FCSC

First Capital Securities Corporation Limited

First Capital Securities Corp Ltd.

LANKA SECURITIES

First Capital Investments Ltd.

First Capital Equities Ltd.

First Capital Mutual Fund.

Annual Report 2019

Daily Times

PACE Building the Future Building Pakistan

Business

T27

pacecircle

Sunday

Pace

evergreen

TGIF

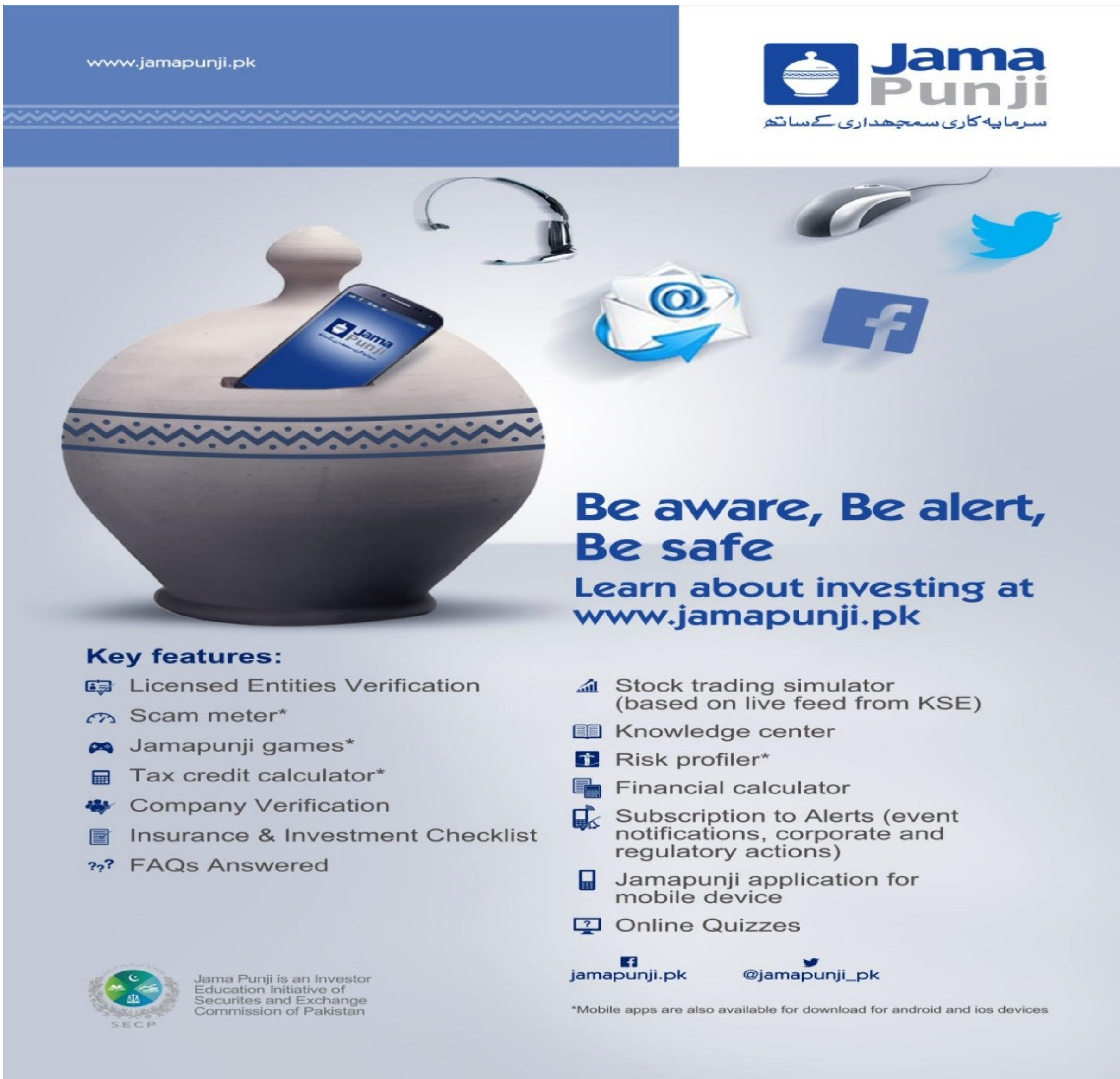
PACE WOODLANDS

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.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SECP

First Capital Securities Corporation Limited

Company Information

Board of Directors

Shehrbano Taseer (Chairman)	Non-Executive
Aamna Taseer (CEO)	Executive
Shahbaz Ali Taseer	Non-Executive
Shehryar Ali Taseer	Non-Executive
Mustafa Mujeeb Chaudhry	Non-Executive
Naeem Akhtar	Non-Executive
Sikandar Laeeq	Independent

Chief Financial Officer	Saeed Iqbal
Audit Committee	Sikandar Laeeq (Chairman) Shehrbano Taseer (Member) Naeem Akhtar (Member)
Human Resource and Remuneration (HR&R) Committee	Sikandar Laeeq (Chairman) Aamna Taseer (Member) Shehrbano Taseer (Member)
Company Secretary	Sajjad Ahmad
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants
Legal Advisers	Mazhar Law Associates **Advocates & Solicitors**
Bankers	Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited MCB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town Lahore Tel: (042) 35839182
Registered Office/Head Office	2nd Floor, Pace Shopping Mall Fortress Stadium, Lahore Cantt Lahore, Pakistan Tel: (042)36623005/6/8 Fax: (042)36623121-36612122

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of First Capital Securities Corporation Limited ("the Company" or "FCSC") will be held on Monday, 28 October 2019 at 12:00 a.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, the Registered Office of the Company, to transact the following business:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on 27 November 2018;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2019 together with the Chairman's Review, Directors' Report and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2020 and to fix their remuneration;

4 Special Businesses

A) TO CONSIDER AND IF DEEMED FIT, TO PASS THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS FOR ALTERATION IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY, WITH OR WITHOUT MODIFICATION:

"RESOLVED THAT pursuant to the provisions of Sections 26, 27, 28, 29 & 32 of the Companies Act 2017, existing sub clause 1 of the object clause III of the Memorandum of Association of the Company be deleted to change the principal line of business of the Company, subject to the completion of all necessary corporate and legal formalities, and upon deletion of the existing sub clause 1 of the object clause III of the Memorandum of Association of the Company the remaining sub clauses numbered from 2 to 28 shall be renumbered as 1 to 27 accordingly."

"RESOLVED FURTHER THAT the Chief Executive Officer or Company Secretary of the Company be and is hereby authorized to do all acts, things, take all necessary steps and actions, ancillary and incidental for altering the object clause III of the Memorandum of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements so as to effectuate the alterations in the Memorandum of Association."

B) TO CONSIDER AND IF DEEMED FIT, PASS THE FOLLOWING SPECIAL RESOLUTIONS WITH OR WITHOUT MODIFICATIONS TO MAKE INVESTMENTS IN ASSOCIATED COMPANY IN ACCORDANCE WITH PROVISIONS OF THE COMPANIES ACT, 2017:

"RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make additional equity investment(s) in the Share Capital of Pace Barka Properties Limited ("Pace Barka"), up to the extent of Rs. 100.00 million (Rupees one hundred million only) in accordance with the provisions of section 199 of the Companies Act, 2017, through an acquisition of the shares from open market including associated undertakings on such terms and conditions as to be authorized by the Board of Directors of the Company. Further, the Chief Executive of the Company is also authorized to disinvest such investments, from time to time on terms and conditions to be authorized by the Board of Directors of the Company:

"RESOLVED FURTHER THAT the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make an investment as Loan/Advance to Pace Barka an associated company, up to Rs. 100.00 Million in accordance with the provisions of section 199 of the Companies Act, 2017 and to disinvest such investments, from time to time."

RESOLVED FURTHER THAT the above loan/advance to Pace Barka as to be given from time to time shall be subject to such mark-up rate not less than the borrowing cost of the Company in accordance with the criteria laid down in Section 199 of the Companies Act, 2017. The mark up shall be charged on quarterly basis and paid to the Company within one month of the close of the quarter. In case it is not paid by Pace Barka within one month of the close of quarter, then the mark up shall be automatically settled after one month by adding the same in the principal for calculation of mark-up for the next quarter. The total outstanding loan/advance amount (including principal and any mark-up added in the same, which in total shall not exceed the approved limit) shall be repaid after completion of two year, from the dates of disbursement of loan/advance or at any earlier date, as may be practical based on cash flows of Pace Barka."

"RESOLVED FURTHER THAT the Chief Executive/the Company Secretary of the Company be and is hereby authorized to complete all necessary required corporate and legal formalities for the completion of subject investments, including necessary filings etc. Chief Executive is also authorized to delegate any of his powers to any person in respect of the above as he may deem appropriate."

"RESOLVED FURTHER THAT the above authority shall remain in-force until revoked by the shareholders of the Company".

C) DISPOSAL OF COMMERCIAL PLOT "D" AREA MEASURING 9,716 SQUARE YARDS SURVEY NO. 131/A-4, LOCATED NEAR RANGERS HEAD QUARTERS, LAHORE CANTT., IN THE MARKET AND TO PASS THE FOLLOWING RESOLUTIONS WITH OR WITHOUT MODIFICATION:

"RESOLVED THAT the Chief Executive Officer of the Company be and is hereby authorized to take all necessary steps for disposal of commercial plot "d" area measuring 9,716 square yards survey no. 131/A-4, located near Rangers Head Quarters, Lahore Cantt., Lahore to any prospective buyer in the market on such terms and conditions as may be approved by the Board of Director of the Company".

"**RESOLVED FURTHER THAT** the Chief Executive officer/the Company Secretary of the Company be and is hereby authorized to complete any or all necessary required corporate and legal formalities for the completion of aforesaid disposal."

D) DISPOSAL OF THE ENTIRE SHAREHOLDING (100%) OF THE COMPANY IN EVER GREEN WATER VALLEY (PVT.) LIMITED A SUBSIDIARY OF THE COMPANY. IN THIS REGARD TO PASS THE FOLLOWING RESOLUTIONS WITH OR WITHOUT MODIFICATION:

"RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make disinvestment upto 715,400 ordinary shares of Rs. 100/- each (100%) in Ever Green Water Valley (Pvt.) Limited, a subsidiary of the Company, to Pace (Pakistan) Limited, an associated company, on such terms and conditions as may be approved by the Board of Directors of the Company".

"**RESOLVED FURTHER THAT** the Chief Executive officer/the Company Secretary of the Company be and is hereby authorized to complete any or all necessary required corporate and legal formalities for the completion of aforesaid transactions.".

By order of the Board

Sajjad Ahmad
Company Secretary

Lahore:
07 October 2019

Notes:

1) The Members Register will remain closed from 21 October 2019 to 28 October 2019 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 00 October 2019 will be considered in time for the purpose of Annual General Meeting.

2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

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

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

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

4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.

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

5) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2019 along with Auditors and Directors Reports thereon on its website: www.pacepakistan.com

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

7) In pursuance of SECP notification S.R.O # 470(I)2016/ dated 31 May 2016, the Company has sent information regarding Annual audited Accounts of the Company to the shareholders in soft form i.e. CD. However, the Company will supply the hard copy of the Annual Audited Accounts to the Shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The Company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.

8) Members are requested to notify any change in their registered address immediately.

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

This statement sets out the material facts pertaining to the special business as to be transacted at the Annual General Meeting of the Company to be held on 28 October 2019.

ALTERATION IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The Board of Directors of the Company in their meeting held on 04 October 2019, in pursuance of the Sections 26,27,28, 29 & 32 of the Companies Act, 2017, has decided to change the principal line of business of the Company by way of deletion of sub clause 1 of the object clause III of the Memorandum of Association of the Company. Thereafter, the remaining sub clauses of the object clause III of the Memorandum of Association of the Company numbered from 2 to 28 shall be renumbered as 1 to 27 accordingly. The existing sub clause 1 of the object clause III of the Memorandum of Association allows the Company to act as a member of Stock Exchange and to carry out the business of brokerage, for which the Company does not have necessary regulatory approvals and licenses. Therefore, the Board has decided to delete the sub clause 1 of the object clause III of the Memorandum of Association.

It is proposed that an authority be given to the Chief Executive Officer or Company Secretary of the Company to complete all necessary corporate and legal formalities and to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Memorandum of Association of the Company.

INVESTMENT IN PACE BARKA PROPERTIES LIMITED (“PACE BARKA”)

The Company intends to make additional long term investment in the share capital of Pace Barka Properties Limited (“Pace Barka”) up to Rs. 100.00 million (Rupees one hundred million only) through an acquisition of the shares from open market including associated undertakings on such terms and conditions as to be authorized by the Board of Directors of the Company. Further, the Chief Executive of the Company is also authorized to disinvest such investments, from time to time as and when considered appropriate on such terms and conditions to be approved by the Board of Directors of the Company.

Further, the Company also intends to make an investment up to the extent of Rs. 100.00 million (Rupees one hundred million) as loan/advance to Pace Barka in accordance with the provisions of Section 199 of the Companies Act, 2017

Pace Barka was incorporated on 22 November 2005 as a public company. The main objectives of Pace Barka are to acquire/purchase, construct and develop properties, hotels, shopping malls, apartment buildings, office blocks, commercial buildings, etc. and sales and management thereof. The registered office of Pace Barka is located at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore. The existing Authorized Share Capital of Pace Barka is Rs. 4,800,000,000 divided into 480,000,000 ordinary shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs. 3,052,573,630/- divided into 305,257,363 ordinary shares of Rs.10/- each.

The Shareholders of Pace Barka consists of Pace (Pakistan) Limited holding 75,872,000 shares (24.86%), Parkview Holdings Corporation holds 68,331,863 shares (22.39%), Sheikh Sulieman Ahmed Said Al-Hoqani (late) holds 73,924,500 shares (24.22%), Saudi Pak Industrial & Agricultural Investment Co. Limited holds 16,875,000 shares (5.53%), Faysal Bank Limited holds 5,200,000 (1.70%), Saudi Pak Insurance Company Limited holds 4,500,000 shares (1.47%), the Company holds 54,790,061 shares (17.95%), and other shareholders hold 5,763,939 shares (1.89%) of the total paid up capital of Pace Barka.

Pace Barka is developing a premium multiuse project near Alama Iqbal International Airport Lahore which comprises a proposed 5-star Hyatt Regency hotel, a world class shopping mall, proposed Hyatt-serviced & Pace-managed apartments. The project is located near Lahore International Airport and is surrounded by number of high-end housing societies like Army Housing Scheme and Defence Housing Authority. Total planned constructed area consists of around 1.67 million square feet (including basement). The civil work has been completed for an area of 1.295 million square feet

In addition to the above, Pace Barka also owns a lake-side premium property at a short distance from Islamabad. Pace Barka is planning to develop large commercial project(s) thereon. Pace Barka also holds 48% of the shareholding in Pace Woodlands (Pvt.) Limited, a residential housing scheme, located at Bedian Road, Lahore Cantt. The housing scheme is comprised of 160 houses on a total area of 160 kanals.

The additional equity investment in shares of Pace Barka shall be made through purchase from any of existing Shareholder / Sellers of Pace Barka's shares, including associated undertakings at a fair price to be determined in accordance with law. The investments as Loan/Advance shall be made in Pace Barka directly.

In order to finance its expansion plans, Pace Barka also intends to list its shares, through initial public offering on Pakistan Stock Exchange. The management of Pace Barka is also considering the alternate ways of listing including a merger with an existing listed entity. The management expects to earn dividends and capital gains through investment in Pace Barka. The management of the Company considers this investment to be beneficial. The Company has already holds 54,790,061 shares of par value of Rs. 10.00/- each, 17.95% of the total shareholding of Pace Barka.

The investments in Pace Barka shares shall be made from the available cash resources and/or the future internal cash generations of the Company. The benefits likely to accrue to the Company shall include income on equity investment in the shape of dividends and capital gains. The Company shall comply the requirements of section 199 of the Companies Act, 2017 for the purpose of these investments. All the benefits accrued to Pace Barka, through growth in its business operations will become part of the returns of the Company and its shareholders

INFORMATION AS REQUIRED UNDER REGULATION 3(A) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

INVESTMENTS TO BE MADE BY THE COMPANY IN PACE BARKA PROPERTIES LIMITED

The Company is fully authorized by its Memorandum of Association to make such investment. The investment would be made at such time(s), as the Chief Executive may think appropriate on behalf of the Company and would disinvest(s) as and when appropriate. The Chief Executive of the Company or the Company Secretary are also authorized to take all the necessary corporate and legal formalities in connection with the proposed investment where required.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations,2017**:**

Investment in the form of Equity;

(i)	Name of the associated company or associated undertaking	**Pace Barka Properties Limited**,
(ii)	Basis of relationship	Common Directorship
(iii)	Earnings per share for the last three years	June 2017 2018 2019 PKR (0.54) PKR 0.24 PKR (0.38)
(iv)	Break-up value per shares, based on latest financial statements	PKR 16.53/- per share
(v)	Financial Position, including main items of statement of financial position and profit & Loss account on the bases of latest financial statements; and	Share Capital & Reserves PKR 5,045 million Non-Current Liabilities PKR 0.249 million Current Liabilities PKR 1,403 million

		Non-Current Assets PKR 4,064 million Current Assets PKR 2,633 million Gross Profit PRK 62.86 million Loss for the year PKR 116.126 million An impact of PKR 361.164 million on account of Revaluation of leasehold land has been included in latest profit & Loss for period ended 30 June 2019
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information;	
	(I) Description of the project and its history since conceptualization;	Pace Barka was incorporated on 22 November 2005. The main objectives of Pace Barka are to acquire/purchase, construct and develop properties, hotels, shopping malls, apartment buildings, office blocks, commercial buildings, etc. and sales and management thereof. Currently, Pace Barka is focusing on completion of development of Pace Circle Project, a premium multiuse project near Alama Iqbal International Airport Lahore which comprises a 5-star proposed Hyatt Regency hotel, a world class shopping mall, proposed Hyatt-serviced & Pace-managed apartments. The project is located near Lahore International Airport and is surrounded by number of high-end housing societies like Army Housing Scheme and Defence Housing Authority. Total planned constructed area consists of around 1.67 million square feet (including basement). The civil work has been completed for an area of 1.295 million square feet.
	(II) Starting date and expected date of completion of work;	Starting date is 2005 and expected date of completion date is year 2022.
	(III) Time by which such project shall become commercially operational;	Year 2022
	(IV) Expected time by which the project shall start paying return on investments and;	Year 2021
	(V) Funds invested or to be invested by the promoters, sponsors, associated company or undertaking distinguishing between cash and non cash	Promoters, sponsors and associated undertakings equity invested in cash is Rs.2.072 billion

amounts.

Maximum amount of investment to be made	PKR 100.00 million only
Purpose, benefits likely to accrue to the investing company its members from such investment and period of investments;	Utilization of the Company's available/future cash resources for better prospective returns to shareholders
Sources of funds to be utilized for investment;	Available cash resources and/or future internal cash generation from the operations of Company
Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment;	The mark up shall be charged on quarterly basis and paid to the Company within one month of the close of the quarter. In case it is not paid by Pace Barka within one month of the close of quarter, then the mark up shall be automatically settled after one month by adding the same in the principal for calculation of mark-up for the next quarter. The total outstanding loan/advance amount (including principal and any mark-up added in the same, which in total shall not exceed the approved limit) shall be repaid after completion of two year, from the dates of disbursement of loan/advance or at any earlier date, as may be practical based on cash flows of Pace Barka
Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Salmaan Taseer (late) holds 2,613,701 (0.86%) of the total shareholding, which is under succession. Rest the Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings.
In case any investment in associated company or associated has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and;	The investment was made, from time to time at Par value of Rs. 10.00 each, now the break-up value of the shares is Rs. 16.53/- per share.
Any other important details necessary for the members to understand the transaction	Additional Equity Investment in Associated Company
Maximum price at which securities will be acquired	The fair value at the date of acquisition to be determined in accordance with law.
In case the purchase price is higher than market value in the case of listed entity and fair value in case of unlisted securities, justification thereof;	Purchase price will be equal to fair value determined in accordance with law
Maximum number of securities to be acquired	Tentatively 5,530,973 shares at a rate of Rs 18.08/-per share
Number of securities and percentage thereof held before and after the proposed investment;	Before =54,790,061 = 17.95% After = 60,321,034 = 19.76%

	Fair value determined in terms of sub regulation (1) of regulation 05 for investments in unlisted securities.	At Rs. 18.08 /- per share as at 30 June 2019
	Investment in the form of Loans/ Advance;	
(i)	Category wise amount of investment	Loan/Advance up to Rs.100 million only
(ii)	Average borrowing cost of the Company, the KIBOR for relevant period, rate of return for shariah compliant products, rate of return for unfunded facilities, as the case may be, for the relevant period	12.55 p.a. i.e. KIBOR+2.00% per annum (30 June 2019)
(iii)	Rate of interest, mark-up, profit, fees or commission, etc.to be charged by the Company	Not less than borrowing cost of the Company. CEO is authorized to charge a premium over and above the borrowing cost of the Company as he may deems fit in the best interest of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No collateral security is required as Pace Barka is an associated of the Company
(v)	If the investment carries conversion features i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place when the time when the conversion may be exercisable and	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advance to be given to the associated company or associated undertaking	The total outstanding loan/advance amount (including principal and any mark-up added in the same, which in total shall not exceed the approved limit) shall be repaid after completion of two year, from the dates of disbursement of loan/advance or at any earlier date, as may be practical based on cash flows of Pace Barka.

DISPOSAL OF COMMERCIAL PLOT "D" AREA MEASURING 9,716 SQUARE YARDS SURVEY NO. 131/A-4, LOCATED NEAR RANGERS HEAD QUARTERS, LAHORE CANTT.,

The Board of Directors of the Company in their meeting held on 04 October 2019, decided to sell the immoveable property of the Company i.e. commercial plot "d" area measuring 9,716 square yards survey no. 131/A-4, located near Rangers Head Quarters, Lahore Cantt., Lahore to any prospective buyer in the market on such terms and conditions as may be approved by the Board of Director of the Company

In this regard it is proposed to authorize the Chief Executive Officer of the Company to take all necessary steps for disposal of commercial plot "d" area measuring 9,716 square yards survey no. 131/A-4, located near Rangers Head Quarters, Lahore Cantt., Lahore to any prospective buyer in the market. The terms and conditions to be negotiated by the CEO of the Company shall be approved by the Board of Director of the Company.

The property has been re-valued at Rs 1.80 billion (Rupees one billion eight hundred million only) as at 30 June 2019. The Company acquired this property on 08 June 2018 at a cost of Rs.1.50 billion only (Rupees one billion only)

It is expected that the Company will realize a substantial gain upon the disposal of this property. There will be no impact on the operational capacity, consequent upon sale of Plot D, an immovable property as the principal business of the Company is Investment in Equity and money market operations.

DISPOSAL OF THE ENTIRE SHAREHOLDING (100%) OF THE COMPANY IN EVER GREEN WATER VALLEY (PVT.) LIMITED A SUBSIDIARY OF THE COMPANY

The Board of Directors of the Company in their meeting held on 04 October 2019, decided to dispose off the entire shareholding of the Company in Ever Green Water Valley (Pvt.) Limited ("EGWV" or Evergreen), a subsidiary of the Company to Pace (Pakistan) Limited, an associated undertaking.

EGWV was incorporated on 22 December 2005 and is currently registered with Pakistan Engineering Council (Category C-2); EGWV is carrying on the activities of providing the state of the art, leading edge, high quality construction (civil works) and water purification systems across the country under the supervision of qualified team of professionals in all areas of civil engineering, material engineering, management, Information Technology, Human Resources and finance. Over the period Evergreen has become a single source company with capability to specify, Engineering Design, Assemble, Install, Commission, and after sale services of water treatment solutions & construction of multi storied buildings. Evergreen's Management Team is engaged in Complete Construction (Structural work and Finishing works) of Shopping Malls, Housing Schemes and structural work of Commercial buildings

The registered office of Ever Green Water Valley (Pvt.) Limited is located at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore. The existing Authorized Share Capital of EGWV is Rs. 150,000,000 divided into 1,500,000 ordinary shares of Rs.100/- each. The issued, subscribed and paid up capital is Rs. 71,540,000/- divided into 715,400 ordinary shares of Rs.100/- each.

Ever Green Water Valley (Pvt.) Limited is subsidiary of the Company and the Company holds 100% shareholding i.e. 715,400 of EGWV.

