		
278,445,082	278,445,082	Ordinary shares of Rs 10 each issued as bonus shares		2,784,450,820	2,784,450,820		
316,610,112	316,610,112			3,166,101,120	3,166,101,120		

24.1 Ordinary shares of the Parent Company held by related parties as at year end are as follows:

Note	2024		2023		
	Percentage of holding	Number of shares	Percentage of holding	Number of shares	
Amethyst Limited	24.1.1	22.75%	72,034,306	22.75%	72,034,306
Sisley Group	24.1.2	9.92%	31,395,000	9.92%	31,395,000

24.1.1 Beneficial owner of the above mentioned holding was Salman Taseer (Late) resident House No. 118, Street No 3 Cavalry Ground Lahore and also the authorized agent. Pakistani shareholder associated with this entity is Mrs. Aamna Taseer.

24.1.2 Beneficial owner of the above mentioned holding is Aamna Taseer resident House No. 118, Street No 3 Cavalry Ground Lahore and also the authorized agent. Pakistani shareholder associated with this entity is Mrs. Aamna Taseer.

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	Note	2024	2023
		Rupees	Rupees
25 Operating revenue			
Revenue from construction contracts		235,281,937	332,419,499
Brokerage income		256,800,074	235,583,578
Gain/(Loss) on sale of investments		2,070,902	(60,425)
Investment advisory fee from FCMF and open fund management		2,817,132	1,907,218
Income on bank deposit		144,196	-
Dividend income		200,500	-
		<u>497,322,741</u>	<u>569,849,870</u>
Sales tax		(388,570)	-
		<u>496,934,171</u>	<u>569,849,870</u>
26 Direct costs			
Salaries and benefits		17,628,919	29,950,730
Electricity and fuel consumed		-	10,001,715
Postage and communication		205,599	1,361,893
Entertainment		229,053	548,214
Repair and maintenance		2,840,728	-
Other construction expenses		122,688,118	258,918,273
Miscellaneous		30,041,557	34,961,911
		<u>173,633,974</u>	<u>335,742,736</u>
27 Unrealized gain/(loss) on re-measurement of investments at fair value through profit or loss			
Long term investments	10.1	5,850,661	(3,060,512)
Short term investments	16.2	60,462,399	(19,145,627)
		<u>66,313,060</u>	<u>(22,206,139)</u>
28 Operating and administrative expenses			
Salaries, wages and benefits		216,319,745	181,469,888
Stock exchange charges		1,066,646	4,727,829
Rent, rates and taxes		3,092,911	1,475,941
Telephone and fax		812,709	45,070
Utilities		4,317,979	319,884
Insurance		2,112,464	168,830
Printing and stationery		549,687	148,242
Travelling and conveyance		23,452,917	3,122,646
Repairs and maintenance		2,801,479	6,035,331
Postage and courier		7,575	265,357
Vehicle running		8,875,345	6,416,294
Entertainment		440,464	4,326,941
Legal and professional charges		17,074,680	9,966,394
Security Expense		-	-
Advertisement		10,192,552	6,915,320
Expected credit loss		-	8,289,421
Auditors' remuneration	28.1	3,744,609	2,893,075
Amortization of right to use asset	6.3	11,908,044	1,905,111
Amortization of intangible assets		-	62,502
Depreciation	6.1	25,223,006	5,360,550
Miscellaneous		3,637,888	3,411,470
		<u>335,630,700</u>	<u>247,326,096</u>
Related to discontinued operations		<u>1,025,763</u>	<u>886,297</u>
Related to continuing operations		<u>334,604,937</u>	<u>246,439,799</u>

28.1 Auditors' remuneration

	Parent company	Subsidiary companies	Total	
			2024	2023
-----Rupees-----				
Annual audit	800,000	2,574,609	3,374,609	2,143,575
Consolidated accounts	200,000	-	200,000	225,000
Half yearly review	150,000	-	150,000	522,000
Out of pocket expenses	-	12,500	12,500	2,500
Other certifications	-	7,500	7,500	-
	<u>1,150,000</u>	<u>2,587,109</u>	<u>3,744,609</u>	<u>2,893,075</u>