The break-up value per share of EGWV is Rs. 71.83 per share as per latest Annual Audited Accounts as at 30 June 2019. An extract of Profit & Loss Account of EGWV for last three years is as under:

Particulars	June 2019 (Rupees)	June 2018 (Rupees)	June 2017 (Rupees)
Operating Profit/(Loss)	(18,403,284)	16,027,739	12,605,533
Net Profit after Tax	(30,230,464)	5,231,201	10,308,873
Earning per Share – Basic and Diluted	(42.26)	7.31	14.41

The financial position of EGWV for last three years is as under:

Particulars	June 2019 (Rupees)	June 2018 (Rupees)	June 2017 (Rupees)
Assets			
Non-Current Assets	299,607,370	205,143,351	123,256,348
Current Assets	585,252,255	341,585,847	96,570,253

Total Assets	884,859,625	546,729,197	219,826,601
Equity and Liabilities			
Total Equity (Share Capital and Reserves)	51,383,914	81,614,378	76,383,178
Non-Current Liabilities	326,235,026	14,080,070	7,841,437
Current Liabilities	507,240,685	415,934,749	135,601,986
Total Liabilities	884,859,625	546,729,198	219,826,601

The fair value of EGWV's share s is Rs. 25.33 per share on the bases of latest financial statements of the EGWV as at 30 June 2019. The rationale behind the disposal of this investment is that subsidiary that the core business of EGWV is construction and allied business whereas the principal business of the Company is equity investment and money market operations. So to keep like business, the management intends to dispose EGWV. Further, EGWV is facing operating losses and through disposal of the subsidiary, the Company can avoid further losses, which may become part of the Company's profit and loss by virtue of shareholding of the Company in EGWV.

The management of Pace (Pakistan) Limited has approached the Company and shown intention to acquire the complete shareholding of EGWV as its operations are more like Pace's operations being a real estate marketing and development company.

It is proposed to authorize Chief Executive Officer to take necessary steps to make disinvestment up to 715,400 , the entire shareholding of the Company in EGWV.

The Board of Directors in their meeting held on 04 October 2019 recommended to the Shareholders that an authority be given to the Chief Executive of the Company to negotiate terms and conditions of the sale with Pace (Pakistan) Limited and recommend terms and conditions of disposal to the Board of Directors for final decision on the sale of shares of EGWV. The sale price per share of EGWV shall be equal to fair value of the shares to be determined in accordance with law, on the date of acquisition.

It is also approved in the aforesaid Board of Directors meeting that an authorization of Shareholders be obtained for providing an authorization to Chief Executive officer or the Company Secretary of the Company to complete all necessary corporate and legal formalities for the purpose of the disposal of shares in the subsidiary of the Company.

INSPECTION OF DOCUMENTS

Copies of the Memorandum and Articles of Association, Statement under section 134(3) of the Companies Act, 2017, latest pattern of shareholding and variation in shareholding of the shareholders, having 10% or more in the Company during the last six months, financial projections/plan of the Company along with Investee Company, audited annual accounts for the last three years along with latest half yearly and quarterly accounts, and all other related information of the Company may be inspected during the business hours at the Registered Office of the Company form the date of the publications of the this notice till the conclusion of the Annual General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

All the directors of the Company including the Chief Executive and their relatives (if any) are interested to the extent of their shares that are held by them. The effect of the resolutions on the interest of these directors including the Chief Executive and their relatives (if any) does not differ from its effect on the like interest of other shareholders. They have no other interest in the special business and / or resolutions except as specified herein.

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ (''کمپنی'') کے حصص داران کا چھبیسواں (26واں) سالانہ اجلاس عام بروز پیر 28 اکتوبر، 2019ء کو بوقت 12:00 بجے دن کمپنی کے رجسٹرڈ آفس واقع دوسری منزل، پیس شاپنگ مال، فورٹریس اسٹیڈیم، لاہور کینٹ، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 27 نومبر 2018ء کو منعقدہ سالانہ اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتا شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ چیئرمین کے تجزیہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
3. 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کا مشاہیرہ طے کرنا۔
4. **خصوصی امور**

زیر غور لانا اور اگر مناسب ہو تو کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں مندرجہ ذیل "خصوصی قرارداد" کو کمپنی کے میمورنڈم آف ایسوسی ایشن میں تبدیلی کو بمعہ/علاوہ ترمیم منظور کرنا۔

''قرار پایا کہ کمپنیز ایکٹ 2017ء کے سیکشن 26، 27، 28، 29 اور 32 کی پیروی میں کمپنی کے میمورنڈم آف ایسوسی ایشن کی آبجیکٹ کلاز III کی شق I کو حذف کر کے کمپنی کے بنیادی کاروباری امور میں تبدیلی لانا جو تمام ضروری کاروباری وقانونی تقاضوں کی کلی تعمیل سے مشروط ہے۔ اور موجودہ آبجیکٹ کلاز III کی شق I کو حذف کرنے پر کمپنی کے میمورنڈم آف ایسوسی ایشن کی بقیہ ذیلی شقوں 2 تا 28 کو 1 تا 27 نمبر دیا جائے گا۔

''مزید قرار پایا کہ کمپنی کا چیف ایگزیکٹو آفیسر یا کمپنی سیکریٹری کمپنی کے میمورنڈم آف ایسوسی ایشن کی آبجیکٹ کلاز III میں تبدیلی کے لئے تمام ضروری اقدامات، قانونی وواقعاتی، اٹھانے کا مجاز ہوگا۔ جس میں کمپنی کے رجسٹرار سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان میں اندراج کے لئے تمام ضروری دستاویزات/ لازمی فارمز کو پر کرنا شامل ہے تاکہ میمورنڈم آف ایسوسی ایشن میں تبدیلیوں کو مؤثر کیا جاسکے۔''

''قرار پایا کہ کمپنی کا چیف ایگزیکٹو کمپنیز ایکٹ 2017ء کے سیکشن 199 اور بورڈ آف ڈائریکٹرز کی مجوزہ شرائط وضوابط کے تحت اوپن مارکیٹ سے حصص اور متعلقہ منظوری حاصل کر کے 100.00 ملین روپے (سوملین روپے صرف) تک پیس براکہ پراپرٹیز لمیٹڈ (''پیس براکہ'') کے سرمایہ حصص میں اضافی ایکویٹی سرمایہ داری کے لئے تمام ضروری اقدامات اٹھانے کا مجاز ہے۔ مزید یہ کہ، کمپنی کا چیف ایگزیکٹو بورڈ آف ڈائریکٹرز کی مجوزہ شرائط وضوابط کے تحت ایسی سرمایہ داری کو واپس لینے کا بھی مجاز ہے۔

''مزید قرار پایا کہ کمپنی کا چیف ایگزیکٹو آفیسر کمپنیز ایکٹ 2017ء کے سیکشن 199 کے قواعد کی پیروی میں 100.00 ملین روپے تک پیس براکہ ذیلی کمپنی کے لئے قرضہ/ پیشگی زر کے طور پر سرمایہ داری کرنے اور اس سرمایہ داری کو ہمہ وقت واپس لینے کا مجاز ہے۔''

مزید قرار پایا کہ پیس براکہ کو دیا گیا مذکورہ بالا قرضہ/ پیشگی زر مارک اپ شرح سے مشروط ہے جو کمپنیز ایکٹ 2017ء کے سیکشن 199 میں بیان کردہ معیار کے تحت کمپنی کی قرضہ لاگت کم نہ ہو۔ مارک اپ سہ ماہی کے اختتام سے ایک ماہ قبل سہ ماہی بنیادوں پر چارج کیا جائے گا۔ اگر کوارٹر کے اختتام سے ایک ماہ قبل تک پیس براکہ مارک اپ ادا نہیں کرتا تو ایک ماہ بعد اگلی سہ ماہی کے لئے مارک اپ از خود پرنسپل سرمایہ میں جمع ہو جائے گا۔ کل واجب الادا قرضہ/ پیشگی زر (بشمول پرنسپل اور مارک اپ جو منظور شدہ حد سے تجاوز نہ کرے) دو سال مکمل ہونے پر پیس براکہ کے کیش فلو کی بنیاد پر عملی طور پر قرضہ/ پیشگی زر کی ادائیگی کی تاریخ یا اس سے قبل ادا کیا جائے گا۔

''مزید قرار پایا کہ چیف ایگزیکٹو/ کمپنی سیکریٹری مذکورہ سرمایہ داری کو مکمل کرنے کے لئے تمام کاروباری وقانونی تقاضوں کو پورا کرنے کا مجاز ہوگا جس میں ضروری اندراج وغیرہ شامل ہے۔ چیف ایگزیکٹو آفیسر حسب ضرورت اپنے اختیارات کسی دوسرے شخص کو سونپ سکتا ہے۔''

''مزید قرار پایا کہ کمپنی کے حصص داران کی جانب سے منسوخی تک مذکورہ بالا اختیار برقرار رہے گا۔''

C) **کمرشل پلاٹ (D) رقبہ 9,716 مربع گز سروے نمبر 4-A/ 131 واقع رینجرز ہیڈکوارٹرز، لاہور کینٹ، مارکیٹ کی فروخت کے لئے قرارداد منظور کرنا۔**

''قرار پایا کہ کمپنی کا چیف ایگزیکٹو آفیسر کمرشل پلاٹ ''D'' رقبہ 9,716 مربع گز سروے نمبر 4-A/ 131 واقع نزد رینجرز ہیڈکوارٹرز، لاہور کینٹ، لاہور مارکیٹ میں کسی بھی ممکنہ خریدار کو کمپنی کے بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط وضوابط کے تحت فروخت کا مجاز ہے۔''

''مزید قرار پایا کہ چیف ایگزیکٹو آفیسر/ کمپنی سیکریٹری مذکورہ بالا فروخت کو مکمل کرنے کے لئے تمام ضروری کاروباری اور قانونی قبضوں کو پورا کرنے کا مجاز ہے۔''

D) **کمپنی کی ذیلی کمپنی ایورگرین واٹر ویلی (پرائیویٹ) لمیٹڈ کی تمام (100 فی صد) شیئر ہولڈنگ کی فروخت۔ اس تناظر میں بمعہ/علاوہ ترمیم مندرجہ ذیل قرارداد کو منظور کرنا:**

''قرار پایا کہ کمپنی کا چیف ایگزیکٹو آفیسر بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط وضوابط کے تحت متعلقہ کمپنی پیس (پاکستان) لمیٹڈ کی ذیلی کمپنی ایورگرین واٹر ویلی (پرائیویٹ) لمیٹڈ کے 715,400 عمومی حصص بحساب -/100 روپے فی حصص کو فروخت کرنے کے لئے تمام ضروری اقدامات کرنے کا مجاز ہے۔

''مزید قرار پایا کہ چیف ایگزیکٹو آفیسر/ کمپنی سیکریٹری مذکورہ بالا فروخت کو مکمل کرنے کے لئے تمام ضروری کاروباری اور قانونی تقاضوں کو پورا کرنے کا مجاز ہے۔''

کمپنیز ایکٹ 2017ء کے سیکشن (3)134 کے تحت خصوصی امور پر بیان اجلاس کے نوٹس کے ہمراہ حصص داران کو ارسال کر دیا گیا ہے۔

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور:

07 اکتوبر، 2019ء

مندرجات:

1) اراکین کا رجسٹر 21 اکتوبر 2019ء سے 28 اکتوبر 2019ء تک (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2019ء کو کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور، کمپنی کے رجسٹرار اور شیئر ٹرانسفر آفس کو کاروباری اوقات کار بند ہونے تک موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت تصور کیا جائے گا۔

2) اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور ووٹ کرنے کے لئے کسی دوسرے رکن کو اپنا نمائندہ/ پراکسی مقرر کر سکتا ہے۔ مؤثر کرنے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل پراکسیز کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔
اگر کمپنی اجلاس کے انعقاد سے دس (10) یوم قبل دور دراز مقام پر رہائش پذیر 10 فی صد یا زائد شیئر ہولڈنگ کے حامل رکن سے ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کا راضی نامہ وصول کرتی ہے تو کمپنی اُس شہر میں ویڈیو کانفرنس سہولت کی دستیابی کی صورت میں اس سہولت کا انتظام کرے گی۔

3) جائز ہونے کی غرض سے پراکسی اور مختار نامہ یا دیگر اتھارٹی جس کے تحت یہ سائن ہوا، کا دستاویز کمپنی کے مرکزی دفتر واقع دوسری اور تیسری منزل، پیس شاپنگ مال، فورٹریس اسٹیڈیم، لاہور کینٹ، لاہور کو اجلاس کے انعقاد سے 48 گھنٹے قبل پہنچ جانا چاہئے۔
کمپنیز (پوسٹل بیلٹ) قواعد، 2018ء کے تحت پوسٹل بیلٹ کے ذریعے ووٹ کرنے کا اختیار کمپنیز ایکٹ 2017ء کے سیکشن 144, 143 کی پیروی میں اراکین کو فراہم کیا جاسکتا ہے۔

4) a) اجلاس میں شرکت اور ووٹ کرنے کے اہل CDC کے واحد بینی فیشل اونرز کو اپنی شناخت ثابت کرنے کے لئے شراکت آئی ڈی اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بمعہ نمونہ کے دستخط (اگر پہلے جمع نہیں کرایا گیا ہے) اجلاس میں شرکت کے وقت پیش کرنا ہوگا۔

b) پراکسیز کے تقرر کے لئے، CDC کے واحد بینی فیشل اونر مذکورہ بالا معیارات کے مطابق شراکت آئی ڈی اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بمعہ CNIC یا پاسپورٹ کی تصدیق شدہ نقل کے ساتھ پراکسی فارم جمع کرانا ہوگا۔ دو افراد پراکسی فارم کی تصدیق کریں گے جبکہ اُن کے نام، پتا اور CNIC نمبر اُس پر درج ہوگا۔ اجلاس کے موقع پر پراکسی اپنا اصلی CNIC یا پاسپورٹ پیش کریں گے۔ کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بمعہ نمونہ کے دستخط (اگر پہلے جمع نہیں کرایا گیا ہو) پراکسی فارم کے ساتھ جمع کرانا ہوگا۔

5) مؤرخہ 10 جولائی 2014ء کے SECP کے مراسلہ نمبر 2014/ (I) 634 کی پیروی میں کمپنی نے 30 جون 2019ء کو اختتام پذیر سال کے لئے پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹس کے ہمراہ آڈیٹرز اور ڈائریکٹرز کی رپورٹ کمپنی کی ویب سائٹ www.pacepakistan.com پر شائع کر دی ہے۔

6) سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (''SECP'') کے مؤرخہ 08 ستمبر 2014ء کے مراسلہ نمبر 2014 (I) SRO 787 کی پیروی میں تمام کمپنیوں کو اپنی سالانہ بیلنس شیٹ اور نفع ونقصان کے اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹ (سالانہ مالیاتی اسٹیٹمنٹس) بمعہ نوٹس سالانہ اجلاس عام (نوٹس) کمپنی کے اراکین کو بذریعہ ای میل ارسال کرنے کی اجازت ہے۔ یہ سہولت حاصل کرنے کے خواہشمند اراکین مطلوبہ معلومات فراہم کر سکتے ہیں جس کے لئے فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔

7) سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (''SECP'') کے مؤرخہ 31 مئی 2016ء کے مراسلہ نمبر 2016/ (I) SRO 470 کی پیروی میں کمپنی نے سالانہ پڑتال شدہ کھاتوں کی تفصیلات بذریعہ سی ڈی ارسال کر دی ہیں۔ تاہم، کمپنی مطالبہ پر ایک ہفتہ کے اندر سالانہ پڑتال شدہ کھاتوں کی کاغذی نقل حصص داران کے رجسٹرڈ پتہ پر بالکل مفت فراہم کرے گی۔ کمپنی نے اپنی ویب سائٹ پر معیاری درخواست فارم شائع کر دیا ہے۔ تاکہ وہ برقی صورت کی بجائے کاغذی شکل میں اپنے مطالبہ پر عمل کر سکیں۔

8) اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتہ میں تبدیلی کی صورت میں فوری آگاہ کریں۔

First Capital Securities Corporation Limited

Chairman's Review

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

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

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

- ❖ The Board of Directors ("the Board") of First Capital 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
07 October 2019

Shehrbano Taseer
Chairman

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ

چیئرمین کی جائزہ رپورٹ

بورڈ کی مجموعی کارکردگی اورکمپنیز ایکٹ 2017ء کے سیکشن 192 کے تحت کمپنی کے مقاصد کے حصول کے لئے بورڈ کے مؤثر کردار پر چیئرمین کی جائزہ رپورٹ۔

کوڈ آف کارپوریٹ گورننس کے تحت فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ (''کمپنی'') کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا گیا۔اس جائزہ کا مقصد یہ یقینی بنانا ہے کہ کمپنی کے طے شدہ اہداف کے تناظر میں توقعات کے برعکس بورڈ کی مجموعی کارکردگی اور تاثیر کا تعین کیا جائے۔ایسے شعبے جن میں بہتری کی ضرورت ہے انہیں مدنظر رکھا گیا ہے اور ایکشن پلان مرتب کیا گیا ہے۔

میں 30 جون 2019ءکو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کرتی ہوں۔

- فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ (''FCSC'') کے بورڈ آف ڈائریکٹرز نے کمپنی کے شیئر ہولڈرز کے بہترین مفاد کوملحوظ خاطر رکھتے ہوئے اپنے فرائض دلجمعی سے سرانجام دیئے ہیں اور کمپنی کے امور کو مؤثر انداز میں منظّم کیا ہے۔
- FCSC کا انتہائی ماہر اور تجربہ کار افراد پر مشتمل ہے۔وہ کئی اداروں سے وسیع تجربہ کے حامل افراد بشمول آزاد ڈائریکٹرز کو سامنے لائے ہیں۔بورڈ کے تمام اراکین اپنے فرائض سے بخوبی آگاہ ہیں اور انہیں دلجمعی سے سرانجام دے رہے ہیں۔
- ضابطہ کے تحت بورڈ اور اس کی کمیٹیوں میں نان ایگزیکٹو اور آزاد ڈائریکٹرز کی مناسب نمائندگی موجود ہے۔اور یہ کہ بورڈ کے اراکین اور اس کی متعلقہ کمیٹیاں کمپنی کے امور چلانے کے لئے موزوں مہارت، تجربہ اور علم کو بروئے کار لاتے ہیں۔
- بورڈ نے یقین دلایا ہے کہ مؤثر انداز میں اپنے فرائض سرانجام دینے کے لئے ڈائریکٹرز کو آگاہی کورس فراہم کئے گئے ہیں اور یہ کہ بورڈ کے چار ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت پہلے ہی اسناد حاصل کر لی ہیں اور باقی ڈائریکٹرز ضابطہ کے مطابق قابلیت اور تجربہ کے معیار پر پورا اترتے ہیں۔
- بورڈ نے آڈٹ اور ہیومن ریسور اینڈ ریمونریشن کمیٹی تشکیل دی ہے اور ان کے شرائط وضوابط منظور کئے ہیں۔اور اپنی فرائض کی انجام دہی کے لئے کمیٹیوں کو مناسب وسائل فراہم کئے ہیں۔
- بورڈ نے یقین دلایا ہے کہ بورڈ اور کمیٹیوں کے اجلاس مطلوب کورم کے تحت منعقد کئے جاتے ہیں اور فیصلہ سازی کے تمام امور بورڈ کی قرارداد سے ہی طے کئے جاتے ہیں اور تمام اجلاسوں (بشمول کمیٹی کے اجلاس) کی روئیداد کو مناسب انداز میں ریکارڈ کیا جاتا ہے۔

- بورڈ منصوبہ بندی کے عمل، رسک مینجمنٹ سسٹم، پالیسی ڈیویلپمنٹ اور مالی ڈھانچہ، نگرانی اور منظوری کو احسن انداز میں پائیہ تکمیل تک پہنچاتا ہے۔ سال بھر میں تمام نمایاں معاملات کو بورڈ یا کمیٹیوں کے سامنے پیش کیا جاتا ہے تاکہ کاروباری فیصلہ سازی کے عمل کو مستحکم کیا جا سکے۔
- کاروباری فیصلہ سازی کے عمل کو مضبوط کرنے کے لئے سال بھر میں تمام اہم معاملات کو بورڈ یا اس کی کمیٹیوں کے سامنے رکھا جاتا ہے۔ اور خصوصاً، آڈٹ کمیٹی کی سفارشات پر بورڈ نے کمپنی کی جانب سے متعلقہ پارٹیوں سے لین دین کی منظوری دی ہے۔
- بورڈ نے یقینی دہانی کرائی ہے کہ انٹرنل کنٹرول کا مناسب نظام عمل میں لایا گیا ہے اور خودکار تعین کے نظام اور/ یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدہ نگرانی کی جاتی ہے۔
- بورڈ نے ڈائریکٹرز کی رپورٹ کو تیار اور منظور کیا ہے اور یہ یقینی دہانی کرائی ہے کہ لاگو قوانین وضوابط کے عین مطابق ڈائریکٹرز کی رپورٹ کو کمپنی کے سہ ماہی اور سالانہ مالیاتی گوشواروں کے ساتھ شائع کیا جاتا ہے۔
- کمپنی پر لاگو متعلقہ قوانین وضوابط کے تحت بورڈ نے تفویض کردہ اختیارات کی روشنی میں اپنا کردار ادا کیا ہے۔ اور بورڈ نے ہمیشہ ڈائریکٹرز کی حیثیت سے اپنے اختیارات کے استعمال اور فیصلہ سازی میں تمام لاگو قوانین وضوابط کو ملحوظ خاطر رکھا ہے۔
- بورڈ نے چیف ایگزیکٹو اور دیگر کی ایگزیکٹو بشمول CFO، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ کی تقرری، تعین اور مشاہیرہ کو یقینی بنایا ہے۔
- بورڈ نے یقین دہانی کرائی ہے کہ بورڈ اپنے اراکین کو بروقت معلومات فراہم کرتا ہے اور بورڈ کے اراکین کو اجلاس کے دوران پیش رفت سے آگاہ رکھا جاتا ہے۔

میں ان مشکل حالات میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، انتظامیہ اور عملہ کی مسلسل حمایت کی تہہ دل سے شکرگزار ہوں۔ میں مستقبل میں کمپنی کی ترقی کے لئے پرامید ہوں۔

آمنہ تاثیر

چیئرمین

لاہور

04 اکتوبر 2019ء

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 for the financial year 2019 together with the audited annual financial statements.

Operational Results

The principal business activities of the Company includes equity investments and Money market operations. The Company's results for the Financial Year 2019 ("FY19") are summarized as follows:

	30 June 2019	30 June 2018
	Rupees	Rupees
Revenue	**(250,343,288)**	(67,561,342)
Operating expenses	**45,660,798**	63,742,988
Impairment loss on available-for-sale investments	**504,333,063**	77,714,304
Finance and other costs	**175,324,081**	5,133,556
Loss after taxation	**(424,210,997)**	(203,640,531)
Earnings/(loss) per share (basic & diluted)	**(1.34)**	(0.64)

During the period under review, the Company has reported loss after tax of Rs. 424.211 million (EPS: -1.34) as compared to loss of Rs. 203.641 million (EPS: -0.64) during the same period last year. The Company has generated gross loss of Rs. 138.165 during the period under review as compared to loss of Rs. 67.561 in the same period last year, mainly on the back of loss of Rs. 558.947 million from change in fair value of investment as compared to loss of Rs. 23.595 million in corresponding period last year. Finance cost increased to Rs. 170.191 million from Rs. 5.134 million.

The Auditors of the Company in their report hove highlighted that material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern.

The Company has defaulted in repayment of overdue liabilities towards Silk Bank, due to cash flow constraints.

CAPITAL MARKET

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

The Federal Budget amid fears of strict conditions associated with the bailout package from the IMF with its implications for economic growth and corporate profitability also led the market to decline. The government targeted tax revenues of PKR 5.55 trillion for FY2020 as against the expected revenue collection of PKR 4.0 trillion in FY2019. On the positive side, GST rate was left unchanged at 17% and corporate tax rate was maintained at 29%. However, zero rating facility available to textile sector was proposed to be withdrawn while excise duty on cements was enhanced. We reckon that the policy measures undertaken in the Federal Budget such as broadening of tax base, withdrawing of some anomalous tax exemptions, rationalization of tax rates, and widespread drive towards the documentation of economy would be painful in the short run as it would slow down economic activity and stoke public anger. However, if these measures are implemented successfully and augmented by other long-standing structural reforms, this will put the economy on a self-sustaining growth path and lend durable financial stability. Meeting of FATF also highlighted that more efforts are required from Pakistan, while no noticeable activity from the much-touted market support fund also dampened investors' interest

Performance of Key Investments

First Capital Equities Limited ("FCEL")

During the year, on 28 June 2019 the Board of FCEL owing to the continuous losses and adverse market conditions, decided to surrender the Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange and close its brokerage operation and to change the principle objective of the Company form stock broker to Real Estate Company.

FCEL reported a Loss of Rs (66.27) million in FY19 vs. Profit Rs 5.12 million. The brokerage income of FCEL decreased by 52% YoY at Rs 20 million during FY19 versus that of Rs 42 million in last year. Further, FCEL recorded capital loss of Rs 0.48 million against Rs. 4.73 million last year. The Un-realized loss on re-measurement of investment is recorded at Rs. 37.02 million. Operating expenses decreased 71% YoY, while financial expenses registered increase of 128% YoY during the year under review.

Lanka Securities (Private) Limited ("LSL")

LSL has reported loss after tax of LKR 23.39 million during the period under review as compared to loss of LKR 6.66 million during the same period last year. Loss per share for the year is recorded at LKR 1.34 as compared to LKR 0.38 in the preceding year.

First Capital Investments Limited ("FCIL")

The Company has posted loss after taxation of Rs. 48.62 million during the Financial Year 2019 ("FY-19") as compared to loss after taxation of Rs. 46.98 million during the Financial Year 2018 ("FY-18"). Loss per share during the period under review is recorded at Rs. 2.32 as compared to loss per share of Rs. 2.24 during the same period last year. The massive decrease in the earnings of the Company is mainly on the back of equity market performance, which is decreased by 19.11% during the FY-18.

World Press (Pvt.) Limited ("WPL")

During the period under review WPL reported an after tax loss of Rs. 1.6 million as compared to a loss of Rs. 3.2 million in corresponding period last year. Operating expenses loss per share for the year recorded at Rs. (0.54) as compared to the loss per share of Rs. (1.07) during last year.

Evergreen Water Valley (Pvt.) Limited ("EGWV")

EGWV reported net revenue of Rs. 216.17 million during the period under review as compared to the revenue of Rs. 394.78 in corresponding period of last year. Loss per share during the period under review is recorded at Rs.42.26 as compared to Earnings per share of Rs. 7.18 during the same period last year.

Future Outlook

FY19 was mired with uncertainty as a looming balance of payment crises along with fiscal weakness haunted investor sentiment. Economic growth as per preliminary estimates has slowed down to 3.3% compared to 5.2% witnessed during the preceding year. Nevertheless, towards the second half of the year, some air was breathed into the economy when foreign inflows from friendly countries (USD 3 billion from Saudi Arabia, USD 3 billion from UAE, USD 2 billion from China) allowed Pakistan to avert a balance of payment crises. Pakistan also signed up for an IMF program during the month of May 19, which was need of the hour putting all uncertainty to an end on the external front. The staff level agreement was reached during the course of the month amounting to USD 6.2 billion for the period of three years; however, Pakistan still awaits approval from the executive board.

Downward trend in the market was triggered by the negative news-flow surrounding the Federal Budget amid fears of stringent conditions associated with the bailout package from the IMF with its implications for economic growth and corporate profitability. As expected, it was a tax laden budget whereby the government targeted tax revenues of PKR 5.55 trillion for FY2020 as against the expected revenue collection of PKR 4.0 trillion in FY2019. On the positive side, GST rate was left unchanged at 17% and corporate tax rate was maintained at 29%. Meeting of FATF also highlighted that more efforts are required from Pakistan, while no noticeable activity from the much-touted market support fund also dampened investors' interest.

Looking ahead, the IMF program is scheduled to be approved by the IMF board on 3rd July. In our view, the prevailing valuations of the market reflect tough conditions associated with the bailout package. From the valuation stand point, the stock market is trading at a compelling forward Price-to-Earnings multiple of 6.4, reflecting challenging economic outlook and subdued investors' sentiments driven by policy uncertainty. For long-term investors who have already lived through the painful period of the last two years, this is probably not the right time to exit the market, in our view. Taken it all together, we reiterate our constructive view on the market given attractive valuations, robust corporate earnings growth, ample local liquidity, and resumption of foreign portfolio inflows.

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 2019.

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

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.

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, 2019, board of directors does not recommend any pay out/ dividend for the year.

(Loss)/Earnings per share

Earnings per share (basic and diluted) for the year ended June 30, 2019 loss Rs. (1.34) as compared to loss per share Rs. (0.64) for the last year.

Delay in Election of Directors

The term of directors was expired on 26th September 2012, the directors have already fixed the number of directors as seven for the next term of three years. 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 – 4 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 – 15 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 – 16 to the financial statements.

Code of Corporate Governance;

During the FY19 "Listed Companies (Code of Corporate Governance) Regulations" has been implemented which requires certain changes in the Composition of the Board and Its Committees. The Company has changed the composition of Board committees and the Composition of the Board shall be changed in accordance with deadlines provided in new Code of Corporate Governance. Statement of compliance is attached.

Composition of Board

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

Names	Designation
Shehrbano Taseer	Chairman
Aamna Taseer	CEO
Shehryar Ali Taseer	Director
Shahbaz Ali Taseer	Director
Sikandar Laeeq	Director
M. Waheed Asghar (Resigned)	Director
Naeem Akhtar	Director
Mustafa Mujeeb Ch	Director

Mr. Shehryar Ali Taseer appointed as director in place of Mr. Waheed Asghar, subsequent to the year.

Total number of Directors	**7**
a) Male; and	5
b) Female:	2

Composition:

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

Committee of the board

Audit Committee	Mr. Sikander Laeeq (Chairman) Miss Shehrbano Taseer (Member) Mr. Naeem Akhtar (Member)
Human Resource and Remuneration (HR&R) Committee	Mr. Sikandar Laeeq (Chairman) Mrs. Aamna Taseer (Member) Miss Shehrbano Taseer (Member)

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

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

Director's Remuneration

The aggregate remuneration of executive Directors is disclosed under note 33 of the Financial Statements of the Company. Further, the Company is not paying any remuneration to Non-Executive Directors of the Company.

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 Nasir Javed Maqsood Imran, 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, 2020, 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		**Aamna Taseer**
04 October 2019	**Director**	**CEO/Director**

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ

ڈائریکٹرز کی رپورٹ

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ ('' کمپنی'' یا ''FCSC'') کے بورڈ آف ڈائریکٹرز کی جانب سے ہم مالیاتی سال 2019ء کے لئے پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی سالانہ رپورٹ ازراہِ مسرت پیش کرتے ہیں۔

فعالی نتائج

کمپنی کی بنیادی کاروباری سرگرمیوں میں ایکویٹی انویسٹمنٹ اور منی مارکیٹ آپریشنز شامل ہیں۔ مالیاتی سال 2019ء کے لئے کمپنی کے نتائج کا خلاصہ حسب ذیل ہے۔

	30 جون 2019ء	30 جون 2018ء
	روپے	روپے
آمدنی	**(250,343,288)**	(67,561,342)
آپریٹنگ اخراجات	**45,660,798**	63,742,988
دستیاب قابل فروخت سرمایہ داری پر امپیئر منٹ خسارہ	**504,333,063**	77,714,304
قرضوں پر لاگت اور متفرقات	**175,324,081**	4,133,556
نقصان علاوہ ٹیکس	**(424,210,997)**	(203,640,531)
(بنیادی اور ایصالی) آمدنی / (خسارہ) فی حصص	**(1.34)**	(0.64)

گذشتہ برس اسی مدت کے دوران 203.641 ملین روپے (فی حصص آمدنی: 0.64-) خسارہ کے مقابلہ میں کمپنی نے زیر جائزہ مدت کے دوران 424.211 ملین روپے (فی حصص آمدنی: 1.34-) خسارہ علاوہ ٹیکس رپورٹ کیا۔ گذشتہ برس اسی مدت میں 67.561 روپے خسارہ کے مقابلہ میں کمپنی نے زیر جائزہ مدت کے دوران 138.165 مجموعی منافع درج کیا جو گذشتہ برس اسی مدت میں 23.595 ملین روپے خسارہ کے مقابلہ میں انویسٹمنٹ کی بنیادی قیمت میں تبدیلی کی وجہ سے 558.947 ملین روپے خسارہ کی وجہ سے تھا۔ قرضوں پر لاگت میں 5.134 ملین روپے سے 170.191 ملین روپے اضافہ ہوا۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں واضح کیا ہے کہ غیر یقینی صورت حال موجود ہے جس کی وجہ سے کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں شکوک وشبہات پیدا ہوتے ہیں۔

کیش فلو پابندیوں کی وجہ سے کمپنی سلک بینک کے واجبات کی ادائیگی میں ناکام ہو چکی ہے۔

کیپٹل مارکیٹ

زیر جائزہ مدت کے دوران PSC-100 انڈیکس (بینچ مارک) 8,009 پوائنٹس یعنی 19.11 فی صد کی کمی کے ساتھ 33,901.58 پوائنٹس تک گر گیا۔ نئی حکومت کے غیر متوقع اصلاحاتی فیصلوں کی وجہ سے زیر جائزہ مدت کا آغاز منفی رجحان سے ہوا۔ خارجی اکاؤنٹ خسارہ، MSCI ری کلاسیفکیشن خدشات، شرح سود میں اضافہ کی توقعات، آئی ایم ایف پروگرام میں شامل ہونے سے متعلق ابہام، گردشی قرضہ کے مسائل، غیر ملکی زخائر میں کمی اور سرمایہ داروں میں اعتماد کے فقدان کی وجہ سے ملکی معیشت جمود کا شکار رہی۔ مزید یہ کہ حکومت کی جانب سے پیش کردہ منی بجٹ کا مقصد ریونیو میں 180 بلین روپے کا اضافہ کرنا ہے جس کی وجہ سے کمپنیوں اور حتمی صارفین کے لئے ٹیکسوں اور ڈیوٹی میں مزید اضافہ ہوا ہے۔ بھارتی مقبوضہ کشمیر میں ہولناک حملہ کی وجہ سے دو ایٹمی قوتوں کے درمیان ہوائی محاذ آرائی نے بینچ مارک کو مزید متاثر کیا۔

آئی ایم ایف کے بیل آؤٹ پیکیج میں سخت شرائط کے خوف میں پیش کردہ وفاقی بجٹ، معاشی نمو اور کاروباری سازگار حالات کے لئے اس کے اطلاق سے مارکیٹ مزید تنزلی کا شکار ہوئی۔ حکومت نے مالیاتی سال میں متوقع 4.0 ٹریلین روپے کے متوقع ٹیکس کے مقابلہ میں مالیاتی سال 2020ء میں 5.55 ٹریلین روپے ٹیکس کے حصول کا ہدف رکھا ہے۔ مثبت پہلو یہ ہے کہ 17 فی صد جنرل سیلز ٹیکس میں کوئی تبدیلی نہیں کی گئی ہے اور کاروباری ٹیکس 29 فی صد تک برقرار رکھا گیا ہے۔ تاہم، ٹیکسٹائل کے شعبہ کو درجہ بندی سہولت سے دستبرداری کی تجویز دی گئی جب کہ سیمنٹ پر ایکسائز ڈیوٹی کو بڑھا دیا گیا۔ ہم خیال کرتے ہیں کہ وفاقی بجٹ میں کئے گئے ٹیکس بیس میں توسیع، ٹیکس استثنیٰ سے دستبرداری، شرح ٹیکس میں تغیر، معیشت کو دستاویزی شکل دینے کے لئے اقدامات جیسے پالیسی اقدامات تھوڑے عرصہ کے لئے تکلیف دہ ہو سکتے ہیں کیونکہ اس سے معاشی سرگرمیاں سست روی کا شکار ہوسکتی ہیں اور عوام کا غم وغصہ بڑھ سکتا ہے۔ تاہم، اگر ان اقدامات اور دیگر ٹھوس اصلاحاتی پروگراموں پر کامیاب عمل درآمد ہو جاتا ہے تو معیشت ترقی کے راستہ پر گامزن ہو جائے گی اور مالیاتی استحکام آئے گا۔ FATF اجلاس میں بھی واضح کیا گیا ہے کہ پاکستان کو مزید اقدامات کرنے ہوں گے جب کہ منڈی کی جانب سے غیر نمایاں سرگرمیوں کی وجہ سے سرمایہ داروں کے اعتماد کو ٹھیس پہنچی ہے۔

اہم انویسٹمنٹس کی کارکردگی

فرسٹ کیپٹل ایکوٹیز لمیٹڈ (''FCEL'')

سال کے دوران 28 جون 2019ء کو FCEL کے بورڈ نے مسلسل خسارہ اور مارکیٹ کی ابتر صورت حال کو پیش نظر رکھتے ہوئے پاکستان سٹاک ایکسچینج کے ٹریڈنگ رائٹ انٹائٹلمنٹ سٹرٹیفکیٹ (TREC) کو معطل کرنے اور اس کے بروکریج آپریشن کو بند کرنے اور کمپنی کی کاروباری نوعیت کو سٹاک بروکر سے ریئل اسٹیٹ کمپنی میں تبدیل کرنے کا فیصلہ کیا۔

FCEL نے 5.12 ملین روپے منافع کے مقابلہ میں مالیاتی سال 2019ء میں (66.27) ملین روپے کا خسارہ رپورٹ کیا۔ FCEL کی بروکریج آمدنی گذشتہ برس میں 42 ملین کے مقابلہ میں مالیاتی سال 2019ء کے دوران سالانہ کی بنیاد پر 52 فی صد کمی کے ساتھ 20 ملین روپے رپورٹ ہوئی۔ مزید یہ کہ FCEL نے گذشتہ برس 4.73 ملین روپے کے مقابلہ میں 0.48 ملین روپے کیپٹل خسارہ ریکارڈ کیا۔ سرمایہ داری پر نظر ثانی پر غیر حاصل شدہ خسارہ 37.02 ملین روپے ریکارڈ کیا گیا۔ زیر جائزہ برس کے دوران سالانہ کی بنیاد پر آپریٹنگ اخراجات میں 71 فی صد کمی اور اور مالیاتی اخراجات میں 128 فی صد اضافہ ہوا۔

لنکا سیکیورٹیز (پرائیویٹ) لمیٹڈ (''LSL'')

LSL نے گذشتہ برس اسی مدت میں 6.66 ملین لنکن روپے خسارہ کے مقابلہ میں زیر جائزہ مدت کے دوران 23.39 لنکن روپے خسارہ علاوہ ٹیکس رپورٹ کیا۔ گذشتہ برس 0.38 لنکن روپے خسارہ فی حصص کے مقابلہ میں رواں برس 1.34 لنکن روپے خسارہ فی حصص ریکارڈ ہوا۔

فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ (''FCIL'')

مالیاتی سال 2018ء کے 46.98 ملین روپے نقصان علاوہ ٹیکس کے مقابلہ میں مالیاتی سال 2019ء کے دوران کمپنی نے 48.62 ملین روپے نقصان علاوہ ٹیکس درج کیا۔ گذشتہ برس کی اسی مدت میں 2.24 روپے فی حصص خسارہ علاوہ ٹیکس کے مقابلہ میں زیر جائزہ مدت کے دوران 2.32 ملین روپے خسارہ فی حصص ریکارڈ ہوا۔ کمپنی کی آمدنی میں بھاری کمی ایکویٹی مارکیٹ کی ناقص کارکردگی کی وجہ سے ہے جو مالیاتی سال 2018ء کے دوران 19.11 فی صد کم ہوئی۔

ورلڈ پریس (پرائیویٹ) لمیٹڈ (''WPL'')

گذشتہ برس اسی مدت میں 3.2 ملین روپے خسارہ کے مقابلہ میں WPL نے زیر جائزہ مدت کے دوران 1.6 ملین روپے خسارہ علاوہ ٹیکس رپورٹ کیا۔ گذشتہ برس (1.07) روپے فی حصص خسارہ کے مقابلہ میں رواں برس آپریٹنگ خسارہ فی حصص (0.54) روپے ریکارڈ کیا گیا۔

ایورگرین واٹرویلی (پرائیویٹ) لمیٹڈ (''EGWV'')

گذشتہ برس کی اسی مدت میں 394.78 ملین روپے آمدنی کے مقابلہ میں EGWV نے زیر جائزہ مدت کے دوران 216.17 ملین روپے خالص آمدنی رپورٹ کی۔ گذشتہ برس 7.18 روپے فی حصص آمدنی کے مقابلہ میں زیر جائزہ مدت کے دوران کمپنی نے 42.26 روپے خسارہ فی حصص درج کیا۔

مستقبل کا منظرنامہ

ادائیگی میں توازن کے بحران کی وجہ سے مالیاتی سال 2019ء میں غیریقینی کے بادل چھائے رہے اور سرمایہ داروں کے جذبات متاثر ہوئے۔ ابتدائی اندازوں کے مطابق معاشی نمو گذشتہ برس میں 5.2 فی صد کے مقابلہ میں 3.3 فی صد تک گر گئی۔ علاوہ ازیں، سال کے دوسرے نصف حصہ میں دوست ممالک سے غیرملکی سرمایہ (سعودی عرب سے 3 بلین ڈالر، امارات سے 3 بلین ڈالر، چین سے 2 بلین ڈالر) آنے کی وجہ سے معیشت کو کچھ سنبھالا ملا اور پاکستان کو ادائیگیوں میں توازن سے نبردآزما ہونے کا موقع ملا۔ مئی 2019ء کے دوران پاکستان نے آئی ایم ایف پروگرام طے کیا جو وقت کی ضرورت تھی تاکہ خارجی سطح پر غیریقینی صورت حال کو ختم کیا جا سکے۔ اسی ماہ میں آئندہ تین برسوں کے لئے 6.2 بلین ڈالر کا سٹاف لیول معاہدہ کیا گیا تاہم پاکستان کو ایگزیکٹو بورڈ کی منظوری کی ضرورت ہے۔

آئی ایم ایف کے بیل آؤٹ پیکیج میں سخت شرائط کے خوف میں پیش کردہ وفاقی بجٹ، معاشی نمو اور کاروباری سازگار حالات کے لئے اس کے اطلاق سے مارکیٹ مزید تنزلی کا شکار ہوئی۔ حکومت نے مالیاتی سال میں متوقع 4.0 ٹریلین روپے کے متوقع ٹیکس کے مقابلہ میں مالیاتی سال 2020ء میں 5.55 ٹریلین روپے ٹیکس کے حصول کا ہدف رکھا ہے۔ مثبت پہلو یہ ہے کہ 17 فی صد جنرل سیلز ٹیکس میں کوئی تبدیلی نہیں کی گئی ہے اور کاروباری ٹیکس 29 فی صد تک برقرار رکھا گیا ہے۔ FATF اجلاس میں بھی واضح کیا گیا ہے کہ پاکستان کو مزید اقدامات کرنے ہوں گے جب کہ منڈی کی جانب سے غیرنمایاں سرگرمیوں کی وجہ سے سرمایہ داروں کے اعتماد کو ٹھیس پہنچی ہے۔

آئندہ لائحہ عمل کے مطابق 3 جولائی کو آئی ایم یف بورڈ اپنے پروگرام کی منظوری دے گا۔ ہماری نظر میں، مارکیٹ کا حالیہ تعین بیل آؤٹ پیکیج سے وابستہ مشکل حالات کی عکاسی کرتا ہے۔ قدر کے لحاظ سے سٹاک مارکیٹ 6.4 گنا پرائس ٹو ارننگ پر تجارت پر زور دے رہی ہے۔ جو پالیسی میں غیریقینی اور سرمایہ دار کے عدم اطمینان اور معاشی محاذ پر چیلنجز کی عکاسی کرتا ہے۔ طویل مدتی سرمایہ دار جو گذشتہ دو برس کے تکلیف دہ دور میں ابھی تک رہ رہے ہیں لہٰذا ہماری نظر میں منڈی سے کنارہ کشی کے لئے یہ بہتر وقت نہ ہے۔ مجموعی طور پر، ہم مارکیٹ پر اپنی تعمیراتی رائے دیتے ہیں جس میں پرکشش قیمت، کاروباری آمدنی میں بھاری نمو، فوری مقامی ایصالیت اور غیرملکی ترسیلات زر کا آغاز شامل ہے۔

کاروباری سماجی ذمہ داری

کمپنی سماجی طور پر ذمہ دارادارہ کی حیثیت سے سوسائٹی میں اپنا مثبت کردارادا کر رہی ہے۔جس میں کمپنی کے لئے کام کرنے والے عملہ، کام کی جگہ کے گردونواح میں مقیم افراداور سوسائٹی کے فرائض کی ادائیگی شامل ہے۔

ہیومن ریسورس مینجمنٹ

کمپنی کی انتظامیہ کمپنی کے اصول، ایمان اور فلسفہ پر مضبوط یقین رکھتی ہے جہاں ملازمین کو خاندان کے افراد کی حیثیت دی جاتی ہے۔ کمپنی اپنے ملازمین کو کاروباری وسماجی ورک انوائرنمنٹ فراہم کرنے کے لئے مسلسل کوشاں ہے تاکہ وہ خوشگوار اور پیشہ ورانہ انداز میں مکمل دیانت داری سے اپنے فرائض سرانجام دے سکیں۔

داخلی ضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی ضبط کے نظام کو چلانے اور مؤثر سالانہ نظرثانی کی ذمہ دار ہے۔تاکہ حصص داران کو اپنی سرمایہ داری پر بھاری منافع حاصل ہو سکے جو ذمہ داری سے خطرات کے انتظام اور تعین میں مددگار ثابت ہو۔اس میں مالیاتی، فعالی اور تعمیلی ضبط اور رسک مینجمنٹ طریقہ ہائے کار اوران کی تاثیر کی نگرانی شامل ہے۔ڈائریکٹرز 2019ءکو اختتام پذیر سال کے لئے نے سالانہ جائزہ اور تعین کو مکمل کرلیا ہے۔

بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک سے متعلقہ انٹرنل آڈٹ فنکشن کی رپورٹ کا باقاعدگی سے جائزہ لیتی ہے تاکہ داخلی کنٹرول کے معیار کو برقرار رکھا جاسکے۔کمپنی کا داخلی آڈٹ فنکشن کنٹرول سرگرمیوں کی تاثیر اور سلامیت کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدہ رپورٹ کرتا ہے۔

رسک مینجمنٹ

بورڈ تسلیم کرتا ہے کہ کاروبار میں خطرات وخدشات بہت اہمیت کے حامل ہوتے ہیں لہٰذا یہ خطرہ اور مواقع دونوں کے طور پر قبول کئے جاتے ہیں۔کمپنی ہر قسم کی فیصلہ سازی میں خطرات سے آگاہی کا کاروباری کلچر متعارف کراتی ہے اور تمام خطرات سے نبرد آزما ہونے کے لئے موزوں رسک مینجمنٹ کے ذریعے اپنا مؤثر اور فعال کردار ادا کر رہی ہے۔اس عزم کو پورا کرنے کی غرض سے رسک کا جائزہ لیا جاتا ہے تاکہ ادارہ میں تمام سطحوں پر فیصلہ سازی کے لئے انتظامیہ کو آگاہ کیا جاسکے۔کسی بھی رسک مینجمنٹ سسٹم میں موجود حدود و قیود کی وجہ سے ٹھوس کاروباری خدشات کی شناخت، تعین اور انتظام کا طریق عمل خطرہ کو ختم

کرنے کی بجائے اس سے نبرد آزما ہونے کے لئے تیار کیا گیا ہے۔ تاکہ مادی غلطی یا نقصان کی مد میں مناسب لیکن غیر حتمی یقین دہانی فراہم کی جاسکے۔ داخلی ضبط کے ذریعے مخصوص خطرات یعنی قدرتی آفات پر قابل قبول سطح تک قابو نہیں پایا جاسکتا۔ ایسے بڑے خطرات کو مقامی انشورنس مارکیٹ میں مناسب حد تک فریق ثالث کو منتقل کردیا جاتا ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کی کاروباری نوعیت خدمات کی فراہمی اور سرمایہ داری ہے لہٰذا اس کی سرگرمیوں کا ماحول پر بہت کم اثر ہوتا ہے۔ کمپنی نے ملازمین، تمام شعبہ جات اور کلائنٹس سے بذریعہ ای میل رابطہ سازی کی حوصلہ افزائی کر کے کاغذ کے کم استعمال کی پالیسی اپنائی ہے۔

بنیادی مالیاتی اشارے

گذشتہ چھے برسوں کے لئے کمپنی کی کارکردگی کے اہم مالیاتی اشارے رپورٹ کے ساتھ منسلک ہیں۔

حصص داران کو منافع کی ادائیگی

30 جون 2019ء کو اختتام پذیر سال کے دوران کمپنی کے کیش فلو کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے رواں برس کسی بھی قسم کے پے آؤٹ/ منافع منقسمہ کی سفارش نہ کی ہے۔

(خسارہ)/آمدنی فی حصص

30 جون 2019ء کو اختتام پذیر سال کے لئے فی حصص آمدنی / (خسارہ) (بنیادی اور ڈائی لیوٹڈ) (1.34) روپے ہے جو گذشتہ برس (0.64) روپے تھا۔

ڈائریکٹرز کے انتخاب میں تاخیر

26 ستمبر 2012ء کو ڈائریکٹرز کی مدت ختم ہوگئی تھی۔ بورڈ آف ڈائریکٹرز نے آئندہ تین سال کی مدت کے لئے سات ڈائریکٹرز کی تعداد پہلے ہی مقرر کر لی ہے۔ تاہم، ڈائریکٹرز کے انتخاب میں چند رکاوٹوں یعنی سلمان تاثیر مرحوم کے حصص کی منتقلی کی عدم تکمیل کی وجہ سے ڈائریکٹر کے انتخابات کی تاریخ کا فیصلہ تاحال نہ ہوسکا ہے۔

کاروباری اور مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ نوٹس کے ہمراہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلہو اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتے ہیں۔
- کمپنی نے کھاتوں کے باضابطہ رجسٹر تیار کیے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا جاتا ہے اور اکاؤنٹنگ تخمینہ جات، ماسوائے مالیاتی اسٹیٹمنٹ کے نوٹ 4 میں بیان کردہ تبدیلیوں کے، مناسب اور قابل فیصلوں کی بنیاد پر لگائے جاتے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے ردوبدل (اگر کوئی ہو) کو مناسب انداز میں ظاہر کیا گیا ہے۔
- کمپنی کے فعالی نتائج میں گذشتہ برس کے مقابلہ میں نمایاں فرق کو واضح کیا گیا ہے اور اس کی وجوہات وضاحت سے بیان کی گئی ہیں۔
- کچھ ٹیکسز، ڈیوٹیز، لیوی اور اخراجات کی مد میں قانونی ادائیگیاں ایسی ہیں جو واجب الادا ہیں اور انہیں مالیاتی اسٹیٹمنٹس کے نوٹ 15 میں بیان کیا گیا ہے۔
- قرضوں اور دیگر ڈیبٹ انسٹرومنٹس، جن میں کمپنی نادہندہ ہے یا نادہندہ ہونے کا خدشہ ہے، کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ 16 میں بیان کی گئی ہیں۔