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	Note	2024	2023
		Rupees	Rupees
29 Other income			
Income from financial assets			
Income on deposit accounts		7,021,455	4,304,773
Interest from staff loans		40,623	22,322
Income on term deposits		56,834,087	88,907,713
Income from other than financial assets			
Gain on sale of property, plant and equipment		8,911,544	11,626,263
Gain on sale of investment property		-	7,342,788
Interest income on delayed payments		20,903,259	18,528,644
Liabilities written off		77,086,731	-
Miscellaneous		14,793,139	3,149,028
		<u>185,590,838</u>	<u>133,881,531</u>
30 Finance costs			
Mark-up on borrowings		440,293,546	377,519,716
Mark-up on short term borrowings		-	288
Exchange Loss		136,152	183,089
Impact of unwinding		-	4,253,757
Finance charges on assets subject to finance lease		6,238,276	-
Bank charges and commission		3,330,807	3,215,189
		<u>449,998,781</u>	<u>385,172,039</u>
31 Final tax differential			
Final tax u/s 150	31.1	6,608,950	-
31.1 This represents the portion of the final tax expense under various provisions of the Income tax Ordinance (ITO,2001) representing levy in terms of requirements of IFRIC 21/ IAS 37.			
32 Taxation			Restated
Current tax		35,509,103	63,763,852
Prior year adjustment		(1,666,506)	-
Deferred tax		-	-
		<u>33,842,597</u>	<u>63,763,852</u>
32.1 There is no relationship between tax expense and accounting profit since the majority of the Group Companies have taxable losses for the year and are subject to minimum and final. Accordingly no numerical reconciliation has been presented.			
33 Discontinued operations			
In year 2019 the management of one of the subsidiary company (First Capital Equities Limited) decided to surrender its TREC with Pakistan Stock Exchange and to discontinue stock broker operations due to continuous loss and declining market. The broker operation was not previously classified as a discontinued operation. Results of discontinued operations are as follows:			
Operating and administrative expenses		1,025,763	886,297
Taxation		-	-
Loss after taxation from discontinued operations		<u>1,025,763</u>	<u>886,297</u>
33.1 Cash flows used in discontinued operations			
Net cash used in operating activities		(1,025,763)	(886,297)
Net cash from investing activities		-	-
Net cash flow for the year		<u>(1,025,763)</u>	<u>(886,297)</u>
34 Loss per share - basic and diluted			
Loss for the year from continued operations attributable to shareholder of the parent company	Rupees	<u>(41,648,714)</u>	<u>(117,800,913)</u>
Loss for the year from discontinued operations attributable to shareholder of the parent company	Rupees	<u>(751,166)</u>	<u>(649,035)</u>
Weighted average number of ordinary shares as at 30 June	Numbers	<u>316,610,112</u>	<u>316,610,112</u>
Loss per share - basic and diluted -- continued operations	Rupees	<u>(0.1315)</u>	<u>(0.3721)</u>
Loss per share - basic and diluted -- discontinued operations	Rupees	<u>(0.0024)</u>	<u>(0.0020)</u>
There is no dilution effect on the basic EPS as the Group has no such commitments.			

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35 Transactions with related parties

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, associated companies, directors and key management personnel. Details of significant transactions and balances with related parties, other than those which have been specially disclosed elsewhere in these consolidated financial statements are as follows:

Details of transactions with related parties and balances with them at year end are as follows:

Name of Parties	Nature of relationship	Nature and description of related party transaction	2024	2023
			Value of transactions made during the year	Value of transactions made during the year
			Rupees	
Bank of Ceylon	Associated company	Share transaction	340,028,747	48,716,814
		Brokerage income	2,176,184	252,328
		Investment in Repo	35,937,527	51,355,818
		Investment in fixed deposit	20,538,932	35,460,271
Merchant Bank of Sri Lanka	Associated company	Share transaction	156,099,876	149,020,622
		Brokerage income	912,708	611,396
		Investment in fixed deposit		1,088,450
Pace Pakistan Limited	Associated company (share holding 5.11%)	Sale of property	-	80,894,000
		Payment on behalf of group	-	8,786,345
		Payments made	6,681,123	-
		Sale of goods and services provided	28,213,366	107,891,135
First Capital Mutual Fund	Associate (shareholding 63.42%)	Asset management fee	2,817,132	2,212,373
		Other Receivable	120,990	94,115
		Investment in units	3,000,000	-
		Redemption of units	8,950,000	2,500,000
Pace Barka Properties Limited	Associate (shareholding 17.95%)	Sale of goods and services	110,891,103	208,153,797
		Payment on behalf of group	48,171,204	164,095,268
		Payments by group	68,964,638	33,798,492

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

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

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36 Cash flows from operating activities