کوڈ آف کارپوریٹ گورننس

مالیاتی سال 2019ء کے دوران ''لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط'' کا اطلاق کیا گیا ہے جس کے نتیجے میں بورڈ اور اس کی کمیٹیوں کی ترکیب میں چند تبدیلیاں مطلوب ہیں۔ کمپنی نے بورڈ کمیٹیوں کی ترکیب میں تبدیلی کر دی ہے جب کہ نئے کوڈ آف کارپوریٹ گورننس میں فراہم کردہ مقررہ تاریخ کو بورڈ کی ترکیب میں تبدیلی کر دی جائے گی۔ تعمیلی بیان لف ہذا ہے۔

بورڈ کی ترکیب

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

نام	عہدہ
شہربانو تاثیر	چیئرمین
آمنہ تاثیر	چیف ایگزیکٹو آفیسر
شہریار علی تاثیر	ڈائریکٹر
شہباز علی تاثیر	ڈائریکٹر
سکندر لئیق	ڈائریکٹر
محمد وحید اصغر (مستعفی)	ڈائریکٹر
نعیم اختر	ڈائریکٹر
مصطفیٰ مجیب چوہدری	ڈائریکٹر

محترم شہریار علی تاثر کو محترم وحید اصغر کی جگہ ڈائریکٹر مقرر کیا گیا۔

ڈائریکٹرز کی کل تعداد **7**

a) مرد 5

b) خواتین 2

ترکیب:

a) آزاد ڈائریکٹرز 1

b) دیگر نان ایگزیکٹو ڈائریکٹرز 4

c) ایگزیکٹو ڈائریکٹرز 2

d) خواتین ڈائریکٹرز 2

بورڈ کمیٹیاں

آڈٹ کمیٹی	محترم سکندر لئیق (چیئرمین)
	جنابہ شہر بانو تاثیر (رکن)
	محترم نعیم اختر (رکن)
ہیومن ریسورس ریمونریشن	محترم سکندر لئیق (چیئرمین)
(HR&R) کمیٹی	محترمہ آمنہ تاثیر (رکن)
	جنابہ شہر بانو تاثیر (رکن)

بورڈ آف ڈائریکٹرز اور ذیلی کمیٹیوں کی ترکیب نئے کوڈ آف کارپوریٹ گورننس میں فراہم کردہ مقررہ کردہ تاریخ کے مطابق تبدیل کردی جائے گی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان ساتھ منسلک ہے۔

ڈائریکٹرز کا معاوضہ

کمپنی کی مالیاتی اسٹیٹمنٹس کے نوٹ 33 میں ایگزیکٹو ڈائریکٹرز کا اوسط معاوضہ بیان کیا گیا ہے۔ مزید، کمپنی نان ایگزیکٹو ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرتی۔

ڈائریکٹرز کی تجارت

سال بھر میں کمپنی کے ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے اہلیان اور نابالغ بچوں کی جانب سے کمپنی کے حصص میں کوئی تجارت سامنے نہ آئی ہے۔

آڈیٹرز

حالیہ آڈیٹرز میسرز ناصر جاوید مقصود عمران، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے 30 جون 202ء کو اختتام پذیر سال کے لئے انہیں کمپنی کا آڈیٹر مقرر کرنے کی تجویز دی ہے جس کا معاوضہ باہمی رضامندی سے طے کیا جائے گا۔

شیئر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن (f)(2)227 اور پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے مطابق شیئر ہولڈنگ کی وضع ساتھ منسلک ہے۔

اعتراف

اس موقع کا فائدہ اٹھاتے ہوئے بورڈ مالیاتی اداروں، حکومتی اتھارٹیز اور دیگر اسٹیک ہولڈرز کے جذبہ اور عزم کو قدر کی نگاہ سے دیکھتا ہے اور کمپنی کے تمام شیئر ہولڈرز کے ہم پر اعتماد اور بھروسہ کے لئے بھی شکر گزار ہیں۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی کے لئے بھی شکریہ ادا کرتے ہیں۔ آخر میں بورڈ تمام سٹاف ممبران کی ان تھک محنت پر مخلصانہ قدر کرتے ہیں۔

برائے/منجانب بورڈ

لاہور		**آمنہ تاثیر**
04 اکتوبر 2019ء	**ڈائریکٹر**	**چیف ایگزیکٹو آفیسر/ڈائریکٹر**

FORM 34

The Companies ordinance 1984
(Section 236 (2) (d) Pattern of Shareholding
AS AT 30 JUNE 2019

1 **Incorporation Number:** (0032345 OG 11-04-1994)
2 **Name of the Company First Capital Securities Corporation Limited**
3 **Pattern of holding of the shares held by the shareholders as at 30 June 2019**

4

No. of Shareholders	**Shareholdings**			Total Shares Held
	From		**To**	
381	1	-	100	12,429
613	101	-	500	200,693
499	501	-	1,000	406,660
1136	1,001	-	5,000	2,969,222
540	5,001	-	10,000	4,110,920
151	10,001	-	15,000	1,956,698
107	15,001	-	20,000	1,972,183
75	20,001	-	25,000	1,786,648
56	25,001	-	30,000	1,595,370
31	30,001	-	35,000	1,036,829
30	35,001	-	40,000	1,151,505
18	40,001	-	45,000	776,624
32	45,001	-	50,000	1,576,881
21	50,001	-	55,000	1,110,671
17	55,001	-	60,000	990,530
11	60,001	-	65,000	696,500
20	65,001	-	70,000	1,369,572
8	70,001	-	75,000	588,368
13	75,001	-	80,000	1,013,367
4	80,001	-	85,000	335,610
10	85,001	-	90,000	885,050
7	90,001	-	95,000	654,884
30	95,001	-	100,000	2,987,090
6	100,001	-	105,000	617,510
4	105,001	-	110,000	439,000
4	110,001	-	115,000	449,500
3	115,001	-	120,000	352,258
1	120,001	-	125,000	125,000
5	125,001	-	130,000	634,500
1	130,001	-	135,000	133,500
3	135,001	-	140,000	415,500
2	140,001	-	145,000	285,500
8	145,001	-	150,000	1,197,500
2	150,001	-	155,000	308,000
3	155,001	-	160,000	475,871
2	160,001	-	165,000	325,917
1	165,001	-	170,000	170,000
1	170,001	-	175,000	171,500
4	185,001	-	190,000	755,000
4	195,001	-	200,000	800,000
5	200,001	-	205,000	1,016,460
2	210,001	-	215,000	428,001
1	215,001	-	220,000	219,500
1	220,001	-	225,000	225,000
1	230,001	-	235,000	235,000
1	235,001	-	240,000	237,500
1	240,001	-	245,000	242,148
4	245,001	-	250,000	997,000
1	265,001	-	270,000	269,000
1	270,001	-	275,000	274,003
1	280,001	-	285,000	281,240
2	295,001	-	300,000	600,000
1	310,001	-	315,000	315,000
2	320,001	-	325,000	648,000
1	330,001	-	335,000	334,500
1	340,001	-	345,000	344,000

1	355,001	-	360,000	357,000
1	365,001	-	370,000	367,484
1	370,001	-	375,000	372,289
1	385,001	-	390,000	390,000
2	395,001	-	400,000	799,500
1	400,001	-	405,000	405,000
1	405,001	-	410,000	409,000
1	415,001	-	420,000	420,000
1	425,001	-	430,000	425,500
1	490,001	-	495,000	495,000
2	495,001	-	500,000	1,000,000
1	510,001	-	515,000	512,500
1	515,001	-	520,000	520,000
1	525,001	-	530,000	528,650
1	545,001	-	550,000	550,000
1	575,001	-	580,000	575,500
1	595,001	-	600,000	600,000
1	610,001	-	615,000	612,500
1	640,001	-	645,000	642,000
1	645,001	-	650,000	647,000
1	695,001	-	700,000	695,750
1	710,001	-	715,000	713,500
1	790,001	-	795,000	791,000
2	885,001	-	890,000	1,771,650
4	895,001	-	900,000	3,591,969
1	915,001	-	920,000	919,000
1	925,001	-	930,000	926,000
1	945,001	-	950,000	946,391
1	960,001	-	965,000	961,636
1	1,145,001	-	1,150,000	1,148,000
1	1,210,001	-	1,215,000	1,212,000
1	1,445,001	-	1,450,000	1,449,000
2	1,515,001	-	1,520,000	3,037,114
1	1,595,001	-	1,600,000	1,600,000
3	1,770,001	-	1,775,000	5,314,950
6	1,795,001	-	1,800,000	10,784,892
1	1,845,001	-	1,850,000	1,850,000
1	2,045,001	-	2,050,000	2,048,345
1	2,385,001	-	2,390,000	2,390,000
1	3,135,001	-	3,140,000	3,139,988
1	3,600,001	-	3,605,000	3,602,283
1	3,840,001	-	3,845,000	3,844,059
1	3,845,001	-	3,850,000	3,850,000
1	3,990,001	-	3,995,000	3,991,754
1	4,075,001	-	4,080,000	4,080,000
1	5,015,001	-	5,020,000	5,017,500
1	5,245,001	-	5,250,000	5,248,000
1	7,175,001	-	7,180,000	7,177,978
1	8,270,001	-	8,275,000	8,272,928
1	10,055,001	-	10,060,000	10,058,000
1	27,465,001	-	27,470,000	27,468,000
1	31,365,001	-	31,370,000	31,368,000
1	33,770,001	-	33,775,000	33,772,767
1	68,432,023	-	68,437,022	68,432,023
3958				**316,610,112**

5	Categories of shareholders	Shares held	Percentage
5.1(a)	**Directors, CEO and their Spouse and Minor Children**		
	Aamna Taseer	7,177,978	2.2671
	Shahbaz Ali Taseer	700	0.0002
	Shehrbano Taseer	556	0.0002
	Sikander Laeeq	500	0.0002
	Muhammad Waheed Asghar	500	0.0002
	Mustafa Mujeeb Chaudhry	500	0.0002
	Naeem Akhtar	500	0.0002
5.1 (b)	**Chief Executive Officer**	-	-
	(7,177,978) share of (Aamna Taseer CEO)		
5.1 (c)	**Directors spouse & minor children**	-	-
5.1.1	**Executive / Executives' spouse**	-	-
5.2	**Associated Companies, undertaking and related parties**	-	-
a)	Amythest Limited	72,034,306	22.7517
b)	Sisley Group of Company Limited	31,395,000	9.9160
5.3	NIT and ICP	3,848,546	1.2155
5.4	Banks, DFIs and NBFIs	12,359,084	3.9036
5.5	Insurance	8,272,928	2.6130
5.6	Modarabas	-	-
5.6.1	Mutual Funds	4,402	0.0014
5.7	**Share holders holding 10% or more voting intrest**		
a)	Mr. Sulmaan Taseer (Late)	35,574,835	11.2362
b)	Amythest Limited	Refer 5.2 (a) above	-
5.8	General Public		
	a) Local	76,715,680	24.2303
	b) Foreign Companies/Orginzations/Individual / (repatriable bases)	28,070,303	8.8659
5.9	**Others**		
	a) Joint Stock Companies	40,786,310	12.8822
	b) Pension fund Provident Fund etc.	367,484	0.1161
		316,610,112	**100.0000**

KEY FINANCIAL DATA FOR LAST 7 YEARS

FINANCIAL DATA

Rupees in Thousands

	2019	2018	2017	2016	2015	2014	2013
Operating revenue	(250,343)	(67,561)	28,461	65,455	70,213	118,572	(16,740)
Operating expenses	(45,660)	63,742	43,595	43,302	42,892	24,082	23,941
Operating profit	(296,004)	(209,018)	(1,955,658)	(842,060)	19,682	(30,002)	(2,598,940)
Other revenue	12,245	12,129	16,936	44,741	12,318	1,640	31,288
Financial Expenses	(175,324)	(5,133,556)	(27,787)	(24,542)	(14,257)	7,725	45
Taxation	34,871	(1,617)	(1,124)	(1,748)	(2,723)	3,397	363
Profit after Taxation	(424,210)	(203,640)	(1,939,874)	(799,091)	15,019	(39,485)	(2,568,060)
Bonus Share Interim & Final	-	-	-	-	-	-	-

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED
FOR THE YEAR ENDED JUNE 30 2019

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

1.	The total number of directors are seven as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of board is as follows:	
a.	Independent Directors	01
b.	Other Non-Executive Directors	05
c.	Executive Directors	01
3.	The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	During the period under report, no director acquired training certification. However, subsequent to year end Shehryar Ali Taseer has been appointed on the Board who already acquired training certification. At present there are three certified directors namely: (1) Mrs. Aamna Taseer; (2) Mr. Shehryar Ali Taseer; (3) Miss Shehrbano Taseer However, regulation number 20 1(a) of the Regulations requires that at least half of the directors on the Board of Directors should acquire the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. The Board is in process of complying with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.	

10.	The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
11.	CFO and CEO duly endorsed the financial statements before approval of the board.	
12.	The board has formed committees comprising of members given below:	
a.	Audit Committee (Name of members and Chairman)	Sikandar Laeeq, (Chairman) Shehrbano Taseer, (Member) Naeem Akhtar, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Sikandar Laeeq, (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)	N/A
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:	
a	Audit Committee	06
b	HR and Remuneration Committee	02
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15.	The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.	
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.	
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.	
18.	We confirm that all other requirements of the Regulations have been complied with.	

For and on behalf of the Board

CHIEF EXECUTIVE **DIRECTOR**

Lahore
04 October 2019

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants
CPAAI

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST CAPITAL SECURITIES CORPORATION LIMITED

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

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

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

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

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

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

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

Date: 07-10-2019
Islamabad

Nasir Javaid Maqsood Imran
Chartered Accountants
Imran ul Haq

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants
CPAAI

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

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

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to Note 2 in the annexed financial statements, which states that the company incurred loss amounting Rs. 424 Million, moreover the accumulated losses of the company stand at Rs. 1,028.9 Million as at June 30, 2019 (2018: 1,119 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 1,784 Million. During the year Company failed to fulfill its obligation under diminishing musharka agreement. Moreover, the Company in order to meet its current obligations required to generate sufficient profits and cash flows. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

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

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

Following are the Key Audit Matters:

Sr. #	Key Audit Matters	How the matters were addressed in our audit
1.	**Investment property valuation** As stated in the Note 7 of accompanying financial statements, the company has purchased investment property of substantial amount during the year. We identified investment property as key audit matter because it has material impact on Company's financials.	We performed following key audit procedures to address the assessed risk: ▪ Obtained independent valuer's report and took an understanding of the scope of valuer's work; ▪ Assessed the competence, capabilities and objectivity of the external valuer; ▪ We reconciled the detail of properties valued by the independent valuer to details provided by the company; ▪ Compared values assigned by independent valuer with the actual transactions occurred during the year, to ensure that value of investment property is reasonable according to the market conditions and not overstated; ▪ Assessed the appropriateness of the related disclosures in the Company's financial statements.

2. Adoption of IFRS 9 'Financial Instruments'

IFRS 9 Financial Instrument has become effective for the current financial year.

IFRS 9 sets out the new requirements for classification, measurement and Impairment of financial instrument. The impacts of the adoption of the standard on the financial statements of the company is disclosed in note 5.1.2 to the financial statements.

The application of the new standard requires management to make significant estimates and judgments such as in relation to the fair valuation of its investments in unlisted equity securities and determination of impairment for certain financial assets using expected credit loss model. We focus on this area due to the significance of the accounting change and the involvement of significant management judgments in respect of the application of the new standard.

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

- We evaluated the appropriateness of the new accounting policy and impairment of financial assets adopted by the company in accordance with the requirements of IFRS 9.
- We considered the approaches used by the company in classification and measurement of its investments in depth and equity securities within scope of IFRS 9. In this regard, we also assessed the methodologies used by the company for fair valuation of unlisted equity.
- For fair valuation of unlisted equity investment which depends on unobservable inputs, we evaluated the assumptions and models used by the company based on the available financial information. We also involved our valuation experts to assess the appropriateness of the methodologies and assumptions used in respect of fair valuation of such investments.
- We evaluated the adequacy of disclosures made regarding the application of IFRS 9 and its impact on the financial statements of the company for the year.

3. Litigations

There are a number of legal and regulatory matters for which no provision has been established, as disclosed in Note 19 of accompanying financial statements.

The Company is exposed to different laws, regulations and interpretations thereof and

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

- Obtained understanding of the Company's controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee;

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

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

- Discussed open matters and developments with the Company's in-house legal counsel and read correspondence with external legal counsels, where relevant;
- Circularized confirmations to relevant third party legal representatives and follow up discussions, where appropriate, on certain material cases;
- Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessed the appropriateness of the related disclosures made in the accompanying financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

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

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

Date:

Islamabad

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED

FINANCIAL STATEMENTS AS AT JUNE 30, 2019

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	**133,198,056**	150,936,338
Investment properties	7	**2,051,721,792**	1,547,590,000
Long term investments	8	**1,766,869,692**	1,734,926,701
Long term deposits	9	**37,500**	37,500
		3,951,827,040	3,433,490,539
CURRENT ASSETS			
Trade debts - unsecured, considered good	10	**1,528,578**	1,964,909
Loans, advances, prepayments and other receivables	11	**11,126,702**	126,004,120
Short term investments	12	**19,255,828**	31,079,421
Advance tax	13	**7,437,979**	6,956,366
Cash and bank balances	14	**356,006**	3,081,554
		39,705,093	169,086,370
CURRENT LIABILITIES			
Trade and other payables	15	**42,247,643**	436,794,542
Loan payable	16	**1,600,000,000**	-
Rental payable	16	**181,516,802**	5,113,041
		1,823,764,445	441,907,583
NET CURRENT ASSETS		**2,167,767,688**	3,160,669,326
NON-CURRENT LIABILITIES			
Staff retirement benefits payable	18	**7,618,472**	11,238,402
Long term payable	16	**-**	1,100,000,000
Deferred tax liability	17	**22,434,684**	-
		30,053,156	1,111,238,402
Contingencies and commitments	19		
		2,137,714,532	2,049,430,924
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (2018: 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
Reserves		**-**	2,715,886
Retained earnings		**(1,028,386,588)**	(1,119,386,082)
		2,137,714,532	2,049,430,924

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

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2,019 Rupees	2018 Rupees
Revenue			
Money market services	**21**	**8,739,898**	10,783,757
Dividend income	**22**	**-**	89,420
Rental income		**-**	320,000
Realized (loss)/gain on disposal of 'investments at fair value through profit or loss'	**23**	**(141,896)**	(7,507,695)
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	**23**	**(558,947,082)**	(23,595,424)
Loss on disposal of investment properties		**-**	(46,029,400)
Change in fair value of investment properties	**7**	**300,005,792**	(1,622,000)
		(250,343,288)	(67,561,342)
Expenses			
Impairment loss	**24**	**-**	(77,714,304)
Operating and administrative expenses	**25**	**(45,660,798)**	(63,742,988)
Operating profit/ (loss)		**(296,004,086)**	(209,018,634)
Other income	**26**	**12,245,263**	12,129,108
Finance cost	**27**	**(175,324,081)**	(5,133,556)
Profit/(Loss) before taxation		**(459,082,904)**	(202,023,082)
Taxation	**28**	**34,871,907**	(1,617,449)
Profit/(Loss) after taxation		**(424,210,997)**	(203,640,531)
(Loss)/earnings per share - basic and diluted	29	**(1.34)**	(0.64)

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

Chief Executive Officer **Chief Executive Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Loss after taxation	**(424,210,997)**	(203,640,531)
Other comprehensive (loss)/income for the year:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post retirement benefit obligation	**536,832**	644,953
Items that may subsequently reclassified to profit or loss:		
Change in fair value of investments at fair value through OCI	**-**	(61,107,440)
Other comprehensive (loss)/income for the year - net of tax	**536,832**	(60,462,487)
Total comprehensive loss for the year - net of tax	**(423,674,165)**	(264,103,018)

The annexed notes 1 to 36 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, 2019

	Share Capital	Revenue reserve		Total
		Fair value reserve	Retained earnings	
	- Rupees - - - - - - - - - - - - - - - - - - -			
Balance as at July 01, 2017	3,166,101,120	63,823,326	(916,390,504)	2,313,533,942
Loss for the year	-	-	(203,640,531)	(203,640,531)
Other comprehensive income/(loss) for the year - net of tax	-	(61,107,440)	644,953	(60,462,487)
Total comprehensive loss for the year - net of tax	-	(61,107,440)	(202,995,578)	(264,103,018)
Balance as at June 30, 2018	**3,166,101,120**	**2,715,886**	**(1,119,386,082)**	**2,049,430,924**
Impact of reclassification (note:5.1.2)	**-**	**(2,715,886)**	**514,673,659**	**511,957,773**
Balance as at July 01, 2018	**3,166,101,120**	**-**	**(604,712,423)**	**2,561,388,697**
Loss for the year	-	-	(424,210,997)	(424,210,997)
Other comprehensive loss for the year - net of tax	-	-	536,832	536,832
Total comprehensive loss for the year - net of tax	-	-	(423,674,165)	(423,674,165)
Balance as at June 30, 2019	**3,166,101,120**	**-**	**(1,028,386,588)**	**2,137,714,532**

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

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Cash flows from operating activities	**Rupees**	**Rupees**
Profit/(Loss) before taxation	**(459,082,904)**	(202,023,082)
Adjustments for:		
Finance cost	**175,324,081**	5,133,556
Dividend income	**-**	(89,420)
Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss'	**558,947,082**	23,595,424
Change in value of investment properties	**(300,005,792)**	1,622,000
Impairment loss on investments through profit or loss	**-**	77,714,304
Liabilities written back	**-**	(665,209)
Gain on sale of property, plant and equipment	**(625,000)**	-
Depreciation	**17,738,282**	17,814,705
Interest income	**(115,112)**	(25,940)
Loss on disposal of investment property	**-**	46,029,400
Provision for staff retirement benefits	**1,592,628**	1,634,999
	452,856,169	172,763,819
Loss before working capital changes	**(6,226,735)**	(29,259,263)
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets:		
Trade debts	**436,331**	709,088
Loans, advances, prepayments and other receivables	**114,877,418**	13,365,473
(Decrease)/increase in current liabilities:		
Trade and other payables	**(393,443,961)**	405,228,029
	(278,130,212)	419,302,590
Cash generated from/(used in) operations	**(284,356,947)**	390,043,327
Increase in non-current liabilities:		
Staff retirement benefits paid	**(4,675,726)**	(119,593)
Finance cost paid	**(23,259)**	(20,515)
Taxes paid/adjusted-net	**(1,665,080)**	22,435,624
	(6,364,065)	22,295,516
Net cash inflow/(outflow) from operating activities	**(290,721,012)**	412,338,843
Cash flows from investing activities		
Acquisition of property, plant and equipment	**-**	(1,085,250)
Purchase of capital work in progress	**-**	(25,334,248)
Proceed from sale of capital work in progress	**-**	5,025,235
Purchase of investment property	**(204,126,000)**	(1,540,000,000)
Sale proceed for disposal of investment property	**-**	37,095,000
Proceeds from disposal of property, plant and equipment	**625,000**	-
Purchase of investments	**(8,618,648)**	14,746,510
Interest received	**115,112**	25,940
Net cash used in investing activities	**(212,004,536)**	(1,509,526,813)
Cash flows from financing activities		
Loan acquired during the year	**500,000,000**	1,100,000,000
Repayment of long term loan	**-**	(890,400)
Net cash generated from financing activities	**500,000,000**	1,099,109,600
Net increase/(decrease) in cash and cash equivalents	**(2,725,548)**	1,921,630
Cash and cash equivalents at the beginning of the year	**3,081,554**	1,159,924
Cash and cash equivalents at the end of the year	**356,006**	3,081,554

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

Chief Executive Officer **Chief Financial Officer** **Director**

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 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	**Karachi-Corporate Office**
2nd Floor Pace Shopping Mall, Fortress	4th Floor, Block B,C,D Lakson Square

2 Going concern assumption

During the year company incurred loss amounting Rs. 424 Million after tax, moreover the accumulated losses of the company stand at Rs. 1,028.9 Million as at June 30, 2019 (2018: 1,119 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 1,784 Million. During the year Company failed to fulfil its obligation under diminishing musharka agreement which led to classification of loan liability as current liability.

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. Management is confident that the loan facility will be settled by the sale of pledged investment property and the Company will not face any cash flow deficit.

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.

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:
Subsidiaries

Company	Country of Incorporation	Nature of business	Effective holding %	
			2019	2018
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
World Press (Private) Limited (WPL)	Pakistan	Carrying on the business of printing, publishing, packaging, advertisement and specialized directory business, stationers and dealing in all allied products.	**65.00**	65.00
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	**100.00**	100.00
<u>**Associates**</u>				
- 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**	2.38

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 which are presented at present value.

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 5.2
b)	Impairment	Note 5.11
c)	Provisions and contingencies	Note 5.15 & Note19
d)	Valuation of investment properties	Note 5.5
e)	Staff retirement benefits	Note 5.16
f)	Provision for taxation	Note 5.18

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

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

- IFRS 9 ‘Financial Instruments’
- IFRS 15 ‘Revenue from contracts with customers’

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

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

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

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements

Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company’s financial statements.

Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements

Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

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

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.
The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

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

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and the number of revenue related interpretations.

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

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

The Company is providing money market and consultancy services which generally include single performance obligation. Management has concluded that revenue should be recognised at the point in time when required services are transferred to client for money market business this is when deal ticket is signed by client and for consultancy services upon confirmation from client for acceptance of services, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Invoices are generated and revenue is recognised at that point in time

Invoices are generated at execution of each transaction and revenue is recognised at that point in time, as the services has been rendered and accepted by client.

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

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

I Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:
- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 June 2019

As at July 01, 2018	Original Classification Under IAS-39	New Classification Under IFRS-9	Original Carrying Amount	New Carrying Amount
Long term investments	Available for sale	Fair value through profit or loss	1,734,926,701	2,305,374,532
Long Term Deposits	Loans & Receivables	Amortized Cost	37,500	37,500
Trade Debtors	Loans & Receivables	Amortized Cost	1,964,909	1,964,909
Short term investments	Held for trading	Fair value through profit or loss	31,079,421	31,079,421
Loans, advances & Receivables	Loans & Receivables	Amortized Cost	126,004,120	126,004,120
Cash & Bank balances	Loans & Receivables	Amortized Cost	3,081,554	3,081,554

As a result of application of IFRS 9, long term investments amounting to Rs. 1,734.9 million as at July 1, 2018 have been reclassified from 'available for sale' to 'fair value through profit or loss'. In accordance with the transitional provisions of IFRS 9, comparative figures and their related gains / (losses) have been reclassified in the opening statement of financial position. In addition to this the Company has elected to classify its unquoted equity investments at fair value through profit and loss. The fair value of such investment is Rs. 2,305 Million (cost of Rs. 816.5 Million) as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the retained earning as at July 01, 2018 has been adjusted by Rs. 511.96 Million (net of tax Rs. 58.49 Million).

5.1.3 Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years and future expectations to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the company. Loss allowance on debt securities are measured at 12 months expected credit losses as those are determined to have low credit risk at the reporting date. Since there is no loss given default, no credit loss is expected on these securities. Loss allowance on other securities and bank balances is also measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

5.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to 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 recognised as an income or expense.

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30 2019 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).

5.3 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 use.

5.4 Operating leases

Leases including Ijarah financing where a significant proportion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating lease (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the lease/ijarah term unless another systematic basis is representative of the time pattern of the Company's benefit.

5.5 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 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.

5.6 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 amortised cost.

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

ii- Subsequent measurement

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

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

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

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

iii Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual

5.7 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These

5.8 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.

5.9 Financial liabilities

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

5.10 Mark-up bearing borrowings and borrowing cost

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

5.11 Impairment

Financial Assets

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

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering 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 recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Non-Financial Assets

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

5.12 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 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.

5.13 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 recognised 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 amortised cost using the effective interest method.

5.14 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 recognised amounts and the Company intends either to settle on a net basis or to realise 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

5.15 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.

5.16 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.

Accumulating compensated absences

Employees and executives are entitled to take earned leave of 20 and 40 days every year respectively.

The un-utilized earned leave of employees and executives can not be carried forward.
Provisions are made annually to cover the obligation for accumulating compensated absences by the management.

5.17 Revenue recognition

Capital gains or losses on sale of investments are recognised 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.

5.18 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.

5.19 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.

5.20 Functional and presentation currency

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

5.21 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.

6 Property, plant and equipment

	Note	2019 Rupees	2018 Rupees
Operating fixed assets	**6.1**	**772,950**	18,511,232
Capital work in progress (CWIP)	**6.2**	**132,425,106**	132,425,106
		133,198,056	150,936,338

6.1 Operating fixed assets

COST	Leasehold improvements	Computers	Office equipment's	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
	(Rupees)						
Balance as at 1 July 2017	470,315	720,622	2,061,090	154,000	88,250,000	6,719,980	98,376,007
Additions during the year	-	-	-	-	-	1,085,250	1,085,250
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2018	**470,315**	**720,622**	**2,061,090**	**154,000**	**88,250,000**	**7,805,230**	**99,461,257**
Balance as at 1 July 2018	470,315	720,622	2,061,090	154,000	88,250,000	7,805,230	99,461,257
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(1,400,000)	(1,400,000)
Balance as at 30 June 2019	**470,315**	**720,622**	**2,061,090**	**154,000**	**88,250,000**	**6,405,230**	**98,061,257**
DEPRECIATION							
Balance as at 1 July 2017	470,315	704,585	1,995,126	150,246	53,095,068	6,719,980	63,135,320
Charge for the year	-	16,037	15,789	3,244	17,650,000	129,635	17,814,705
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2018	**470,315**	**720,622**	**2,010,915**	**153,490**	**70,745,068**	**6,849,615**	**80,950,025**
Balance as at 1 July 2018	470,315	720,622	2,010,915	153,490	70,745,068	6,849,615	80,950,025
Charge for the year	-		15,790	510	17,504,932	217,050	17,738,282
Disposals during the year	-	-	-	-	-	(1,400,000)	(1,400,000)
Balance as at 30 June 2019	**470,315**	**720,622**	**2,026,705**	**154,000**	**88,250,000**	**5,666,665**	**97,288,307**
Book value as at 30 June 2018	**-**	**-**	**50,175**	**510**	**17,504,932**	**955,615**	**18,511,232**
Book value as at 30 June 2019	**-**	**-**	**34,385**	**-**	**-**	**738,565**	**772,950**
Annual depreciation rate %	**10%**	**33%**	**10%**	**10%**	**20%**	**20%**	

6.1.1 Assets with cost of Rs 96,818,107 (2018 : Rs 9,945,108) are carried at nil book value.

6.2 Capital work in progress (CWIP)

	Note	2019 Rupees	2018 Rupees
Opening balance		**132,425,106**	112,116,093
Additions during the year		**-**	25,334,248
Disposals during the year		**-**	(5,025,235)
Closing balance	**6.2.1**	**132,425,106**	132,425,106

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 107,090,858 (2018: Rs 107,090,858) and Rs. 25,334,248 (2018: Rs 25,334,248) respectively. Construction work on these properties is in progress as at 30 June 2019.

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 (2018: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2018: Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.33 million (2018: Rs. Nil) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion. However, the Company has complete control and possession of said property.

7	**Investment properties**	Note	2019 Rupees	2018 Rupees
	Opening balance		**1,547,590,000**	163,092,400
	Additions during the year	7.2	**204,126,000**	1,540,000,000
	Disposals during the year		**-**	(153,880,400)
	Fair value adjustment		**300,005,792**	(1,622,000)
	Closing balance	7.1	**2,051,721,792**	1,547,590,000

7.1 Investment property amounting Rs. 1,804 Million (2018: 1,500 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. 2,051.7 Million (2018:Rs. 1,547 Million), title of property amounting Rs. 1,840 Million, Rs 7.5 Million and Rs. 204.1 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 Property situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi measuring 34,021 sqft purchased from Capital Heights (Private) Limited during the year.

7.3 Fair value of investment properties is determined by an independent professional valuer. Latest valuation of these properties was carried out on June 30, 2019 by an approved independent valuer present on panel of Pakistan Bankers Association, M/s Negotiators. 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, 2019:

	Fair value measurements at 30 June 2019 using significant other observable inputs (Level 2) Rupees
Recurring fair value measurements	
Investment properties	**2,051,721,792**

The following table presents the Company's investment properties that are measured at fair value at June 30, 2018:

	Fair value measurements at 30 June 2018 using significant other observable inputs (Level 2) Rupees
Recurring fair value measurements	
Investment properties	1,547,590,000

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

Valuation techniques used to derive level 2 fair values:

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

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

- Various shops situated at Pace Shopping Mall, Mouza Dhola Zari G.T. Road, Gujranwala, having area of 196 Sqft (2018: 196 sqft) and force sale value of Rs. 6,831,090 (2018: Rs. 5,821,200).

- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2018: 87444sqft) and force sale value of Rs. 1,620,005,032 (2018: Rs. 1,351,009,800).

- Various shops measuring 4000 sqft (2018: 4000sqft) situated at 5th Floor, Pace Shopping Mall, Model Town Link Road, Lahore and force sale value of Rs. 36,000,000 (2018: Rs. 36,000,000).

-Various apartments measuring 34,021 sqft (2018: NIL) situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi and force sale value of Rs. 183,713,400 (2018: Rs. NIL).

8	**Long term investments**	Note	2019 Rupees	2018 Rupees
	Investment in related parties			
	Subsidiary companies - Unquoted	8.1	**349,935,688**	239,954,259
	Associated companies - Unquoted	8.2	**990,808,347**	547,313,110
	Associated company - Quoted	8.3	**38,022,407**	78,308,052
	Subsidiary company - Quoted	8.4	**388,103,250**	869,351,280
			1,766,869,692	1,734,926,701

	Note	Shares 2019	Shares 2018	2019	2018	Percentage of holding 2019	Percentage of holding 2018
		------------------Number------------------		------------------Rupees------------------		---------- % ----------	
8.1 Subsidiary companies - unquoted - at fair value							
First Capital Investments Limited		**16,561,634**	16,561,634	**200,022,279**	156,051,450	**78.86%**	78.86%
Lanka Securities (Private) Limited	8.1.2	**9,166,886**	9,166,886	**120,007,848**	46,229,683	**51.00%**	51.00%
World Press (Private) Limited		**1,949,041**	1,949,041	**6,441,136**	6,073,126	**65.00%**	65.00%
Falcon Commodities (Private) Limited		**3,150,000**	3,150,000	**5,341,202**	5,150,000	**100.00%**	100.00%
Evergreen Water valley (Private) Limited		**715,400**	715,400	**18,123,223**	26,450,000	**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%
				349,935,688	239,954,259		

8.1.1

During the year investment in unquoted securities are valued at fair value due to change in accounting policy as detail mentioned in note 5.1.2. 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 Srilanka 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. The company have received return amounting 1,477,781 US Dollars (122,396,661 PKR) to date from LSPL.

8.2 Associated companies - unquoted - at fair value

	Note	Shares 2019	Shares 2018	2019	2018	Percentage of holding 2019	Percentage of holding 2018
		------------------Number------------------		------------------Rupees------------------		---------- % ----------	
Pace Barka Properties Limited		**54,790,561**	54,790,561	**990,695,847**	547,200,610	**17.95%**	17.95%
Pace Super Mall Private Limited		**11,250**	11,250	**112,500**	112,500	**0.07%**	0.07%
	8.2.1			**990,808,347**	547,313,110		

8.2.1 The Company's investment in Pace Barka 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

During the year investment in unquoted securities are valued at fair value due to change in accounting policy as detail mentioned in note 5.1.2. 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 2019	Shares 2018	Market value 2019	Market value 2018	Market value per share 2019	Market value per share 2018	Percentage of holding 2019	Percentage of holding 2018
		------------------Number------------------		------------------Rupees------------------		------------------Rupees------------------		-------- % --------	
Media Times Limited	8.3.1	**45,264,770**	45,264,770	**38,022,407**	78,308,052	**0.84**	1.73	**25.31%**	25.31%

8.3.1 Decrease in value of investment amounts of Rs. 40,285,645 (2018: Rs 61,107,440) represents decrease in fair value of investment during the year.

8.4 Subsidiary company - at fair value

	Note	Shares 2019	Shares 2018	Market value 2019	Market value 2018	Market value per share 2019	Market value per share 2018	Percentage of holding 2019	Percentage of holding 2018
		------------------Number------------------		------------------Rupees------------------		------------------Rupees------------------		-------- % --------	
First Capital Equities Limited	8.4.1	**103,494,200**	103,494,200	**388,103,250**	869,351,280	**3.75**	8.40	**73.23%**	73.23%

8.4.1 Decrease in value of investment amounts to Rs. 481,248,030 (2018: 62,096,520) represents provision for diminution in value of investment charged for the year due to decrease in market value per share at the end of the year.

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.

		Note	2019 Rupees	2018 Rupees
9	**Long term deposits**			
	Other deposits		**37,500**	37,500
10	**Trade debts-unsecured, considered good**			
	Money market receivables		**1,528,578**	1,964,909
			1,528,578	1,964,909
11	**Loans, advances, prepayments and other receivables**			
	Loans and advances			
	Advances to staff - secured, considered good	**11.1**	**113,500**	268,700
	Due from related parties - unsecured, considered good	**11.2**	**11,013,202**	89,420
			11,126,702	358,120
	Short term deposits and prepayments			
	Advance against purchase of property	**11.3**	**-**	125,646,000
			-	125,646,000
			11,126,702	126,004,120

11.1 This includes advance amounting Rs. Nil (2018: Rs. Nil) to Executive, Chief Executive Officer and Directors of the Company.

11.2	**Due from related parties - unsecured, considered good**			
	Media Times Limited	**11.2.1**	**399,100**	-
	Evergreen Water Valley (Private) Limited	**11.2.2**	**10,614,102**	-
	First Capital Mutual Fund		**-**	89,420
			11,013,202	89,420

11.2.1 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 on the month end basis is Rs. 400,900 (2018: Rs. Nil).

11.2.2 This represents receivables from subsidiary company against rental income for use of construction equipment, which is maximum aggregate amount receivable during the year. No collateral is available against same.

11.2.3 Aging of receivable from related parties

	2019 Rupees	2018 Rupees
Neither past due nor impaired	**2,850,000**	-
Past due 1 - 60 days	**-**	-
Past due 61 - 120 days	**3,249,100**	
Above 120 days	**4,914,102**	89,420
	11,013,202	89,420

11.3 This represents amount Rs. Nil (2018: Rs. 18,695,000 & Rs. 70,756,000) receivable against sale of capital work in progress and sale of investment property respectively and Rs. Nil (Rs. 36,195,000) is paid as advance against purchase of investment property.

		Note	2019 Rupees	2018 Rupees
12	**Short term investments**			
	Investments - at fair value through profit or loss	**12.1**	**19,255,828**	31,079,421
			19,255,828	31,079,421
12.1	**Investments - at fair value through profit or loss**			
	Carrying value at 1 July:			
	Related parties		**22,854,313**	41,703,438
	Others		**8,225,108**	12,971,407
	Addition		**14,270,097**	19,814,010
	Disposal		**(5,651,443)**	(19,814,010)
			39,698,075	54,674,845
	Unrealized (loss)/gain on remeasurement of investments during the year		**(20,442,241)**	(23,595,424)
			19,255,834	31,079,421
	Fair value of short term investments at 30 June:			
	Related parties	**12.2**	**16,244,266**	22,854,313
	Others	**12.3**	**3,011,562**	8,225,108
			19,255,828	31,079,421

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

	Note	Shares/units 2019	Shares/units 2018	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018	Percentage of holding 2019	Percentage of holding 2018
		---Number---		---Rupees---		---Rupees---		--- % ---	
a) Real Estate Investment and Services									
Pace (Pakistan) Limited (Associated Company)		**7,038,176**	6,645,176	**23,788,992**	41,260,730	**10,416,500**	22,527,147	**2.52%**	2.38%
b) Mutual Funds									
First Capital Mutual Fund Limited		**935,466**	35,316	**7,675,423**	442,708	**5,827,766**	327,166	**5.98%**	0.32%
				31,464,415	41,703,438	**16,244,266**	22,854,313		

12.3 Investments at fair value through profit or loss - others

	Note	Shares 2019	Shares 2018	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
		---Number---		---Rupees---		---Rupees---	
a) Insurance							
Shaheen Insurance Company Limited		**15,329**	15,329	**78,178**	96,726	**56,717**	78,178
b) Telecommunication							
Worldcall Telecom Limited	12.3.1	4,221,207	4,221,207	**8,146,930**	12,874,681	**2,954,845**	8,146,930
				8,225,108	12,971,407	**3,011,562**	8,225,108

12.3.1 This includes 4,220,677 (2018: 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

12.4 During the year company sold investments having carrying value Rs. 5,651,443 (2018: 19,814,010 Rs) and loss amounting Rs. 141,896 (2018: Rs. 7,507,695) is realized during the year.

12.5 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.

		Note	2019 Rupees	2018 Rupees
13	**Advance tax**		**7,437,979**	6,956,366
14	**Cash and bank balances**			
	Cash in hand		**500**	85,404
	Cash at bank			
	- current accounts		**6,126**	409,415
	- deposit accounts	**14.1**	**349,380**	2,586,735
			355,506	2,996,150
			356,006	3,081,554

14.1 The deposit accounts carry mark-up at rates upto 5% (2018: upto 5%) per annum.

		Note	2019 Rupees	2018 Rupees
15	**Trade and other payables--unsecured**			
	Creditors	**15.1**	**4,929,303**	4,302,046
	Accrued liabilities		**11,171,296**	8,818,603
	Security deposit from tenants		**486,660**	486,660
	Payable against purchase of investment property	**15.2**	**5,783,870**	408,181,523
	Final settlements payable	**15.3**	**16,351,751**	11,685,362
	Withholding income tax payable		**3,417,063**	2,762,037
	Sales tax payable		**89,920**	540,531
	Other liabilities		**17,780**	17,780
			42,247,643	436,794,542

15.1 Creditors balance includes following balances payable for services to related parties:

	2019	2018
Media Times Limited	**-**	341,100
World Press (Private) Limited	**1,001,442**	1,001,442
	1,001,442	1,342,542

15.2 This represent Rs 861,561(2018: NIL) payable to Capital Heights (Private) Limited and Rs 4,922,309 (2018: 408,181,523) is payable to Pace (Pakistan) Limited an associated company against purchase of property and Rs. NIL (2018: Rs. 2,000,000) to Evergreen Water Valley (Private) Limited subsidiary company against purchase of investment property

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

		Note	2019 Rupees	2018 Rupees
16	**Loan Payable**			
	Payable against diminishing musharka	**16.1**	**1,600,000,000**	-
	Rental against diminishing musharka facility	**16.1**	**180,413,863**	-
	Default penalty payable	**16.2**	**1,102,939**	-
			1,781,516,802	-

16.1 This represents balance payable against diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking). The rental payable against the facility is at the rate of 6 month KIBOR (ask side) plus 2% margin per annum. This payable is charged by the way of hypothecation over following assets:

Diminishing Mushrka Asset
Current Assets of the company

16.2 This represents penalty payable till June 30, 2019 on the rental due at the rate of 6 month KIBOR (ask side) plus 5% per annum calculated on daily basis. The company was unable to pay the rental due on June 14, 2019 against the use of diminishing musharka asset. Consequences of the default are as follows:
- Bank have a right to issue written notice to FCSCL to terminate the agreement and repossess the diminishing musharka asset;
- Bank can enforce FCSC to fulfil its obligation under purchase agreement of musharka asset and
- Bank have a right to demand accrued & unpaid rent and supplementary rent.

		Note	2019 Rupees	2018 Rupees
17	**Deferred tax liability**			
	Deferred tax liability	**17.1**	**22,434,684**	-
17.1	**Deductible temporary differences**			
	Tax losses		**65,208,528**	18,555,447
	Other		**11,963,688**	10,304,560
			77,172,216	**28,860,007**
	Taxable temporary differences			
	Revaluation gain on investment property		**(44,832,540)**	-
	Surplus on revaluation of investment at fair value through P&L--unquoted		**(54,774,360)**	-
			(99,606,900)	-
	Deferred tax asset/(liability)	**17.3**	**(22,434,684)**	28,860,007
17.2	**Movement of tax asset / (liability) - net**			
	Opening balance		**-**	-
	Impact of adoption of IFRS 9		**(58,490,058)**	-
	Restated opening balance after IFRS 9 adoption		**(58,490,058)**	-
	Charged to profit or loss		**36,055,374**	-
	Charged to OCI		**-**	-
			(22,434,684)	-

17.3 Last year deferred tax asset was not recognized due to unavailability of taxable profits in foreseeable future.

		Note	2019 Rupees	2018 Rupees
18	**Staff retirement benefits payable**			
	Gratuity	**18.1**	**6,427,923**	10,047,853
	Accumulating compensated absences		**1,190,549**	1,190,549
			7,618,472	11,238,402
18.1	**Movement in net obligation**			
	Statement of financial position liability at 01 July		**10,047,853**	9,177,400
	Expense chargeable to Profit or Loss account	**18.3**	**1,592,628**	1,634,999
	Remeasurements chargeable in other comprehensive income	**18.4**	**(536,832)**	(644,953)
	Benefit payable transferred to short term liability		**(4,675,726)**	(119,593)
	Statement of financial position liability at 30 June		**6,427,923**	10,047,853
18.2	**Movement in present value of defined benefit obligation is as follows:**			
	Present value of defined benefit obligation at 1 July		**10,047,853**	9,177,400
	Current service cost		**898,729**	928,385
	Interest cost on defined benefit obligation		**693,899**	706,614
	Benefits payable transferred to short term liability		**(4,675,726)**	(119,593)
	Actuarial loss/(gains) from changes in financial assumptions		**21,352**	5,575
	Actuarial loss/(gains) due to Experience adjustments		**(558,184)**	(650,528)
	Present value of defined benefit obligation at 30 June		**6,427,923**	10,047,853
18.3	**Amount charged to profit or loss**			
	Current service cost		**898,729**	928,385
	Interest cost		**693,899**	706,614
	Total amount chargeable to profit or loss		**1,592,628**	1,634,999
18.4	**Charged to other comprehensive income**			
	Actuarial loss/(gains) from changes in financial assumptions		**21,352**	5,575
	Actuarial loss/(gains) due to Experience adjustments		**(558,184)**	(650,528)
			(536,832)	(644,953)

18.5 Historical information for gratuity plan

	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees
Present value of defined benefit obligation	**6,427,923**	10,047,853	9,177,400	8,078,606	7,517,955
Gain/(loss) on actuarial experience adjustments on plan liability	**(558,184)**	(650,528)	(7,323)	654,227	375,223

18.6 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, 2019 would have been as follows:

	Increase	Decrease
Discount rate	**6,011,886**	**6,895,585**
Future salary increase	**6,895,585**	**6,004,895**

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

18.7 Actuarial valuation of this plan was carried out on June 30, 2019 using the Projected Unit Credit Method of which the principle actuarial assumptions used are as follows:

	2019 per annum	2018 per annum
Discount rate used for profit or loss charge	**9.00%**	7.75%
Discount rate used for year-end obligation	**14.25%**	9.00%
Expected rate of salary increase in future years	**N/A**	8.00%
Mortality rate	**SLIC 2001-2005 Setback 1 year**	SLIC 2001-2005 Setback 1 year

18.8 Estimated expenses to be charged to profit or loss account for financial year 2019-2020 is Rs 1,995,651 which includes Rs 1,104,548 in respect of current service cost and Rs 891,103 in respect of interest cost in defined benefit obligation.

18.9 Weighted average duration of the defined benefit obligation is 7 years for gratuity.

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.

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. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favour.

19.6 During the current year, 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. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2019 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 During the current year, company have failed to fulfil its obligation under diminishing musharka agreement for rental payment. As a consequence Company might be asked for to pay the termination amount (accrued and unpaid rent, supplementary rent), until the date of approval of these financial statements no such notice have been received from Bank. As per legal counsel's opinion there is no other adverse consequences on the company except payment of unpaid and accrued rentals which is already classified and current liability. Detail mentioned in note 16.2.

		2019 Rupees	2018 Rupees
19.8	Commitments in respect of capital expenditure	-	5,905,760

20 Share capital

20.1 Issued, subscribed and paid-up capital

2019	2018		2019	2018
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

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

	Note	2019	2018
		------------ (Number of shares) ------------	
Amythest Limited	**20.3**	**72,034,182**	72,034,182
Sisley Group	**20.4**	**31,395,000**	31,395,000

20.3 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.

20.4 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.