Profit/(loss) before taxation

Adjustments for:

Depreciation
Amortization of right of use
Finance cost
Loss/(Gain) on re-measurement of short term investments
Loss/(gain) on re-measurement of investment properties
Loss/(Gain) on disposal of investment property
Realised (gain)/loss on disposal of investments
Gain on disposal of property, plant and equipment
Provision for doubtful debts and bad debts written off
Share of loss from investments accounted for using equity method
Exchange (Gain)/Loss
Retirement benefits
Amortization of intangible assets

Profit/(loss) before working capital changes

Effect on cash flow due to working capital changes:

Decrease/(increase) in:

Trade debts
Loans and advances
Prepayments

(Decrease)/increase in:

Trade and other payables

Cash generated from/(used in) operations

	2024	2023
	Rupees	Rupees
Profit/(loss) before taxation	20,599,866	(8,818,378)
Adjustments for:		
Depreciation	25,223,006	5,360,550
Amortization of right of use	11,908,044	1,905,111
Finance cost	449,998,781	385,172,039
Loss/(Gain) on re-measurement of short term investments	16,092,556	22,206,139
Loss/(gain) on re-measurement of investment properties	(338,690,000)	(330,860,860)
Loss/(Gain) on disposal of investment property	-	(7,342,788)
Realised (gain)/loss on disposal of investments	-	60,425
Gain on disposal of property, plant and equipment	(8,911,544)	(11,626,263)
Provision for doubtful debts and bad debts written off	(13,012,536)	8,289,421
Share of loss from investments accounted for using equity method	107,754,748	52,963,629
Exchange (Gain)/Loss	205,249	(249,281,682)
Retirement benefits	6,517,942	3,600,061
Amortization of intangible assets	-	62,501
	257,086,246	(119,491,717)
Profit/(loss) before working capital changes	277,596,112	(128,310,095)
Effect on cash flow due to working capital changes:		
Decrease/(increase) in:		
Trade debts	104,072,980	(346,995,668)
Loans and advances	41,901,428	(47,318,415)
Prepayments	(1,552,552)	(148,045)
	144,421,856	(394,462,128)
(Decrease)/increase in:		
Trade and other payables	(64,876,917)	279,268,283
	(64,876,917)	279,268,283
	79,544,939	(115,193,845)
Cash generated from/(used in) operations	357,141,051	(243,503,940)

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37 Financial instruments

The Group 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 Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

37.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Group's credit risk arises from deposits with banks, trade debts, loans and advances and credit exposure arising as a result of dividends from equity securities and other receivables. The Group has no significant concentration of credit risk as exposure is spread over a large number of counter parties in the case of trade debts.

To manage exposure to credit risk in respect of loans and advances, management performs credit reviews taking into account the borrower's financial position, past experience and other factors. Loans terms and conditions are approved by the competent authority.

37.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the year end:

	Note	2024	2023
		Rupees	Rupees
Long term deposits and advances		5,437,995	14,257,827
Trade debts - net	37.1.2	521,710,060	612,770,504
Loans and advances		296,085,878	337,987,306
Bank balances	37.1.2	55,292,419	41,774,294
		<u>878,526,352</u>	<u>1,006,789,931</u>

37.1.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

- Trade debts

Trade debts as at balance sheet date are classified as follows:

	2024	2023
	Rupees	Rupees
Foreign	261,088,808	396,706,074
Domestic	260,621,252	216,064,430
	<u>521,710,060</u>	<u>612,770,504</u>

The trade debts as at the balance sheet date are classified in Pak Rupees. The aging of trade receivables at the reporting date is:

	2024	2023
	Rupees	Rupees
Neither past due nor impaired	-	396,906,274
Past due 1 - 60 days	11,449,256	391,766
Past due 61 - 120 days	75,009,325	-
Above 120 days	435,251,479	207,401,699
	<u>521,710,060</u>	<u>604,699,739</u>

- Bank balances

Bank balances as at balance sheet date are classified as follows:

	2024	2023
	Rupees	Rupees
Foreign	-	617,640
Domestic	55,292,419	41,156,654
	<u>55,292,419</u>	<u>41,774,294</u>

The credit quality of Group's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating		Rating agency
	Short term	Long term	
Faysal Bank Limited	A-1+	AA	PACRA
Bank Al Falah Limited	A-1+	AAA	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
Bank Islami Limited	A-1	AA-	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Bank Al Habib Limited	A-1+	AAA	PACRA
Silk Bank Limited	A-2	A-	VIS
Askari Bank Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
MCB Islamic Bank Limited	A-1	A+	PACRA
Dubai Islamic Bank Limited	A-1+	AA	VIS
JS Bank Limited	A-1+	AA	PACRA
Bank of Ceylon	NA	BBB+(Ika)	Fitch Ratings
MBSL Bank	NA	BBB+(Ika)	Fitch Ratings

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37.1.3 Counterparties without external credit ratings

Management estimates that the below mentioned balances will be recovered within next 12 months and the probability of default is expected to be zero. Consequently, no expected credit loss allowance is required.