		Note	2019 Rupees	2018 Rupees
21	**Money market services**			
	Money market income			
	- local currency		**5,449,553**	4,219,032
	- foreign currency		**4,426,532**	7,966,613
			9,876,085	12,185,645
	Less: Sales tax		**(1,136,187)**	(1,401,888)
			8,739,898	10,783,757
22	**Dividend income**			
	Others		**-**	89,420
			-	89,420
23	**Gain/(Loss) on investments classified at fair value through profit or loss**			
	Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'			
	Unrealized gain/(loss) on resmeasurement of short term investments	**12**	**(20,442,241)**	23,595,424
	Unrealized gain/(loss) on resmeasurement of long term investments	**8**	**(538,504,841)**	77,714,304
			(558,947,082)	101,309,728
	Realized (loss)/gain on disposal of 'investments at fair value through profit or loss'			
	Realized gain/(loss) on resmeasurement of short term investments		**(141,896)**	(7,507,695)
	Realized gain/(loss) on resmeasurement of long term investments		**-**	-
			(141,896)	(7,507,695)

24 This represents diminution in value of long term investments due to fall in market value.

		Note	2019 Rupees	2018 Rupees
25	**Operating and administrative expenses**			
	Salaries, wages and other benefits	**25.1**	**17,526,941**	14,053,461
	Rent, rates and taxes		**1,018,716**	2,486,402
	Postage, telephone and stationary		**366,346**	426,690
	Utilities		**221,560**	178,855
	Insurance		**7,196**	125,550
	Printing and stationery		**306,387**	296,818
	Travelling and conveyance		**92,310**	267,800
	Repairs and maintenance		**808,199**	98,640
	Vehicle running expenses		**264,848**	102,720
	Entertainment		**523,347**	368,656
	Legal and professional		**3,141,010**	980,953
	Advertisement		**59,800**	52,000
	Auditors' remuneration	**25.2**	**1,240,000**	1,240,000
	Depreciation	**6.1**	**17,738,282**	17,814,705
	Others		**1,242,917**	792,181
	Lease rentals - Ijarah facilities		**-**	219,050
	Reversal of tax refund		**-**	24,238,507
	Penalty on default	**16.2**	**1,102,939**	-
			45,660,798	63,742,988

25.1 Salaries, wages and other benefits includes Rs 1,592,628 (2018: Rs1,634,999) in respect of gratuity expense for the year.

		Note	2019 Rupees	2018 Rupees
25.2	Auditors' remuneration			
	Annual audit fee		**525,000**	525,000
	Fee for audit of consolidated financial statements		**475,000**	475,000
	Half yearly review		**200,000**	200,000
	Out of pocket expenses		**40,000**	40,000
			1,240,000	1,240,000
26	**Other income**			
	Income from financial assets			
	Income on treasury bills /saving accounts		**115,112**	25,940
	Income from non-financial assets			
	Rental income of plant and machinery	**26.1**	**11,400,000**	11,400,000
	Gain on sale of property plant and equipment		**625,000**	-
	Liabilities written back		**-**	665,209
	Miscellaneous income		**105,151**	37,959
			12,245,263	12,129,108

26.1 This represents income from lease of construction equipment to Evergreen Water Valley (Pvt.) Limited a subsidiary company.

		Note	2019 Rupees	2018 Rupees
27	**Finance cost**			
	Bank charges and commission		**23,259**	20,515
	Markup on long term financing	**16.1**	**175,300,822**	5,113,041
			175,324,081	5,133,556
28	**Taxation**			
	Current tax			
	For the year	**28.1**	**1,183,467**	1,546,409
	Prior		**-**	71,040
	Deferred tax expense	**17**	**(36,055,374)**	-
			(34,871,907)	1,617,449

28.1 Since the company showing tax loss for the year as a result taxable income for the year is nil. Keeping in view this fact provision for taxation represents final tax under section 233 and final tax under section 150 of the Income Tax Ordinance,2001. Which is 12% and 12.5% of revenue from money market services and final tax on dividend respectively. Since the Company is subject to minimum tax and final tax therefore no numerical reconciliation of tax is produced.

29 Earning per share

29.1 Earning /(loss) per share - basic

		2019	2018
Net profit/(loss) for the year	**Rupees**	**(424,210,997)**	(203,640,531)
Weighted average number of ordinary shares	**Numbers**	**316,610,112**	**316,610,112**
Loss per share - basic	**Rupees**	**(1.34)**	(0.64)

29.2 (Loss)/Earning per share - diluted

There is no dilution effect on the basic EPS as the Company has no such commitments.

30	**Number of employees**	2019	2018
	The average and total number of employees are as follows:		
	Average number of employees during the year	**20**	20
	Total number of employees as at 30 June	**20**	19

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:

	Note	2019 Rupees	2018 Rupees
Long term deposits	**9**	**37,500**	37,500
Trade debts	**10**	**1,528,578**	1,964,909
Other receivables	**11**	**11,126,702**	126,004,120
Bank balances	**14**	**355,506**	2,996,150
		11,482,208	129,000,270

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.

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		Rating	2019	2018
	Short term	Long term	Agency	Rupees	Rupees
Faysal Bank Limited	A-1+	AA	PACRA	**62,658**	519,404
Allied Bank Limited	A-1+	AAA	PACRA	**133,549**	2,046,317
Bank Islami	A-1	A+	PACRA	**6,126**	6,126
Soneri Bank Limited	A-1+	AA-	PACRA	**9,306**	9,306
MCB Bank Limited	A-1+	AAA	PACRA	**-**	404,498
United Bank Limited	A-1+	AAA	JCR-VIS	**133,821**	500
Bank Alfalah Limited	A-1+	AA+	JCR-VIS	**10,000**	10,000
Silk Bank Limited	A-2	A-	JCR-VIS	**45**	-
				355,506	2,996,151

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:

	Note	2019 Rupees	2018 Rupees
Neither past due nor impaired	**10**	**169,472**	1,667,888
Past due 1 - 60 days		**974,475**	103,043
Past due 61 - 120 days		**384,631**	50,154
Above 120 days		**-**	143,524
		1,528,578	1,964,609

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

	2019 Rupees	2018 Rupees
Commercial banks	**1,211,697**	1,824,457
Others	**316,881**	140,453
	1,528,578	1,964,910

Based on past experience the management believes that no impairment allowance is necessary in respect of trade receivables past due and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

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.

	Note	2019 Rupees	2018 Rupees
<u>**Loan and advances**</u>			
Related parties	**11**	**11,013,202**	89,420
Employees		**113,500**	268,700
Others		**-**	125,646,000
		11,126,702	126,004,120

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.

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 2019:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
	Rupees				
<u>**Financial liabilities**</u>					
Loan payable	**1,600,000,000**	**1,600,000,000**	**1,600,000,000**	**-**	**-**
Rental payable	**181,516,802**	**181,516,802**	**181,516,802**	**-**	**-**
Trade and other payables	**42,784,475**	**42,784,475**	**42,784,475**	**-**	**-**
	1,824,301,277	**1,824,301,277**	**1,824,301,277**	**-**	**-**

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

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
	Rupees				
<u>Financial liabilities</u>					
Loan payable	1,100,000,000	1,100,000,000	-	700,000,000	400,000,000
Rental payable	5,113,041	5,113,041	5,113,041	-	-
Trade and other payables	436,794,542	436,794,542	436,794,542	-	-
	436,794,542	436,794,542	436,794,542	700,000,000	400,000,000

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

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.

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 Company does not have any fixed rate financial instrument. The interest rate profile of the Company's interest-bearing financial instruments at the statement of financial position date was as under:

	2019 Rupees	2018 Rupees
Financial assets	349,380	2,586,735
Financial liabilities	1,600,000,000	1,100,000,000
	1,600,349,380	1,102,586,735

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 2019 and 2018 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.

	2019				
	Fair value	"Hypothetical price change"	Estimated fair value after hypothetical change in prices"	Hypothetical increase /(decrease) in OCI	"Hypothetical increase/ (decrease) in profit /(loss) before tax"
	Rupees		Rupees		
Investments					
Long term investments	426,125,657	10% increase	468,738,223	-	42,612,566
		10% decrease	383,513,091	-	(42,612,566)
Short term investments	19,255,828	10% increase	21,181,411	-	1,925,583
		10% decrease	17,330,245	-	(1,925,583)
	445,381,485				

	2018				
	Fair value	"Hypothetical price change"	Estimated fair value after hypothetical change in prices"	Hypothetical increase /(decrease) in OCI	"Hypothetical increase/ (decrease) in profit /(loss) before tax"
	Rupees		Rupees		
Investments					
Long term investments	947,659,332	10% increase	1,042,425,265	-	94,765,933
		10% decrease	852,893,399	-	(94,765,933)
Short term investments	31,079,421	10% increase	34,187,363	-	3,107,942
		10% decrease	27,971,479	-	(3,107,942)
	978,738,753				

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 categorised:

Recurring fair value measurements

	30-Jun-19			
	Level 1	Level 2	Level 3	Total
	Rupees			
Long term investments				
Quoted investments	426,125,657	-	-	426,125,657
Unquoted investments	-	-	1,340,744,035	1,340,744,035
Investment properties	-	2,051,721,792	-	2,051,721,792
Short term investments	19,255,828	-	-	19,255,828

	30-Jun-18			
	Level 1	Level 2	Level 3	Total
	Rupees			
Long term investments				
Quoted investments	947,659,332	-	-	947,659,332
Investment properties	-	1,547,590,000	-	1,547,590,000
Short term investments	31,079,421	-	-	31,079,421

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. 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, 2019, the Company's long term investments are in unquoted securities (see note 8), which are 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

(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

31.5 Financial instruments by category

	30-Jun-19			
	At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
	Rupees			
Financial Assets				
Long term investments	**-**	**1,766,869,692**	**-**	**1,766,869,692**
Long term deposits	**37,500**	-	**-**	**37,500**
Trade debts	**1,528,578**	-	**-**	**1,528,578**
Short term investments	-	**19,255,829**	-	**19,255,829**
Advances, deposits, prepayments and other receivables	**11,126,702**	-	-	**11,126,702**
Cash and bank balances	**356,006**	-	-	**356,006**
	13,048,786	**1,786,125,521**	-	**1,799,174,306**

	30-Jun-19		
	At amortized cost	Liabilities at fair value through profit or loss	Total
Financial Liabilities			
Trade and other payables-Unsecured	**42,784,475**	**-**	**42,784,475**
Long Term Payable	**1,600,000,000**	**-**	**1,600,000,000**
Mark up payable	**181,516,802**		**181,516,802**
	1,824,301,277	-	**1,824,301,277**

	30-Jun-18			
	At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
	Rupees			
Financial Assets				
Long term investments	-	1,734,926,701	-	1,734,926,701
Long term deposits	37,500	-	-	37,500
Trade debts	1,964,909	-	-	1,964,909
Short term investments	-	31,079,421	-	31,079,421
Advances, deposits, prepayments and other receivables	126,004,120	-	-	126,004,120
Cash and bank balances	3,081,554	-	-	3,081,554
	131,088,083	1,766,006,122	-	1,897,094,205

	30-Jun-18		
	At amortized cost	Liabilities at fair value through profit or loss	Total
	Rupees		
Financial Liabilities			
Trade and other payables-Unsecured	436,794,542	-	436,794,542
Long term payable	1,100,000,000	-	1,100,000,000
Mark up payable	5,113,041	-	5,113,041
	1,541,907,583	-	1,541,907,583

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 31 are as follows:

Name of Parties	Nature of relationship	Nature and description of related party transaction	2019 Value of transactions made during the year	2018 Value of transactions made during the year
			--------------------Rupees	---------------------
First Capital Equities Limited	Subsidiary(73.23% Shareholding)	Brokerage charges	**11,715**	112,560
		Payment of outstanding balance	**-**	890,400
Evergreen Water Valley (Private) Limited	Subsidiary(100% owned)	Rental income earned	**11,400,000**	11,400,000
		Rental income received	**2,497,898**	300,000
		Payment against investment property	**2,000,000**	40,000,000
				-
Pace Barka Properties Limited	Associate(Common Directorship)	Purchase of CWIP	**-**	25,334,248
				-
Pace (Pakistan) Limited	Associate(Common Directorship)	Payment against purchase of property	**400,000,000**	1,500,000,000
				-
Media Times Limited	Associate(Common Directorship)	Purchase of goods / services	**59,200**	172,500
		Advance against publishing	**800,000**	

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 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	
	2019	2018	**2019**	2018	**2019**	2018
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial remuneration	**2,400,000**	2,400,000	**-**	-	**6,185,280**	3,905,280
Medical Expenses Reimbursed		-	**-**	-	**94,080**	499,839
Provision for gratuity	**399,917**	228,573	**-**	-	**851,516**	325,440
	2,799,917	2,628,573	**-**	-	**7,130,876**	4,730,559
Number of persons	**1**	1	**6**	6	**2**	2

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

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

34 Date of authorization for issue

These financial statements were authorized for issue on 04 October 2019 by the Board of Directors.

35 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.

36 General

The figures have been rounded off to the nearest Rupee.

Chief Executive Officer	**Chief Financial Officer**	**Director**

CPAAI

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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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 comprises the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss, the consolidated statement of 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 significant 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 at June 30, 2019 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 Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 2 to the consolidated financial statements which more fully explains the factors that indicate 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) and First Capital Equities Limited, World Press (Private) Limited and Falcon Commodities (Private) Limited (Subsidiary Companies). However, the financial statements of said subsidiaries and parent company have been prepared on going concern basis, based on the financial and operational measures taken by the management except for Falcon Commodities (Private) Limited financial statements, which has been prepared on non-going concern basis. Our opinion is not qualified in respect of this matter.

JMI

CPAAI

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 year. 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. #	Key Audit Matters	How the matters were addressed in our audit
1.	**Investment property valuation** As stated in the Note 8 of accompanying consolidated financial statements, the Group has purchased investment property of substantial amount during the year. We identified investment property as key audit matter because it has material impact on consolidated financial statements.	We performed following key audit procedures to address the assessed risk: ▪ Obtained independent valuer's report and took an understanding of the scope of valuer's work; ▪ Assessed the competence, capabilities and objectivity of the external valuer; ▪ We reconciled the detail of properties valued by the independent valuer to details provided by the company; ▪ Compared values assigned by independent valuer with the actual transactions occurred during the year, to ensure that value of investment property is reasonable according to the market conditions and not overstated; ▪ Assessed the appropriateness of the related disclosures in the Company's financial statements.

CPAAI

2. **Long term financing**

As stated in Note 21 of accompanying consolidated financial statements, the Group settled its various loans during the year. The interest on loans settled during the year is waived off by the Bank.

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

We identified loan settlement as key audit matter because it has material impact on the on consolidated financial statements.

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

- Obtained loan settlement agreements signed with banks. Inspected and obtained understanding of terms and conditions;
- We critically assessed the design and implementation of controls in place to ensure compliance and to report any identified breach of the debt settlement agreements;
- Obtained direct confirmations from banks to confirm settlement and closing balances as at year end. Summarized the responses of banks, analyzed and matched with the amounts disclosed in the financial statements.

3. **Litigations**

There are a number of legal and regulatory matters for which no provision has been established, as disclosed in Note 23 of accompanying consolidated financial statements.

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

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

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

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

JMI

CPAAI

Information Other than the Consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of 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.

Board of directors are 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.

JMI

CPAAI

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 Group'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 Group'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 Group 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.

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

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

Date: 07-10-2019
Islamabad

Nasir Javaid Maqsood Imran
Chartered Accountants

Directors' Report (Consolidated Financial Statements)

On behalf of the Board of Directors of First Capital Securities Corporation Limited ("the Company" or "FCSC"), we are pleased to present the annual consolidated report of the Company for the financial year 2019 together with the audited annual financial statements.

Financial Overview	**Rupees in million**	
	2019	**2018**
Revenue	**262**	405
Direct cost	**181**	360
Operating expenses	**168**	188
(Loss)/profit after taxation	**(97)**	(107)
Non-controlling interest	(35)	4
Basic and diluted earnings/(loss) per share	**(0.06)**	**0.20**

Summary of changes in equity

The group revenue was Rs.262 million as compare to the revenue of the last year was Rs. 405 million.

Subsidiary companies of FCSC key reviews are mentioned below.

First Capital Equities Limited ("FCEL")

During the year, on 28 June 2019 the Board of FCEL owing to the continuous losses and adverse market conditions, decided to surrender the Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange and close its brokerage operation and to change the principle objective of the Company form stock broker to Real Estate Company.

FCEL reported a Loss of Rs (66.27) million in FY19 vs. Profit Rs 5.12 million. The brokerage income of FCEL decreased by 52% YoY at Rs 20 million during FY19 versus that of Rs 42 million in last year. Further, FCEL recorded capital loss of Rs 0.48 million against Rs. 4.73 million last year. The Un-realized loss on re-measurement of investment is recorded at Rs. 37.02 million. Operating expenses decreased 71% YoY, while financial expenses registered increase of 128% YoY during the year under review.

Lanka Securities (Private) Limited ("LSL")

LSL has reported loss after tax of LKR 23.39 million during the period under review as compared to loss of LKR 6.66 million during the same period last year. Loss per share for the year is recorded at LKR 1.34 as compared to LKR 0.38 in the preceding year.

First Capital Investments Limited ("FCIL")

The Company has posted loss after taxation of Rs. 48.62 million during the Financial Year 2019 ("FY-19") as compared to loss after taxation of Rs. 46.98 million during the Financial Year 2018 ("FY-18"). Loss per share during the period under review is recorded at Rs. 2.32 as compared to loss per share of Rs. 2.24 during the same period last year. The massive decrease in the earnings of the Company is mainly on the back of equity market performance, which is decreased by 19.11% during the FY-18.

World Press (Pvt.) Limited ("WPL")

During the period under review WPL reported an after tax loss of Rs. 1.6 million as compared to a loss of Rs. 3.2 million in corresponding period last year. Operating expenses loss per share for the year recorded at Rs. (0.54) as compared to the loss per share of Rs. (1.07) during last year.

Evergreen Water Valley (Pvt.) Limited ("EGWV")

EGWV reported net revenue of Rs. 216.17 million during the period under review as compared to the revenue of Rs. 394.78 in corresponding period of last year. Loss per share during the period under review is recorded at Rs.42.26 as compared to Earnings per share of Rs. 7.18 during the same period last year.

First Construction Limited

First Construction Limited was incorporated on 19 August 2014 and could not commence its commercial operations as of to date.

I have complete confidence in the competence and commitment of the management of FCSC Group in their ability as they take the Group further on its path of development and growth in the future.

For and on behalf of the Board

Lahore		**Aamna Taseer**
04 October 2019	**Director**	**CEO/Director**

ڈائریکٹرز کی رپورٹ (مجمد مالیاتی اسٹیٹمنٹس)

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ (''کمپنی'' یا ''FCSC'') کے بورڈ آف ڈائریکٹرز کی جانب سے ہم مالیاتی سال 2019ء کے لئے سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی مجمد سالانہ رپورٹ از راہِ مسرت پیش کرتے ہیں۔

مالیاتی جائزہ

	ملین روپوں میں	
	2019ء	2018ء
آمدنی	**262**	405
ڈائرکٹ لاگت	**181**	360
آپریٹنگ اخراجات	**168**	188
(نقصان)/نفع علاوہ ٹیکس	**(97)**	(107)
نان کنٹرولنگ انٹرسٹ	**(35)**	4
بنیادی اور ایصالی آمدنی/(خسارہ) فی حصص	**(0.06)**	0.20

نصفت میں تبدیلیوں کا خلاصہ

گذشتہ برس میں گروپ کی 405 ملین روپے آمدنی کے مقابلہ میں رواں برس 262 ملین روپے رہی۔

FCSC کی ذیلی کمپنیوں کا اہم تجزیہ حسب ذیل ہے:

فرسٹ کیپٹل ایکویٹیز لمیٹڈ (''FCEL'')

سال کے دوران 28 جون 2019ء کو FCEL کے بورڈ نے مسلسل خسارہ اور مارکیٹ کی ابتر صورت حال کو پیش نظر رکھتے ہوئے پاکستان سٹاک ایکسچینج کے ٹریڈنگ رائٹ انٹائٹلمنٹ سٹرٹیفکیٹ (TREC) کو معطل کرنے اور اس کے بروکریج آپریشن کو بند کرنے اور کمپنی کی کاروباری نوعیت کو سٹاک بروکر سے ریئل اسٹیٹ کمپنی میں تبدیل کرنے کا فیصلہ کیا۔

FCEL نے 5.12 ملین روپے منافع کے مقابلہ میں مالیاتی سال 2019ء میں (66.27) ملین روپے کا خسارہ رپورٹ کیا۔ FCEL کی بروکریج آمدنی گذشتہ برس میں 42 ملین کے مقابلہ میں مالیاتی سال 2019ء کے دوران سالانہ کی بنیاد پر 52 فی صد کمی کے ساتھ 20 ملین روپے رپورٹ ہوئی۔ مزید یہ کہ FCEL نے گذشتہ برس 4.73 ملین روپے کے مقابلہ میں 0.48 ملین روپے کیپٹل خسارہ ریکارڈ کیا۔ سرمایہ داری پر نظر ثانی پر غیر حاصل شدہ خسارہ 37.02 ملین روپے ریکارڈ کیا گیا۔ زیر جائزہ برس کے دوران سالانہ کی بنیاد پر آپریٹنگ اخراجات میں 71 فی صد کمی اور اور مالیاتی اخراجات میں 128 فی صد اضافہ ہوا۔

لنکا سیکیورٹیز (پرائیویٹ) لمیٹڈ ("LSL")

LSL نے گذشتہ برس اسی مدت میں 6.66 ملین لنکن روپے خسارہ کے مقابلہ میں زیر جائزہ مدت کے دوران 23.39 لنکن روپے خسارہ علاوہ ٹیکس رپورٹ کیا۔ گذشتہ برس 0.38 لنکن روپے خسارہ فی حصص کے مقابلہ میں رواں برس 1.34 لنکن روپے خسارہ فی حصص ریکارڈ ہوا۔

فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ ("FCIL")

مالیاتی سال 2018ء کے 46.98 ملین روپے نقصان علاوہ ٹیکس کے مقابلہ میں مالیاتی سال 2019ء کے دوران کمپنی نے 48.62 ملین روپے نقصان علاوہ ٹیکس درج کیا۔ گذشتہ برس کی اسی مدت میں 2.24 روپے فی حصص خسارہ علاوہ ٹیکس کے مقابلہ میں زیر جائزہ مدت کے دوران 2.32 ملین روپے خسارہ فی حصص ریکارڈ ہوا۔ کمپنی کی آمدنی میں بھاری کمی ایکویٹی مارکیٹ کی ناقص کارکردگی کی وجہ سے ہے جو مالیاتی سال 2018ء کے دوران 19.11 فی صد کم ہوئی۔

ورلڈ پریس (پرائیویٹ) لمیٹڈ ("WPL")

گذشتہ برس اسی مدت میں 3.2 ملین روپے خسارہ کے مقابلہ میں WPL نے زیر جائزہ مدت کے دوران 1.6 ملین روپے خسارہ علاوہ ٹیکس رپورٹ کیا۔ گذشتہ برس (1.07) روپے فی حصص خسارہ کے مقابلہ میں رواں برس آپریٹنگ خسارہ فی حصص (0.54) روپے ریکارڈ کیا گیا۔

ایورگرین واٹرویلی (پرائیویٹ) لمیٹڈ (''EGWV'')

گذشتہ برس کی اسی مدت میں 394.78 ملین روپے آمدنی کے مقابلہ میں EGWV نے زیر جائزہ مدت کے دوران 216.17 ملین روپے خالص آمدنی رپورٹ کی۔ گذشتہ برس 7.18 روپے فی حصص آمدنی کے مقابلہ میں زیر جائزہ مدت کے دوران کمپنی نے 42.26 روپے خسارہ فی حصص درج کیا۔

فرسٹ کنسٹرکشن لمیٹڈ

فرسٹ کنسٹرکشن لمیٹڈ 19 اگست 2014ء کو قائم ہوئی اور تا حال اپنے کمرشل آپریشنز کا آغاز نہیں ہوسکا۔

FCSC انتظامیہ کی اہلیت اور عزم پر مجھے مکمل اعتماد ہے کیونکہ انہوں نے گروپ کو ترقی اور نمو کے راستے پر گامزن کر دیا ہے۔

برائے/منجانب بورڈ

لاہور		**آمنہ تاثیر**
04 اکتوبر 2019ء	ڈائریکٹر	چیف ایگزیکٹو آفیسر/ ڈائریکٹر

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Non-current assets			
Property, plant and equipment	6	**270,274,885**	273,990,367
Intangible assets	7	**2,562,503**	2,812,511
Investment properties	8	**3,167,339,144**	2,890,575,782
Investments accounted for using the equity method	9	**500,799,831**	476,163,258
Long term investments	10	**14,058,889**	23,165,822
Long term deposits and advances - considered good	11	**12,692,602**	136,911,466
		3,967,727,854	3,803,619,206
Current assets			
Stock in trade		**1,077,093**	36,779,100
Trade debts	13	**380,137,747**	658,391,617
Loans, advances and other receivables	14	**770,961,191**	364,008,230
Prepayments		**1,027,296**	1,001,725
Interest accrued		**32,296**	75,648
Deposits and other receivables	15	**-**	19,222,801
Short term investments	16	**314,697,240**	305,975,202
Tax refund due from Government	17	**-**	10,635,246
Cash and bank balances	18	**61,391,700**	154,350,251
		1,529,324,563	1,550,439,820
Assets held for sale	7	**-**	2,500,000
Current liabilities			
Trade and other payables	19	**506,495,836**	1,207,560,429
Short term borrowings	20	**-**	491,125
Current portion of long term loans - secured	21	**2,690,131,432**	31,459,282
Provision for taxation		**2,671,118**	-
		3,199,298,386	1,239,510,836
Net current assets		**(1,669,973,823)**	313,428,984
		2,297,754,031	4,117,048,190
Non-current liabilities			
Deferred tax liability	12	**1,402,020**	988,470
Deferred liabilities	22	**30,171,408**	67,421,984
Long term loans - secured	21	**548,311,117**	2,348,444,690
		579,884,545	2,416,855,144
Contingencies and commitments	23		
		1,717,869,486	1,700,193,046
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital:			
320,000,000 (2018: 320,000,000) ordinary shares of Rs 10 each		3,200,000,000	3,200,000,000
Issued, subscribed and paid-up share capital	24	**3,166,101,120**	3,166,101,120
Exchange translation reserve		**53,446,569**	30,701,293
Reserves capitalised		**480,054,923**	480,054,923
Retained earnings		**(2,253,540,695)**	(2,259,828,819)
Equity attributable to owners of the Parent Company		**1,446,061,917**	1,417,028,517
Non-controlling interests (NCI)		**271,807,569**	283,164,529
		1,717,869,486	1,700,193,046

The annexed notes 1 to 43 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, 2019

	Note	2019 Rupees	2018 Rupees
CONTINUED OPERATIONS			
Operating revenue	25	**261,830,966**	405,333,950
Direct costs	26	**(181,164,461)**	(359,751,556)
Gross profit		**80,666,505**	45,582,394
Unrealized gain on re-measurement of 'investments at fair value through profit or loss'	16.2	**(62,953,686)**	(60,006,366)
(Loss)/gain on investment properties		**300,623,792**	(150,123,186)
Operating and administrative expenses	27	**(168,495,467)**	(188,551,563)
Operating profit/(loss)		**149,841,144**	(353,098,721)
Other income	28	**110,807,599**	534,166,636
Finance costs	29	**(258,372,486)**	(27,195,838)
		(147,564,887)	506,970,798
Share of profit//(loss) from investments accounted for using the equity method - net of tax	9.1	**(35,258,395)**	(17,780,114)
Impairment on investment in associates	9	**(6,528,524)**	-
Profit/(Loss) before taxation		**(39,510,662)**	136,091,963
Taxation	30	**(336,357)**	(3,602,333)
Profit/(Loss)after taxation		**(39,847,019)**	132,489,630
DISCONTINUED OPERATION			
Loss after taxation from discontinued operation	31	**(56,852,723)**	(239,613,165)
Loss after taxation for the year		**(96,699,742)**	(107,123,535)
Basic and diluted earning/(loss) per share-- from continued operation	32	**(0.06)**	0.20
Basic and diluted loss per share-- from discontinued operation	32	**(0.13)**	(0.55)
Profit/(loss) attributable to:			
- Owners of the Parent Company from continuing operation		**(62,029,026)**	(110,719,646)
- Non-controlling interests		**(34,670,716)**	3,596,111
Profit/(loss) for the year		**(96,699,742)**	(107,123,535)

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	**2019 Rupees**	2018 Rupees
Loss after taxation		**(96,699,742)**	(107,123,535)
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to profit and loss:			
Remeasurement of defined benefit plan - net of tax	**22.3**	**3,853,354**	7,192,984
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of investments accounted for using the equity method - net of tax	**9.2**	**64,828,938**	39,311
Gain on sale of available for sale asset reclassified to profit or loss available for sale		**-**	(5,876,625)
Unrealized gain / (loss) on remeasurement of investment available for sale		**-**	(9,529,365)
Exchange differences on translation of foreign operations recognised as:			
- Exchange translation reserve		**22,745,276**	12,710,925
- Non-controlling interests		**21,853,305**	12,212,458
Other comprehensive (loss)/income for the year		**44,598,581**	24,923,383
Total comprehensive income/(loss) for the year		**16,581,131**	(90,373,847)
Total comprehensive income/(loss) attributable to :			
- Owners of the Parent Company from continuing operation		**27,938,091**	(104,231,400)
- Non-controlling interests		**(11,356,960)**	13,857,553
		16,581,131	(90,373,847)

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Attributable to owners of the Parent Company						
	Capital Reserve			Revenue Reserve			
	Share capital	Exchange translation reserve	Reserve capitalised	Retained earnings	Total	Non-controlling interests	Total equity
	Rupees						
Balance at 01 July 2017	3,166,101,120	17,990,368	480,054,923	(2,143,982,701)	1,520,163,710	269,306,976	1,789,470,686
Total comprehensive loss for the year							
Loss for the year				(110,719,646)	(110,719,646)	3,596,111	(107,123,535)
Other comprehensive income / (loss)		12,710,925		(6,222,679)	6,488,246	10,261,442	16,749,688
Share of reserve on incremental depreciation - net of tax from associate				1,096,207	1,096,207		1,096,207
Total comprehensive income / (loss) for the year	-	12,710,925	-	(115,846,118)	(103,135,193)	13,857,553	(89,277,640)
Balance at 30 June 2018	**3,166,101,120**	**30,701,293**	**480,054,923**	**(2,259,828,819)**	**1,417,028,517**	**283,164,529**	**1,700,193,046**
Total comprehensive income / (loss) for the year							
Loss for the year				(62,029,026)	(62,029,026)	(34,670,716)	(96,699,742)
Other comprehensive income		22,745,276		67,221,841	89,967,117	23,313,756	113,280,873
Share of reserve on incremental depreciation - net of tax from associate				1,095,309	1,095,309		1,095,309
Total comprehensive (loss)/income for the year	**-**	**22,745,276**	**-**	**6,288,124**	**29,033,400**	**(11,356,960)**	**17,676,440**
Balance at 30 June 2019	**3,166,101,120**	**53,446,569**	**480,054,923**	**(2,253,540,695)**	**29,033,400**	**271,807,569**	**1,717,869,486**

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	**2019 Rupees**	2018 Rupees
Cash flows from operating activities			
Cash generated from operations	34	**(865,409,212)**	1,205,449,155
Retirement benefits paid - net		**(6,230,205)**	(926,294)
Finance costs paid		**(3,815,197)**	(1,848,974)
Taxes paid		**(4,779,523)**	7,202,918
Net cash generated from operating activities		**(880,234,137)**	1,209,876,805
Cash flows from investing activities			
Fixed capital expenditure		**(721,117)**	(5,160,473)
Proceeds from sale of property, plant and equipment		**31,407,002**	80,006,016
Payment/receipts from investments - net		**70,997,139**	(1,245,236,109)
Proceeds from sale of intangible assets		**-**	12,875,000
Dividend received		**253,620**	4,880,942
Long term deposits		**(3,236,600)**	32,652,221
Interest received		**23,967,217**	30,876,502
Net cash used in from investing activities		**122,667,261**	(1,089,105,901)
Cash flows from financing activities			
Receipt/(payment) of loan--net		**664,608,325**	(90,936,933)
Net cash generated from/(used in) financing activities		**664,608,325**	(90,936,933)
Net increase/(decrease) in cash and cash equivalents		(92,958,551)	29,833,971
Cash and cash equivalents at the beginning of the year		**154,350,251**	124,516,280
Cash and cash equivalents at the end of the year	18	61,391,700	154,350,251

The annexed notes 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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, Ozer Investments Limited and World Press (Private) 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 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:

Head Office	**Corporate Office**
2nd Floor Pace Shopping Mall,	4th Floor, Block B,C,D Lakson Square
Fortress Stadium Lahore Cant, Lahore.	Building No,01 Sarwar Shaheed Road
	Karachi

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. 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 2nd floor Pace Shopping mall, Fortress Stadium 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. 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. 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 activities of the Company include share brokerage and conducting / publishing business research. The Holding Company has 73.23% ownership in First Capital Equities Limited. Geographical locations and addresses of all business units are as under:

Head Office	**Corporate Office**
2nd Floor, Pace Shopping Mall,	4th Floor, Block B,C,D Lakson Square
Fortress Stadium, Lahore Cantt,	Building No,01 Sarwar Shaheed Road
Lahore.	Karachi

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 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.

1.7 First Construction Limited (the Subsidiary Company) was incorporated on August 15, 2014 as Public Limited Company under the repealed Companies Ordinance, 1984. The principal activity of the Company is to undertake construction, development and related activities. The registered office of the Company is situated at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, 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. 228/1, 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.

1.10 World Press (Private) Limited (WPPL) was incorporated in Pakistan on September 11, 2003 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore and its principal place of business is at 113/13 Quaid-e-Azam Industrial estate Kot Lakhpat Lahore. The principal activity of the company is to carry on the business of printers, publishers, packaging, advertisement and specialized directory business, stationers and dealers in all allied products and paper, board and packing materials for industrial and commercial packing. The Holding Company has 65% ownership in World Press (Private) Limited.

1.11 Detail of Group's equity accounted investee is given in note 9 to these consolidated financial statements.

2 Going concern assumption

2.1 During the year Parent Company incurred loss amounting Rs. 424 Million after tax, moreover the accumulated losses of the company stand at Rs. 1,028.9 Million as at June 30, 2019 (2018: 1,119 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 1,784 Million. Parent company failed to fulfil its obligation under diminishing musharka agreement which led to classification of loan liability as current liability.

Owing to the factors mentioned above the Parent 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. Management is confident that the loan facility will be settled by the sale of mortgaged investment property and the Company will not face any cash flow deficit.

Based on above mentioned assumption of the management financial statements of the Parent Company have been prepared on the going concern basis. The financial statements consequently, donot include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Parent Company be unable to continue as going concern.

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

The management of the FCEL is continuously is in process of negotiating its loan facilities with Banks and as a result of this Company settled its liability against loan form MCB Bank Limited & Soneri Bank Limited as mentioned in note 21. Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause significant doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. The management of the Company is confident that with change in Principal activity and overall expertise of group in real estate sector will have positive impact on the financial performance of the company. Moreover, management is confident that the remaining loan payable to UBL will be settled by sale of properties.

Resultantly, financial statements of FCEL are prepared on going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the FCEL be unable to continue as going concern.

2.3 The financial statements of the Falcon Commodities (Private) Limited (the subsidiary company) have been prepared on non-going concern basis due to the following reasons:

- The Company has generated no revenue during the year (2018: Rs. Nil) against administrative expenses of Rs. 58,550 (Rs. 1,371,714). 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, 2019 is less than the minimum net worth requirement of Rs. 10 million and net capital balance requirement of Rs. 2.5 million.
- As at June 30, 2019 the outstanding balance of trade creditors stands at Rs. 372,147 whereas bank balance in client account is Rs. Nil.

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. However, the management of the Company has no intention to liquidate the Company.

2.4 During the year World Press (Private) Limited a subsidiary company has incurred an after tax loss of Rs. 1,794,052 (2018: Rs. 3,221,817), the accumulated losses of the company stands at Rs. 22.4 million (2018: Rs. 20.6 Million). Moreover, the reserves of the Company have been significantly depleted. The Company is also facing difficulties in earning revenue. These conditions raise significant doubts on the Company's ability to continue as a going concern. 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 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 and generation of revenue. For this purpose the management of the Company drawn up plans for :

- Hiring a professional workforce to run the company.
- Negotiating printing contracts with various clients and reviving the business relationships.

Owing to these factors, the financial statements of the subsidiary company are prepared on going concern basis.

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 2019 and the audited financial statements of the subsidiary companies for the year ended June 30, 2019 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.

3.2 Initial application of new standards, interpretations or amendments 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:

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

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

The other new standards, amendments/improvements to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2018 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

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

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

IFRIC 23 'Uncertainty' over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Group's financial statements

Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Group's financial statements.

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a group now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Group's financial statements.

Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

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

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 certain 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 and equipment	Note 5.3
b)	Impairment	Note 5.8
c)	Valuation of investment properties	Note 5.10
d)	Provisions	Note 5.19
e)	Staff retirement benefits	Note 5.22
f)	Provision for taxation	Note 5.24

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. They are deconsolidated from the date that control ceases.

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 subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interests in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognized amounts of acquiree’s identifiable net assets.

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 financer 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 recognise 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised 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. Unrealised 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.

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 Changes in significant accounting policies

5.2.1 IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On July 1, 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost'). The changes laid down by IFRS 9 do not have any significant impact on these consolidated financial statements of the Group.

5.2.2 IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: lAS 18 Revenue, lAS 11 Construction Contracts, and the related interpretations on revenue recognition. The changes laid down by IFRS 15 do not have any significant impact on these consolidated financial statements of the Group.

Further, related changes to the accounting policies have been made in these consolidated financial statements.

5.3 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 innote 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 2019 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.

5.4 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.

5.5 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.

5.6 Leases

5.6.1 Finance leases

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment.

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

Assets acquired under a finance lease are depreciated over the estimated useful life of the assets on straight line method at the rates mentioned in note 6.1. Depreciation on leased assets is charged to the profit or loss.

Depreciation methods, residual values and the useful lives of the assets are reviewed at least at each financial year-end and adjusted if impact of depreciation is significant.

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

5.6.2 Operating leases

Leases including Ijarah financing where a significant proportion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating lease (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease/Ijarah term unless another systematic basis is representative of the time pattern of the Group's benefit.

5.7 Intangible assets

5.7.1 Trading Right Entitlement Certificate (TREC)

These are stated at closest estimate of fair value. Provision is made for decline in value other than temporary, if any.

5.7.2 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.

5.8 Impairment

Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering 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 recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Non-Financial Assets

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

5.9 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.

5.10 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 profit or loss. Rental income from investment properties is accounted for as described in note 5.23.

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.

5.11 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 amortised cost.

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

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 recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

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

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

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

iii). Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent.
The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

5.12 Trade debts

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

5.13 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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.

5.20 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.

5.21 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.

5.22 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 subsidaries where effect of acturial 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.

Accumulating compensated absences

Employees and executives of the Parent Company are entitled to take earned leave of 20 and 40 days every year respectively.

The un-utilized earned leaves of employees and executives can be accumulated up to a maximum of 40 days and 60 days respectively and unearned leaves cannot be carried forward.

Provisions are made annually to cover the obligation for accumulating compensated absences by the management.

5.23 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 customers.

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 recognised 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 recognises 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 under construction, the Group's performance for contracts creates an asset that the customer controls as the asset is created and its performance does not create an asset with alternative use to the Group and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Accordingly, revenue for these contracts is recognised over time.
The Group measures it's progress towards satisfaction of performance obligation using an input method by reference to the cost incurred relative to the total expected inputs to the completion of the properties. The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation.
Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

5.24 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.

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.

5.25 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.

5.26 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.

5.27 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.

	Note	**2019** **Rupees**	2018 Rupees
6 Property, plant and equipment			
Operating fixed assets	6.1	**15,044,779**	55,630,261
Capital work-in-progress	6.2	**255,230,106**	218,360,106
		270,274,885	273,990,367

6.1 Operating fixed assets

	Owned assets									Leased assets					
	Freehold building	**Construction equipment**	**Leasehold improvements**	**Plant and machinery**	**Computers**	**Office equipment**	**Furniture and fixture**	**Vehicles**	**Subtotal**	**Leasehold building**	**Plant and machinery**	**Office equipment**	**Vehicles**	**Subtotal**	**Total**
	---							**Rupees**	---						
Cost															
Balance at 01 July 2018	53,392,605	886,088	19,440,278	313,173,345	36,821,596	29,534,576	19,107,942	48,940,422	521,296,852	46,832,576	6,357,639	15,510	7,878,745	61,084,470	582,381,322
Additions during the year	-	-	-	-	736,855	430,064	7,753,453	9,438,824	18,359,196	-	-	-	-	-	18,359,196
Disposals during the year	(32,600,600)	-	(18,969,963)	(204,068,685)	(3,381,433)	(6,565,083)	-	-	(265,585,764)	(41,149,376)	(6,357,639)	(15,510)	(7,878,745)	(55,401,270)	(320,987,034)
Exchange differences					1,881,520	321,220	1,257,807	1,262,378	4,722,925	-	-	-	-	-	4,722,925
Balance at 30 June 2018	20,792,005	886,088	470,315	109,104,660	36,058,538	23,720,777	28,119,202	59,641,624	278,793,209	5,683,200	-	-	-	5,683,200	284,476,409
Balance at 01 July 2018	**20,792,005**	**886,088**	**470,315**	**109,104,660**	**36,058,538**	**23,720,777**	**28,119,202**	**59,641,624**	**278,793,209**	**5,683,200**	**-**	**-**	**-**	**5,683,200**	**284,476,409**
Additions during the year	**-**	**-**	**-**	**-**	**191,392**	**522,093**	**7,632**	**-**	**721,117**	**-**	**-**	**-**	**-**	**-**	**721,117**
Disposals during the year	**(20,792,005)**	**-**	**-**	**-**	(1,037,170)	**(1,361,627)**	**(1,137,513)**	**(13,090,685)**	**(37,419,000)**	**-**	**-**	**-**	**-**	**-**	**(37,419,000)**
Exchange differences					**3,606,992**	**669,201**	**2,560,174**	**2,423,927**	**9,260,294**						**9,260,294**
Balance at 30 June 2019	**-**	**886,088**	**470,315**	**109,104,660**	**38,819,752**	**23,550,444**	**29,549,495**	**48,974,866**	**251,355,620**	**5,683,200**	**-**	**-**	**-**	**5,683,200**	**257,038,820**
Accumulated depreciation															
Balance at 01 July 2018	16,629,034	886,088	18,702,913	272,644,299	36,143,779	29,534,576	19,107,942	40,753,227	434,401,858	17,915,201	6,357,639	15,510	7,878,745	32,167,095	466,568,953
Depreciation for the year	1,551,530	-	-	19,034,100	681,776	813,934	1,137,963	1,626,230	24,845,533	1,555,347				1,555,347	26,400,880
Depreciation on disposals	(16,117,864)	-	(18,232,598)	(206,102,468)	(4,294,611)	(8,546,150)	4,661,544	12,730,876	(235,901,271)	(18,491,548)	(6,357,639)	(15,510)	(7,878,745)	(32,743,442)	(268,644,713)
Exchange differences					1,788,064	305,668	1,164,918	1,262,378	4,521,028					-	4,521,028
Balance at 30 June 2018	2,062,700	886,088	470,315	85,575,931	34,319,008	22,108,028	26,072,367	56,372,711	227,867,148	979,000	-	-	-	979,000	228,846,148
Balance at 01 July 2018	**2,062,700**	**886,088**	**470,315**	**85,575,931**	**34,319,008**	**22,108,028**	**26,072,367**	**56,372,711**	**227,867,148**	**979,000**	**-**	**-**	**-**	**979,000**	**228,846,148**
Depreciation for the year	**173,267**	**-**	**-**	**18,888,987**	**779,010**	**451,768**	**886,022**	**1,526,016**	**22,705,070**	**177,600**	**-**			**177,600**	**22,882,670**
Adjustment/Depreciation on disposals	**(2,235,967)**	**-**	**-**	**-**	**(1,037,170)**	**(1,166,451)**	**(1,048,602)**	**(13,033,597)**	**(18,521,787)**	**-**	**-**	**-**	**-**	**-**	**(18,521,787)**
Exchange differences	**-**	**-**	**-**	**-**	**3,420,455**	**611,111**	**2,331,517**	**2,423,927**	**8,787,010**						
Balance at 30 June 2019	**-**	**886,088**	**470,315**	**104,464,918**	**37,481,303**	**22,004,456**	**28,241,304**	**47,289,057**	**240,837,441**	**1,156,600**	**-**	**-**	**-**	**1,156,600**	**241,994,041**
Carrying value															
As at 30 June 2018	18,729,305	-	-	23,528,729	1,739,530	1,612,749	2,046,835	3,268,913	50,926,061	4,704,200	-	-	-	4,704,200	55,630,261
As at 30 June 2019	**-**	**-**	**-**	**4,639,742**	**1,338,449**	**1,545,988**	**1,308,191**	**1,685,809**	**10,518,179**	**4,526,600**	**-**	**-**	**-**	**4,526,600**	**15,044,779**
Rate of depreciation (%)	5	20	10	7.5 to 20	33 to 50	10 to 12.5	10 to 50	20 to 25		3.125 to 5	20	10	8		

6.1.1 Details of property, plant and equipment disposed off / scrapped having book value each in excess of Rs.5 Million are as follows:

During the year freehold building having book value of Rs. 18,556,038 (Cost 20,792,005 less accumulated deprecation 2,235,967) disposed for Rs. 21,500,000 at gain of Rs. 2,943,962 to Mr. Laal Khan. Mode of disposal is through negotiation. All other assets sold during the year have net book value less than Rs. 5 Million each.

	Note	2019 Rupees	2018 Rupees
6.1.2 Depreciation for the year has been allocated as follows:			
Direct costs	26	**-**	-
Operating and administrative expenses	27	**22,882,670**	30,020,094
		22,882,670	30,020,094
6.2 Capital work-in-progress			
Opening balance		**218,360,106**	198,051,093
Additions during the year		**36,870,000**	25,334,248
Disposals during the year		**-**	(5,025,235)
Closing balance	6.2.1	**255,230,106**	218,360,106

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 229.89 Million (2018: Rs 193.02 Million) and Rs. 25.33 Million (2018: Rs 25.33 Million) respectively. Construction work on these properties is in progress as at 30 June 2019. During the year properties have been purchased from Pace Barka Properties Limited amounting Rs. Nil (2018: Rs. 25,334,248) against the settlement of receivable balance and exchange of 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 (2018: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2018 Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 146 million (2018: Rs. 110 million) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion. However, the Group has complete control and possession of said property.

7 Intangible assets	Note	2019 Rupees	2018 Rupees
Membership cards		**2,500,000**	2,500,000
License rooms	**28.1**	**-**	-
TREC	**7.2**	**-**	2,500,000
Asset management license		**62,503**	312,511
Total	**7.1**	**2,562,503**	5,312,511
Classified as held for sale	**7.2**	**-**	2,500,000

7.1 Movement in the intangible assets is as follows:

Opening balance cost	**5,750,025**	15,750,025
Disposal	**-**	(7,500,000)
Impairment loss charged during the year	**(2,500,000)**	(2,500,000)
Closing balance cost	**3,250,025**	5,750,025
Opening Balance - Accumulated amortization	**437,514**	187,506
Add: Amortization for the year	**250,008**	250,008
Closing Balance - Accumulated amortization	**687,522**	437,514
Closing balance	**2,562,503**	5,312,511

7.2 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX), in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 (The Act). During the year, one of the subsidiary company First Capital Equities Limited decided to seize its brokerage operation due to which TREC is classified as held for sale as a result value of TREC is measured at lower of carrying value and fair value less cost to sale.

7.3 All the amortization on intangibles has been charged to profit or loss.

7.4 Group has no internally generated intangible assets.

8 Investment properties	Note	2019 Rupees	2018 Rupees
Opening balance		**2,890,575,782**	1,765,542,000
Acquisition during the year		**846,091,352**	2,837,500,706
Disposal during the year	**8.4 & 8.8**	**(869,951,782)**	(1,562,343,738)
Fair value adjustment		**300,623,792**	(150,123,186)
Closing balance	**8.1& 8.2**	**3,167,339,144**	2,890,575,782

8.1 Investment properties comprises of following:

- Property situated at 5th Floor of Pace Mall Model town Link Road Lahore measuring 11,354 sqft. amounting to Rs. Nil (June 30 2018: Rs. 113.5 Million) situated in revenue limits of Lahore Development Authority (LDA), Tehsil Model Town, District Lahore purchased from Pace Pakistan Limited - related party.

- Property situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi measuring 70,667 sqft (2018; Nil) amounting to Rs. 421.49 Million (June 30 2018: Nil), title of this property is in name of Capital Heights (Private) Limited which will be transferred on completion of construction work although group have complete control and possession of property.

- Property comprises various shops / counters in shopping malls situated at Gujranwala and Gujrat. Properties having value of Rs. 832 Million (2018: 1,277 Million) having area of 28,472 sqft (2018: 49,735 sqft).

- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2018: 87444 sqft) and market value of Rs. 1,800 Million (2018: Rs. 1,501 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.

8.2 These includes properties amounting to Rs. 824.7 Million (2018: Rs. 1,269.4 Million) that are under mortgage by banks against the borrowings. In addition to above investment property amounting Rs. 1,800 Million (2018: Rs. 1,501) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

8.3 The direct expense relating to investment properties were Rs. 115,000 (2018: Rs. 70,000)

8.4 The fair value of subject investment property is based on valuation that was carried out by M/s. Negotiator, independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2019.

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 2019.

	Fair value measurements at 30 June 2019 using significant other observable inputs (Level 2)
Recurring fair value measurements	**Rupees**
Investment properties	**3,167,339,144**
	3,167,339,144

The following table presents the Group's investment properties that are measured at fair value at 30 June 2018.