	2024	2023
	Rupees	Rupees
Long term deposits and advances	5,437,995	14,257,827
Trade debts - net	521,710,060	612,770,504
Loans and advances	296,085,878	337,987,306
	823,233,933	965,015,637

37.1.4 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 Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

37.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Group is not materially exposed to liquidity risk as substantially all obligations / commitments of the Group are short term in nature and are restricted to the extent of available liquidity. In addition, the Group has obtained running finance facilities from various banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the contractual maturities of financial liabilities:

	2024				
	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	Rupees				
Financial liabilities					
Long term loan	2,912,336,086	2,912,336,086	2,285,063,359	627,272,727	-
Short term borrowings	-	-	-	-	-
Trade and other payables	687,211,705	687,211,705	687,211,705	-	-
Accrued markup	1,642,020,327	1,642,020,327	1,512,293,945	129,726,382	-
	5,241,568,118	5,241,568,118	4,484,569,009	756,999,109	-

	2023				
	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	Rupees				
Financial liabilities					
Long term loan	2,962,336,086	2,962,336,086	1,784,276,086	1,178,060,000	-
Short term borrowings	5,560,342	5,560,342	5,560,342	-	-
Trade and other payables	752,088,622	752,088,622	752,088,622	-	-
Accrued markup	1,271,336,370	1,271,336,370	1,193,386,850	77,949,520	-
	4,991,321,420	4,991,321,420	3,735,311,900	1,256,009,520	-

37.3 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 Group's income or the value of its holdings of financial instruments.

Market risk comprises of three types of risks:

- currency risk
- interest rate risk
- other price risk

37.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currency. The Group was exposed to foreign currency's risk on conversion of balance in foreign currency account maintained in Lankan Rupees (LKR). The Group's exposure to foreign currency risk for LKR and US dollar is as follows:

	2024	2023
	Rupees	Rupees
Foreign debtors	261,088,868	396,706,074
Foreign currency bank accounts	-	617,640
Foreign creditor and other payables	401,521,748	460,413,963
Net exposure	(140,432,940)	(63,090,249)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
LKR to PKR	0.901	0.732	0.897	0.905

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency account balance.

Net effect on profit or loss	(14,043,294)	(6,309,025)
	(14,043,294)	(6,309,025)

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The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / (liabilities) of the Group.

37.3.2 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. At the reporting date the interest rate profile of the Group's significant interest bearing financial instruments was as follows:

	2024	2023	2024	2023
	Effective rate (in Percentage)		Effective rate (in Percentage)	
Financial liabilities				
Long term loans	up to 6m Kibor+5%	up to 24	2,912,336,086	2,962,336,086
			<u>2,912,336,086</u>	<u>2,962,336,086</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

As at 30 June 2024	Profit or loss	
	100 bps Increase	100 bps Decrease
	Rupees	
Cash flow sensitivity - Variable rate financial liabilities	29,123,361	(29,123,361)
As at 30 June 2023		
Cash flow sensitivity - Variable rate financial liabilities	29,623,361	(29,623,361)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit/(loss) for the year and assets / liabilities of the Group.

37.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is exposed to equity price risk because of investments held by the Group and classified on the balance sheet at fair value through profit or loss and available for sale investments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio within the eligible stocks in accordance with the risk investment guidelines approved by the investment committee.

Sensitivity analysis

The table below summarizes the Group's equity price risk as of 30 June 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. 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 Group's equity investment portfolio.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss) before tax
-----Rupees-----					
2024					
Investments					
Investments at fair value through profit or loss	176,277,077	10% increase	193,904,785	-	17,627,708
		10% decrease	158,649,369	-	(17,627,708)
	<u>176,277,077</u>				
2023					
Investments					
Investments at fair value through profit or loss	113,843,114	10% increase	125,227,425	-	11,384,311
		10% decrease	102,458,803	-	(11,384,311)
	<u>113,843,114</u>				

37.3.4 Fair value of financial instruments

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

a) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

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	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
-----Rupees-----				
Financial assets				
Long term investments	14,118,413	14,118,413	14,118,413	14,118,413
Long term deposits and advances - considered good	5,437,995	5,437,995	5,437,995	5,437,995
Trade debts	521,710,060	521,710,060	521,710,060	521,710,060
Loans, advances and other receivables	296,085,878	296,085,878	296,085,878	296,085,878
Short term investments	727,611,926	727,611,926	727,611,926	727,611,926
Cash and bank balances	62,709,264	62,709,264	62,709,264	62,709,264
	1,627,673,536	1,627,673,536	1,627,673,536	1,627,673,536

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
-----Rupees-----				
Financial liabilities				
Long term loan	2,912,336,086	2,912,336,086	2,962,336,086	2,962,336,086
Accrued markup	1,642,020,327	1,642,020,327	889,562,897	889,562,897
Trade and other payables	687,211,705	687,211,705	472,820,339	472,820,339
	5,241,568,118	5,241,568,118	4,324,719,322	4,324,719,322

b) Valuation of financial instruments

In case of equity instruments, the Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques used by the Group include discounted cash flow model. Assumptions and inputs used in valuation techniques include risk-free rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

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:

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
30 June 2024				
Equity securities				
Long term investments	14,118,413	-	-	14,118,413
Short term investments	162,158,664	-	-	162,158,664
	176,277,077	-	-	176,277,077
30 June 2023				
Equity securities				
Long term investments	8,267,752	-	-	8,267,752
Short term investments	105,575,362	-	-	105,575,362
	113,843,114	-	-	113,843,114

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37.3.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Group. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified

- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

37.4 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios at 30 June 2024 and at 30 June 2023 were as follows:

	2024	2023
	Rupees	Rupee
Total debt	2,912,336,086	2,962,336,086
Total equity and debt	4,890,238,496	5,016,083,653
Debt-to-equity ratio	59.55%	59.06%

The decrease in the debt-to-equity ratio in 2023 resulted primarily due to increase in fair value of investment property during the year.

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

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38 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Group is as follows:

	Chief executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	-----Rupees-----					
Short Term Employee Benefits						
Managerial remuneration	7,400,000	2,400,000	-	-	5,476,080	16,189,655
Reimbursable expenses	-	-	-	-	-	-
Medical	-	-	-	-	-	34,796
House rent	-	-	-	-	-	-
Post Employment Benefits						
Provision for gratuity	614,512	706,414	-	-	768,462	2,711,503
	8,014,512	3,106,414	-	-	6,244,542	18,935,954
Number of persons	1	1	6	6	5	7

The Group has also provided executives with company maintained cars. No fees were paid to any director for attending Board and Audit Committee meetings.

Executives are employees whose basic salary exceed Rs. 1,200,000 in a financial year. Comparative figures have been restated to reflect changes in the definition of executives as per Companies Act, 2017.

39 Number of employees

The average and total number of employees are as follows:

Holding Company

Average number of employees during the year

Total number of employees as at 30 June

	2024	2023
	Numbers	
Average number of employees during the year	2	4
Total number of employees as at 30 June	2	3

Subsidiary Companies

Average number of employees during the year

Total number of employees as at 30 June

Average number of employees during the year	75	84
Total number of employees as at 30 June	69	84

40 Operating segments

Segment information is presented in respect of the Group's business. The primary format, business segment, is based on the Group's management reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Group's operations comprise of the following main business segment types:

Type of segments and nature of business

1 Financial services

Business of long and short term investments, sale/purchase of shares, money market operations and financial consultancy services.

2 Investment advisory services

Investment advisory services to open end mutual funds.

3 Real estate

Business of construction, development and other related activities of real estate properties. Installation and manufacturing of water purification plants, reverse osmosis systems and water softness system.

The identification of operating segments was based on the internal organizational and reporting structure, built on the different products and services within the Group. Allocation of the individual organizational entities to the operating segments was exclusively based on economic criteria, irrespective of the participation structure under Companies Act, 2017. For the presentation of reportable segments in accordance with IFRS 8, both operating segments with comparable economic features and operating segments not meeting the quantitative thresholds were aggregated with other operating segments.

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41 Segment analysis and reconciliation

Information regarding the results of each reportable segments is included below. Performance is measured on the basis of profit after tax as included in internal management reporting that are reviewed by the Group Executive Committee. Segment profit is used to measure performance and making strategic decisions as such information is the most relevant in evaluating the results of certain segments relative to other companies that operate within these industries.

41.1 Information about reportable segments

	Financial Services		Investment advisory services		Real Estate		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupiah							
External revenues	256,806,074	235,383,578	4,644,668	1,846,793	135,896,437	132,619,499	496,934,171	569,249,870
Direct cost	(30,041,557)	(16,898,801)	-	-	(143,582,417)	(318,843,935)	(173,632,974)	(305,742,736)
Operating expenses	(306,118,394)	(212,493,512)	(10,692,374)	(11,358,333)	(38,839,997)	(23,474,251)	(385,610,605)	(247,316,096)
Other income	106,763,192	109,434,574	1,400,907	11,216,571	77,428,739	13,229,996	195,598,833	183,881,331
Finance cost	(449,985,282)	(315,907,518)	(3,900)	(3,334)	(9,299)	(69,268,967)	(449,998,781)	(385,132,089)
Gain on investment properties	338,690,080	338,154,761	-	-	-	706,299	338,690,080	338,860,860
Unrealized gain / (loss) on re-measurement of short investment	12,813,795	(8,687,996)	37,529,653	(2,882,507)	36,751,614	(11,885,635)	65,313,060	(22,266,138)
Share of loss from investments accounted for using the equity method	(187,754,748)	(52,963,628)	-	-	-	-	(187,754,748)	(52,963,628)
Profit/(loss) before income tax and final tax differential	(179,616,840)	68,241,857	32,877,934	(351,018)	167,248,777	(76,799,224)	28,589,871	(8,818,377)
Final tax differential	(6,577,675)	-	-	-	(21,275)	-	(6,600,950)	-
Profit/(loss) before income tax	(186,194,515)	68,241,857	32,877,934	(351,018)	167,217,502	(76,799,224)	11,988,921	(8,818,377)
Taxation expense for the year	(9,301,877)	(8,728,821)	(97,142)	(57,217)	(28,363,578)	(24,886,215)	(33,842,597)	(61,763,851)
Profit / (loss) after taxation	(195,576,392)	59,513,036	32,780,792	(408,235)	142,853,924	(101,685,439)	(18,941,676)	(72,582,238)
Other information								
Segment assets	4,885,388,116	4,776,398,119	243,862,884	213,329,127	2,267,996,849	2,226,551,107	7,397,148,009	7,216,218,383
Segment liabilities	3,774,965,295	3,189,460,979	9,386,358	12,622,126	1,644,993,943	1,760,647,681	5,419,265,567	5,163,530,786
Depreciation	21,882,678	3,948,561	3,077,722	1,178,955	312,696	185,534	28,224,066	5,160,008
Capital expenditure	87,811,519	1,657,819	-	15,000,000	-	-	87,811,519	16,657,819

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	2024	2023
	Rupees	Rupees
41.2 Reconciliation of assets		
Assets		
Total assets of reportable segments	7,016,001,308	6,722,603,923
Investments accounted for using the equity method	381,166,701	493,674,430
Consolidated total assets	7,397,168,009	7,216,278,353
41.3 Geographical information		
Segment revenue is based on the geographical location of the customers and segments assets are based on geographical location of the assets.		
41.3.1 Revenue		
Pakistan	240,134,097	334,266,292
Sri Lanka	256,800,074	235,583,578
	496,934,171	569,849,870
41.3.2 Non-current assets		
Pakistan	5,404,833,130	5,175,644,557
Sri Lanka	91,411,409	3,248,767
	5,496,244,539	5,178,893,324
41.4 Revenue on the basis of major products and services		
Money market income		
(Loss) / gain on sale of investments	1,682,332	(60,425)
Investment advisory fee from FCMF	2,817,132	1,907,218
Brokerage income	256,800,074	235,583,578
Revenue against construction contracts	235,281,937	332,419,499
	496,581,475	569,849,870

42 Interests in other entities

42.1 Material subsidiaries

The Group's principal subsidiaries as at June 30, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interest held by the owners of the parent		Ownership interest held by non-controlling interests		Principal activities
		2024	2023	2024	2023	
First Capital Investments Limited	Pakistan	78.85%	78.85%	21.15%	21.15%	Asset management services
Lanka Securities (Private) Limited	Sri Lanka	51%	51%	49%	49%	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.
Falcon Commodities (Private) Limited	Pakistan	100%	100%	0%	0%	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited.
Ozer Investments Limited	Sri Lanka	100%	100%	0%	0%	Providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage.
First Capital Equities Limited	Pakistan	73.23%	73.23%	26.77%	26.77%	To acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings.
Evergreen Water Valley (Private) Limited	Pakistan	100%	100%	0%	0%	Installation and manufacturing of water purification plants and construction activities
First Construct Limited	Pakistan	100%	100%	0%	0%	Construction company

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42.2 Non-controlling interests

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	First Capital Investments Limited		Lanka Securities (Private) Limited		First Capital Equities Limited	
	2024	2023	2024	2023	2024	2023
Summarized balance sheet						
Current assets	111,598,540	81,985,092	850,086,266	1,000,868,934	513,200,154	508,190,343
Current liabilities	16,173,613	19,364,326	416,721,755	515,778,021	1,809,326,842	1,016,325,439
Current net assets / (liabilities)	95,424,927	62,620,766	433,364,511	475,190,913	(496,126,688)	(508,035,096)
Non-current assets	143,061,200	141,066,507	91,411,408	5,409,943	848,692,532	842,802,057
Non-current liabilities	3,929,635	2,700,274	18,442,441	303,915	-	-
Non-current net assets/(liabilities)	139,131,565	138,286,233	72,968,967	5,046,078	848,692,532	842,802,057
Net assets	234,556,492	200,906,999	506,333,478	580,236,991	352,565,844	334,766,961
Accumulated non-controlling interests	184,947,794	150,415,169	248,103,404	284,316,126	94,381,076	89,617,110
Summarized statement of comprehensive income						
Revenue (continued & discontinued operation) Net of unrealized gain/loss	42,173,313	(127,093)	256,808,074	235,503,578	23,218,672	(77,811,381)
Profit/(loss) for the year after tax	32,788,792	(400,227)	22,116,344	83,764,636	17,798,883	(79,601,954)
Other comprehensive income/(loss)	868,781	270,292	(1,077,816)	2,844,292	-	-
Total comprehensive income/(loss)	33,649,493	(127,935)	21,038,528	86,608,928	17,798,883	(79,601,954)
Profit/(loss) allocated to NCI	6,933,138	(86,346)	10,837,009	41,044,672	4,764,761	(21,309,443)
Other comprehensive income/(loss) allocated to NCI	183,730	57,168	(528,130)	1,393,703	-	-
Dividends paid to NCI	-	-	(41,806,587)	-	-	-
Summarized cash flows						
Cash flows from operating activities	(2,376,887)	3,800,583	33,462,951	529,296,857	195,744	(50,039)
Cash flows from investing activities	2,449,999	(3,750,025)	(12,878,506)	106,471,244	-	-
Cash flows from financing activities	-	-	(90,018,112)	-	-	-
Net (decrease)/increase in cash and cash equivalents	73,992	100,558	(69,433,667)	639,717,961	195,744	(50,039)

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42.3 Interests in associates

Set out below are the associates of the group as at 30 June 2024 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares except FCMF, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held and total units in case of mutual fund.

Name of entity		Ownership interest held by the Group		Quoted Fair Value		Carrying Value	
		2024	2023	2024	2023	2024	2023
First Capital Mutual Fund	Pakistan	67.00%	74.00%	-	-	-	-
Media Times Limited	Pakistan	33.32%	33.32%	95,347,632	95,347,632	-	-
Face Barika Properties Limited	Pakistan	17.95%	17.95%	-	-	381,054,201	493,561,930
Face Super Mall	Pakistan	0.10%	0.10%	-	-	112,500	112,500
				95,347,632	95,347,632	381,166,701	493,674,430

42.4 Commitments and contingent liabilities in respect of associates.

Commitments and contingent liabilities in respect of associates that exist as at 30 June 2024 are disclosed in Note number 23.1.21, 23.1.22 and 23.2.4.

42.5 Summarized financial information for associates

	First Capital Mutual Fund		Media Times Limited		Face Barika Properties Limited	
	2024	2023	2024	2023	2024	2023
Summarized balance sheet						
Current assets	166,870,412	111,379,611	34,179,823	36,264,612	2,939,775	2,140,359
Current liabilities	22,920,115	20,143,940	815,580,570	601,978,348	1,391,319	922,168
Current net assets / (liabilities)	143,950,297	95,829,432	(781,401,047)	(772,110,145)	1,539,457	1,218,191
Non-current assets	-	-	202,488,015	231,073,464	5,495,684	5,147,306
Non-current liabilities	-	-	475,051,899	416,965,306	893,127	983,715
Non-current net assets	-	-	(272,563,884)	(272,303,951)	4,602,557	4,163,591
Net assets/(liabilities)	143,950,297	95,829,432	(1,053,964,931)	(1,044,502,091)	6,227,014	5,379,782
Summarized statement of comprehensive income						
Revenue/(loss)	36,682,385	(13,759,588)	67,244,759	110,070,600	(905,007)	311,886
Profit/(loss) for the year	59,217,765	(2,342,876)	(3,071,847)	(110,540,094)	(606,305)	(295,062)
Other comprehensive (loss)/income	-	-	614,494	2,603,450	(4,061)	(763)
Total comprehensive income/(loss)	59,217,765	(2,342,876)	(2,457,353)	(107,936,644)	(604,366)	(295,825)

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43 Date of authorization for issue

These consolidated financial statements were authorized for issue on 04 OCT 2024 by the Board of Directors of the Holding Company.

44 General

Corresponding figures have been re-classified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison.

Figures have been rounded off to the nearest of Pak Rupee.

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Chief Executive Officer



Chief Financial Officer



Director



The Company Secretary
 First Capital Securities Corporation Limited
 First Capital House
 96-B/1, M.M. Alam Road
 Gulberg-III
 Lahore

FORM OF PROXY

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

I/We _____ S/o _____ D/o _____ W/o _____
 _____ CNIC _____ being the member(s) of First Capital Securities
 Corporation Limited hereby appoint Mr./Mrs./Ms./ _____ S/o _____ D/o _____ W/o _____
 _____ CNIC _____ or failing him / her Mr. / Mrs. Miss _____
 S/o _____ D/o _____ W/o _____ CNIC _____ as my/our proxy to vote for me/us and
 on my/our behalf at the Annual General meeting of the Company to be held on 28 October 2024 at 11:30 a.m. and at any
 adjournment thereof.

Signed under my/our hands on this _____ day of _____, 2024

Affix Revenue Stamp of
 Rupees Fifty

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

Signed in the presence of:

 Signature of Witness 1

 Signature of Witness 2

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
 - 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



کمپنی سیکریٹری

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

فرسٹ کیپٹل ہاؤس

96-B/1، ایم ایم عالم روڈ،

گلبرگ-III، لاہور

فولیو نمبر/ CDC کاؤنٹ نمبر: _____
ملکیتی حصص: _____

میں/ ہم ولد/ بنت/ زوجہ شناختی کارڈ نمبر
بطور رکن (اراکین) فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ/ مسماة ولد/ بنت/ زوجہ
شناختی کارڈ نمبر یا اس/ ان کی عدم حاضری پر مسمی/ مسماة
ولد/ بنت/ زوجہ شناختی کارڈ نمبر کو مؤرخہ 28 اکتوبر 2024ء کو دن 11:30 بجے منعقد
ہونے والے کمپنی کے سالانہ اجلاس عام یا مابعد نشست میں اپنی جانب سے ووٹ کرنے کے لئے اپنا پراکسی مقرر کرتا/ کرتی / کرتے ہوں/ ہیں۔
مؤرخہ 2024ء کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی
ریوینیوٹک چسپاں کریں

دستخط رکن

(دستخط کمپنی کے ساتھ رجسٹرڈ دستخط کے مطابق ہونے چاہئیں)

مندرجہ ذیل کی موجودگی میں دستخط کئے گئے:

دستخط گواہ 2

دستخط گواہ 1

مندرجات:

- (1) اجلاس میں شرکت اور رائے شماری کرنے کا/ کی اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے/ دوسری رکن کو اپنا/ اپنی پراکسی مقرر کر سکتا/ سکتی ہے۔ مؤثر کرنے کی غرض سے پراکسی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔
- (2) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر اختیاری (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی فوری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B/1، لوئر گراؤنڈ فلور، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے۔
 - (a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بنی فیشنل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)
 - (b) پراکسی کے تقرر کے لئے، CDC کا فرد واحد بنی فیشنل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی تصدیق جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پراکسی فارم کے ساتھ جمع کرنا ہوگا (اگر یہ پہلے جمع نہ کیا گیا ہو)۔