	Fair value measurements at 30 June 2018 using significant other observable inputs (Level 2)
	Rupees
Recurring fair value measurements	
Investment properties	2,890,575,782
	2,890,575,782

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

Valuation techniques used to derive level 2 fair values:

Level 2 fair value of investment properties 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 2018 Rupees	Area Sq. Ft	June 2018 Rupees
Various shops,	Grand Trunk Road, Pace Gujrat, Gujrat	26912	720,625,500	47958	1,116,528,750
Various Shops	'Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1560	28,446,390	1777	31,793,654
Plot-D	Near Rangers Headquarters Lahore Cantt	87444	1,620,005,033	87444	1,351,009,800
5th Floor	Pace Mall Model town Link Road Lahore	11354	102,186,090	15354	102,186,000
Various apartments	Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad	70667	379,342,217	-	-
		197937	**2,850,605,230**	**152533**	**2,601,518,204**

8.7 Details of investment property disposed off having book value each in excess of Rs.5 Million are as follows:

Location	Revalued Amount	Book Value	Sale price	Gain / (Loss)	Mode of disposal	Particulars of the purchasers
	Rupees					
Lahore	424,600,000	424,600,000	424,600,000	-	Negotiation	Pace Pakistan Limited--Related party
Gujranwala	5,459,282	5,459,282	5,459,282	-	Negotiation	Soneri Bank Limited
Gujrat	439,892,500	439,892,500	439,892,500	-	Negotiation	Worldcall Mobile (Pvt.) Limited
Total	**869,951,782**	**869,951,782**	**869,951,782**	**-**		

9 Investment accounted for using the equity method

	Note	2018 Rupees	2018 Rupees
First Capital Mutual Fund Limited (FCMF)-Quoted			
5,035,462 (2018: 5,035,462) ordinary units of Rs 10 each			
Equity held 32% (2018: 46%)		**51,812,984**	125,950,629
Share of profit/(Loss) - net of tax	9.1	**(13,914,533)**	(24,094,239)
Less: Impairment loss on associate investment		**(6,528,524)**	-
Less: Disposal of Units		**-**	(46,533,849)
Less : Dividend received		**-**	(3,509,557)
		31,369,927	51,812,984
Media Times Limited-Quoted			
59,592,270 (2018:59,157,770) ordinary shares of Rs 10 each		**-**	13,068,815
Equity held: 33.32% (2018:33.08%)		**-**	-
Investment during the year		**499,245**	
Share of loss for the year - net of tax	9.1	**(499,245)**	(13,068,815)
Share of other comprehensive (loss)/income for the year		**-**	-
		-	-

These includes 13,893,000 shares (2018: 13,893,000 shares) out of total shares that are pledged with various commercial banks.

	Note	2018 Rupees	2018 Rupees
Pace Super Mall (Private) Limited-Unquoted			
11,250 (2018: 11,250) ordinary shares of Rs 10 each			
Equity held: 0.07% (2018: 0.07%)		**112,500**	112,500
		112,500	112,500
Pace Barka Properties Limited-Unquoted			
54,790,561 (2018: 54,790,561) ordinary shares of Rs 10			
Equity held: 17.95% (2018: 17.95%)		**424,237,774**	416,788,131
Share of (loss)/ profit for the year - net of tax	9.1	**(20,844,617)**	6,314,125
Share of other comprehensive (loss)/income for the year	9.2	**64,828,938**	39,311
Share of other reserves for the year	9.3	**1,095,309**	1,096,207
		469,317,404	424,237,774
Total investments accounted for using equity method		**500,799,831**	476,163,258

	Note	2018 Rupees	2018 Rupees
9.1 Share of (loss)/profit of associates.			
First Capital Mutual Fund Limited		**(13,914,533)**	(24,094,239)
Media Times Limited		**(499,245)**	-
Pace Barka Properties Limited		**(20,844,617)**	6,314,125
		(35,258,395)	(17,780,114)

9.2 Share of other comprehensive (loss)/income from associates

Pace Barka Properties Limited	**64,828,938**	39,311
	64,828,938	39,311

9.3 Share of other comprehensive (loss)/income from associates

Pace Barka Properties Limited	**1,095,309**	1,098,540
	1,095,309	1,098,540

9.4 Refer note 40.3 for summarized financial information for associates accounted for using equity method

	Note	2018 Rupees	2018 Rupees
10 Long term investments			
Pakistan Stock Exchange Limited	10.1	**14,058,889**	23,165,822

10.1 Movement of long term Investments

		2019	2018	2019	2018
		Number of shares		Rupees	
Opening balance		**1,172,953**	1,602,953	**23,165,822**	41,163,833
Addition		**-**	-	**-**	-
Deletion		**(91,500)**	(430,000)	**(1,807,125)**	(11,042,400)
Closing		**1,081,453**	1,172,953	**21,358,697**	30,121,433
Remeasurement of carrying value of shares	10.2	**1,081,453**	1,172,953	**14,058,889**	23,165,822
Unrealized (loss)/gain charged to P&L/OCI				**(7,299,808)**	**(6,955,611)**
Sale proceeds from the disposal				**(1,478,600)**	2,592,020
Carrying value of shares sold during the year				**(1,807,125)**	(8,468,645)
Capital gain realized				**328,525**	5,876,625

10.2 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received in accordance with requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX. Afterwards during 2018, PSX concluded bidding process for its equity stake where share price of Rs. 28 per share was offered by successful bidder. PSX sold these 60% (40% to the successful bidder & 20% to general public) shares of the company, held in separate blocked account in CDC at this price and sale proceeds were transferred in the designated bank account of the Group. Currently, 1,081,194 shares having value of Rs. 14 Million are still held in block account.

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

	Note	2018 Rupees	2018 Rupees
11 Long term deposits and advances - considered good			
Security deposits with:			
- Central Depository Company (CDC)		**100,000**	200,000
- License fee with SECP		**-**	1,500,025
- National Clearing Company Pakistan Limited (NCCPL)		**-**	1,000,000
- Others	11.1	**352,300**	125,776,300
- Fix Deposit in Colombo stock exchange		**3,228,069**	2,659,508
- Retention money	11.2	**9,012,233**	5,775,633
		12,692,602	136,911,466

11.1 This includes advance against purchase of property located at 133 Shadman II Lahore measuring 4 Kannal & 15 Marla, to Pace Barka Properties Limited a related party amounting Rs Nil (2018: Rs. 125 Million). Maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 125 Million (2018: Rs. 125 Million).

11.2 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. 9.02 Million (2018: 29.26 Million).

12 Deferred tax

	Note	2018 Rupees	2018 Rupees
This comprises of the following:			
Deferred tax liability in respect of tax depreciation		**90,256**	-
Deferred tax liability in respect of gratuity		**1,311,764**	988,470
Defer tax liability	12.2	**1,402,020**	988,470

12.1 The Group has a unrecognized deferred tax asset amounting to Rs. 563.4 Million (2018: Rs. 383.9 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 recognise this defer tax asset in consolidated financial statement.

12.2 This represents deferred tax liability relating to Lanka Securities (Private) Limited subsidiary Company. The same falls under the regulation of different tax authority. Deferred tax liability recognized in separate financial statements of the Parent is reversed due to elimination of unrealized gain on investments in consolidated financial statements.

12.3 Increase in deferred tax liability is due to Derecognition of deferred tax asset by one subsidiary and origination of taxable temporary differences.

13 Trade debts

	Note	2018 Rupees	2018 Rupees
Money market receivables:			
Unsecured - considered good		**1,528,578**	1,964,909
Receivables against purchase of shares by clients:			
Unsecured - considered good		**252,741,664**	275,614,836
Unsecured - considered doubtful		**194,991,316**	169,000,000
		447,732,980	444,614,836
Receivable against professional services rendered :			
Related Parties - unsecured, considered good	13.1	**21,945,577**	16,051,568
Others:			
Unsecured - considered good		**103,921,928**	364,760,304
Unsecured - considered doubtful		**523,093**	318,095
		104,445,021	365,078,399
		575,652,156	827,709,712
Less: provision for doubtful debts	13.2	**(195,514,409)**	(169,318,095)
		380,137,747	658,391,617

13.1 This includes asset management fee amounting to Rs 4,109,733 (2018: Rs. 3,917,738) receivable from First Capital Mutual Fund, an associated company. This also includes receivable from Media Times Limited, an associated amounting to Rs 12,133,829 (2018 : Rs 12,133,829). This also includes receivable from Pace Barka Properties Limited, an associated amounting to Rs 5,702,014 (2018 : Rs. Nil). Maximum aggregate balance is same as closing.

13.2 Provision for doubtful debts

	Note	2018 Rupees	2018 Rupees
Opening balance		**169,318,095**	92,625,977
Charge for the year	27	**26,923,590**	171,768,494
Bad debts written off		**(727,276)**	(95,076,376)
Closing balance		**195,514,409**	169,318,095

13.3 During the year the board of directors of the subsidiaries First Capital Equities Limited and Lanka Securities (Pvt.) Ltd. charged provision against the receivable balances of debtors which are considered doubtful amounting Rs. 25.9 Million (2018: Rs. 169 Million) and Rs. 0.9 Million (2018: Rs. 2.7 Million) respectively. No provision is charged for balances against which legal cases for recovery are filed.

	Note	2018 Rupees	2018 Rupees
14 Loans, advances and other receivables			
Considered good			
Advances to employees:			
- Executives	14.1	**370,871**	325,405
- Others		**6,871,882**	6,826,199
		7,242,753	7,151,604
Unsecured - considered good			
Due from associated companies	14.2	**17,308,618**	1,578,417
Stock exchanges	14.3	**4,843,935**	6,130,454
Advance against purchase of property	23.2	**-**	106,565,000
Advance to supplier	14.4	**181,778,364**	156,364,253
Receivable against sale of investment property	14.5	**549,045,729**	70,756,000
Other		**10,741,792**	15,462,502
		770,961,191	364,008,230

14.1 This doses not include any loan , advance given to Chief executive or Directors.

14.2 This include receivable from Media Time Limited given as advance in the normal course of business amounting Rs 1,700,080 (2018: Rs 1,300,980). This includes receivable from First Capital Mutual Fund amounting Rs. 121,649 (2018: Rs. Rs. 277,437) against dividend and expense sharing. No collateral is available against this and the maximum aggregate on month end during the year is Rs. 1,700,080 (2018: Rs. 380,980) and Rs. 277,437 (2018: Rs. 188,017) of Media Times Limited and First Capital Mutual Fund respectively. This includes Rs. 15.48 Million (2018: Rs. Nil) receivable from Pace Barka Properties Limited against construction contract and maximum aggregate is also same.

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

14.4 This includes amount due with respect to HVAC works and with respect to purchase of vertical transportation system at Pace Circle Project. The advance includes partial payment in kind through transfer of properties.

14.5 This includes receivable against sale of investment property amounting Rs. 332.27 Million (2018: Rs. Nil) from Worldcall Mobile (Pvt.) Limited. Group retains title of the property transferred as collateral against receivable balance. This also includes Rs. 213.5 Million (2018: Rs. Nil) receivable from Pace Barka Properties Limited -- Related party against sale of investment property no collateral is available against this and maximum aggregate balance during the year is Rs. 213.5 Million (2018: Rs. Nil) calculated on month end basis.

	Note	2018 Rupees	2018 Rupees
15 Deposits and other receivables			
Accrued brokerage commission		**-**	124,801
Rent receivable		**-**	403,000
Others receivables	15.1	**-**	18,695,000
		-	19,222,801

15.1 This includes Rs. Nil (2018: Rs. 18,695,000) receivable from Wireless n Cable (Pt.) Ltd. against sale of capital work in progress.

	Note	2019 Rupees	2018 Rupees
16 Short term investments			
Term deposits	16.1	**244,428,356**	224,683,090
Investments at fair value through profit or loss	16.2	**70,268,884**	81,292,112
		314,697,240	305,975,202

16.1 This represents investment in fixed deposits and repo with Bank of Ceylon related party. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 244.4 Million (2018: 224.4 Million).

	Note	2019 Rupees	2018 Rupees
16.2 Investments at fair value through profit or loss			
Carrying value at 30 June:			
- Related parties	16.2.1	**110,611,739**	118,130,111
- Others	16.2.2	**15,311,023**	23,168,367
		125,922,762	141,298,478
Unrealized (loss)/gain on remeasurement of investments during the year		**(62,953,686)**	(60,006,366)
		62,969,076	**81,292,112**
Fair value of investments at fair value through profit or loss at 30 June comprises of:			
- Related parties	16.2.1	**62,876,746**	66,004,664
- Others	16.2.2	**7,392,138**	15,287,448
		70,268,884	81,292,112

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

	Note	Shares/Units		Carrying value		Fair value		Percentage holding	
		2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
		----Number----		----Rupees----		----Rupees----		**%**	%
Real estate investment and services									
Pace (Pakistan) Limited - associated company		14,638,176	14,245,176	**49,561,538**	94,156,730	**21,664,500**	48,291,147	**5.25%**	5.11%
Mutual funds									
First Capital Mutual Fund Limited - associate		6,615,340	1,912,344	**61,050,201**	23,973,381	**41,212,246**	17,713,517	**42.31%**	17.42%
				110,611,739	118,130,111	**62,876,746**	66,004,664		

16.2.2 Investments at fair value through profit and loss - others

	Note	Shares		Carrying value		Fair value	
		2019	2018	**2019**	2018	**2019**	2018
	Note	----Number----		----Rupees----		----Rupees----	
Insurance							
Shaheen Insurance Company Limited		**849,329**	849,329	**4,331,578**	5,359,267	**3,142,517**	4,331,578
PICIC Insurance Limited		**32,000**	32,000	**70,400**	112,000	**36,800**	70,400
Investment Banks							
Arif Habib Limited		**120**	100	**6,100**	8,041	**3,796**	6,100
Cement							
Pioneer Cement Limited		**11,000**	11,000	**515,460**	1,430,000	**249,150**	515,460
D.G Khan Cement Limited		**-**	500	**-**	77,383	**-**	57,245
Service Industry							
Pakistan Service Industry		**80**	-	**80,820**	-	**81,600**	-
Telecommunication							
Worldcall Telecom Limited	16.2.4	**5,138,707**	5,138,707	**9,917,705**	15,650,936	**3,597,095**	9,917,705
Pakistan Telecommunication Limited		**34,000**	34,000	**388,960**	530,740	**281,180**	388,960
	16.2.3			**15,311,023**	23,168,367	**7,392,138**	15,287,448

16.2.3 Shares having carrying amount of Rs. 45,840,496/- (2018: Rs. 86,758,587/-) and market value of Rs. 22,037,629/- (2018: 46,080,674/-) are pledged as security with commercial banks against loan.

16.2.4 This includes 4,220,677 (2018: 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 25.1.2

16.2.5 During the year Group sold investments having carrying value Rs. 18,538,686 (2018: Rs. 89,315,594) and realised loss of Rs. 289,976 (2018: Rs. 8,654,314).

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

17 Tax refund due from Government

This includes refund claimed filed by the group to the taxation authorities. During the year advance tax amounting Rs. Nil (2018: Rs. 24,238,507) is written off.

	Note	2019 Rupees	2018 Rupees
18 Cash and bank balances			
Cash in hand		**160,184**	564,329
Cash at bank:			
- Current accounts - local and foreign currency	18.1	**3,360,779**	45,033,210
- Saving accounts - local and foreign currency	18.2	**57,870,737**	108,752,712
		61,231,516	153,785,922
		61,391,700	154,350,251

18.1 This includes Sri Lankan Rupees amounting to LKR. 7,276,084 (2018: LKR. 1,611,970).

18.2 The deposit accounts carry mark-up at rates ranging from 2% to 13% (2018: 4% to 8%) per annum.

	Note	2019 Rupees	2018 Rupees
19 Trade and other payables			
Trade creditors	19.1	**342,545,370**	605,649,406
Accrued liabilities	19.2	**79,040,829**	57,705,774
Advances from customers	19.3	**678,760**	678,760
Payable against purchase of property	19.4	**6,681,123**	406,181,523
Sales tax		**89,920**	466,908
Federal excise duty	19.5	**3,786,830**	3,786,830
Security deposit of shopkeepers		**486,660**	486,660
Withholding tax		**25,353,244**	25,229,167
Other liabilities	19.6	**24,863,908**	39,306,609
Due to contract	19.7	**22,969,192**	68,068,792
		506,495,836	1,207,560,429

19.1 Trade creditors include following balances payable in ordinary course of business to associates:

	2018 Rupees	2018 Rupees
Media Times Limited	**-**	71,100
Pace Barka Properties Limited	**123,926,176**	77,871,564
Pace (Pakistan) Limited	**65,386,302**	-
	189,312,478	77,942,664

19.2 This includes payable amounting Rs 132,191(2018: Rs. 132,191) to Pace Pakistan Limited, an associated company against purchase of vehicle by one of the subsidiary of the company and balance amounting Rs 1,215,705 (2018: Rs 1,215,705) to Chief Executive of one of the subsidiary on account of salary and expenses. This also includes Rs. 196,300 (2018: Rs. Nil) to Media Times Limited against advertisement expense.

19.3 This includes Rs. 85,790 (2018: 85,790) payable to Pace Barka Properties Limited against printing advance.

19.4 This includes Rs. 6.68 Million (2018: Rs. 406.1 Million) payable to Pace Pakistan Limited, an associated company against purchase of properties in Pace Fortress Stadium, and Near Ranger headquarters Lahore.

	Note	2019 Rupees	2018 Rupees
19.5 Federal Excise Duty (FED):			
Opening balance			
- Related to asset management	19.4.1	**3,713,207**	3,713,207
- Other		**73,623**	73,623
Provision during the year		**-**	-
Closing balance		**3,786,830**	3,786,830

19.5.1 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.

On 30 June 2016 the Honourable Sindh High Court of Pakistan passed a Judgment that after 18th amendment in Constitution of Pakistan the provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of FED after 1 July 2011 is Ultra Vires to the Constitution of Pakistan. Further, subsequent to the yearend Finance Act 2018 has excluded the asset management companies from levy of FED with effect from 01 July 2016 where provinces have levied their respective provincial sales tax.

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 (2018: 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.

19.6 This includes Rs 16,351,751 (2018: Rs 11,685,362) payable by Parent Company in respect of final settlements of employees who have left the company.

This also includes amount Rs. 211,363 (2018: Rs.211,363) payable to First Capital Mutual Fund a fund managed by FCIL a subsidiary company and Rs. 866,190 (2018: Rs. 194,430) to Pace Pakistan Limited.

19.7 This includes payable amounting Rs. Nil (2018: 23.5 Million) and Rs. 22.6 Million (2018: 44.5 Million) to Pace Barka Properties Limited and Pace Pakistan Limited respectively, against construction contracts.

	Note	**2019**	2018
		Rupees	Rupees
20 Short term borrowings			
From banking companies	20.1	**-**	491,125

20.1 This represents overdraft facility obtained by Lanka Securities (Private.) Limited from Bank of Ceylon an associated against a mark-up rate of FED rate+2.5%.

	Note	**2019**	2018
21 Long term loans - secured		**Rupees**	Rupees
Term finance facilities		**3,158,217,101**	2,277,799,054
Deferred notional income	**21.1**	**(2,067,417)**	(42,695,331)
Accrued mark-up classified as long term		**82,292,865**	144,800,249
		3,238,442,549	2,379,903,972
Current portion		**(2,690,131,432)**	(31,459,282)
	21.2	**548,311,117**	2,348,444,690

21.1 This represents the difference between amortization cost and carrying value and restructuring of long term loans. Amortized cost has been determined using effective interest rate upto 12.29% (2018: upto 9.05%) per annum based on the original loan agreements.. Movement is as follows:

	2019	2018
	Rupees	Rupees
Deferred notional income		
Opening balance	**42,695,331**	26,011,163
Incurred during the year	**-**	27,399,232
Amortized during the year	**(40,627,914)**	(10,715,064)
Closing balance	**2,067,417**	42,695,331

21.2 During the year one of the subsidiary First Capital Equities Limited settled loan of MCB Bank Limited and Soneri Bank Limited amounting to Rs. 123.4 Million and Rs. 5.4 Million respectively. The interest accrued on MCB Bank Limited amounting to Rs. 62.5 Million is waived off as per the restructuring agreement.

During the year parent company failed to fulfil its obligation under diminishing musharka agreement and recognized penalty payable till June 30, 2019 on the rental due at the rate of 6 month KIBOR (ask side) plus 5% per annum calculated on daily basis. The parent company was unable to pay the rental due on June 14, 2019 against the use of diminishing musharka asset. Consequences of the default are as follows:
- Bank have a right to issue written notice to FCSCL to terminate the agreement and repossess the diminishing musharka asset;
- Bank can enforce FCSC to fulfil its obligation under purchase agreement of musharka asset and
- Bank have a right to demand accrued & unpaid rent and supplementary rent.

This payable is charged by the way of hypothecation over following assets:

- Diminishing Mushrka Asset
- Current assets of the parent company

22 Staff retirement benefits

Amount recognized in the statement of financial position is as follows:

	Note	**2019 Rupees**	2018 Rupees
Present value of defined benefit obligation	**22.1**	**28,980,859**	66,231,435
Accumulating compensated absences		**1,190,549**	1,190,549
		30,171,408	67,421,984

22.1 Movement in net obligation

	Note	**2019 Rupees**	2018 Rupees
Liability at 01 July		**66,231,435**	61,097,434
Expense charged to profit or loss account	**22.2**	**10,395,833**	13,175,704
Remeasurements charged in other comprehensive income	**22.3**	**(3,853,354)**	(7,192,984)
Benefits payable transferred to short term liability		**(4,675,726)**	(144,873)
Benefits paid during the year		**(39,117,329)**	(703,846)
Liability at 30 June		**28,980,859**	66,231,435

22.2 Charged to profit or loss

	2019 Rupees	2018 Rupees
Current service cost	**9,662,502**	9,794,939
Interest cost	**733,331**	3,380,765
	10,395,833	13,175,704

22.3 Charged to other comprehensive income

	2019 Rupees	2018 Rupees
Changes in financial assumptions	**(585,363)**	223,364
Experience adjustments	**(3,267,991)**	(7,416,348)
	(3,853,354)	(7,192,984)

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 2018. Significant actuarial assumptions are as follows:

		2019	2018
Discount rate	Per annum	**7.75% to 11.5%**	**7.25% to 13.25%**
Discount rate used for year-end obligation	Per annum	**9% to 11.5%**	**6.25% to 12%**
Expected rate of salary increase in future years	Per annum	**8% to 10%**	**6.25%**

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 favorable 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 favor of the Company. SECP had filed an appeal in the Supreme Court of Pakistan against the Judgment of the Honorable Lahore High Court. The Appeal has resulted in remand of the proceedings to the Lahore High Court; by the Honorable Supreme Court vide order dated 29.04.2010. The matter will be re-decided by the Lahore High Court. Honorable 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 favorable 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 Honorable Lahore High Court and is to be heard along with other identical matters. There is likelihood of a favorable decision in favor 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 Honorable 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, 2001-2001,2002-2003, 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 Honorable 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 favorable 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. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.

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. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor.

23.1.7 During the current year, company have failed to fulfill its obligation under diminishing musharka agreement for rental payment. As a consequence Company might be asked for to pay the termination amount (accrued and unpaid rent, supplementary rent), until the date of approval of these financial statements no such notice have been received from Bank. As per management's opinion there is no other adverse consequences on the company except payment of unpaid and accrued rentals which is already classified and current liability. Refer note 21 for detail.

First Capital Equities Limited (the subsidiary company)

23.1.8 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.

23.1.9 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. The Management is confident that company would be able to recover the above stated debt.

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 dishonoured cheque. The Learned Trail Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities ((Pvt.)) Limited to interfere in the order of the Learned Trail Court passed in favor of the Company. Later on the civil suit filed by the Universal Equities (Pvt.) Limited was dismissed by the court. However the company has also filed an application on June 20, 2011 for winding up the Universal Equities (Pvt.) Limited before the honorable Lahore High Court Lahore. Which is pending before the High Court and the company is confident of a favorable decision in the case.

23.1.11 During the year 2010-11, the JS Bank Limited demanded immediate repayment of outstanding liabilities in relation to finance facilities availed by the Company and a Notice u/s 176 of the "Contract Act 1872" was served to the Company by the JS Bank whereby selling of all pledged securities was threatened if the outstanding liability was not discharged. The Company has filed a suit on February 03, 2011 before the Sindh High Court at Karachi under the original banking jurisdiction for recovery of an aggregate amount of Rs. 318,915,192/- on account of actual losses and accrued damages against the JS Bank Limited for charging the exorbitant interest rate and unilaterally changing the margin requirements of the securities pledged with JS Bank Limited and alleged sale of some of pledged securities. The Company has raised strong legal and factual objections in respect to the threatened sale of the pledged securities and has obtained an injunctive order whereby the JS Bank Limited has been restrained from selling the securities pledged by the Company. The mark up portion claimed by the bank is Rs. 82.29 million. The court may also award the cost of fund together with cost of suit, if the case is decided against the company. The legal advisors are confident of success of the case in company's favor.

23.1.12 A case was filed in the Sindh High Court on May 19, 2009 for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. The outstanding balance is against various clients under the agency agreement.

23.1.13 In the year 2014-15, the Company was contesting the case with Askari Bank Limited in the Honourable High Courts of Sindh and Lahore filed on February 04, 2014, in which PLA to defend the cases has been filed by the Company. The Company has also lodged counter claim and claim damages from Askari Bank Limited. During the year Company entered in to a settlement agreement with Askari Bank Limited and Company disposed the counter claim while the Bank agreed to withdraw the original case as per the settlement agreement.

23.1.14 During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Securities Corporation Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the cumulative recovery of Rs. 188.74 Million from First Capital Securities Corporation Limited or alternatively recovery of Rs. 105.78 Million from the Company against reverse repo purchase transaction and insurance premium. The case is pending before the honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.

23.1.15 During the year 2016-17, Soneri Bank Limited has filed suit against the company on May 27, 2016 for recovery of Rs. 148,342,600/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. During the year Company entered in debt property swap agreement with Bank, as per settlement agreement negotiated the Bank agrees to withdraw this case on settlement of agreed liability.

23.1.16 During the year 2016-17, JS Bank Limited has filed suit against the company on May 05, 2018 for recovery of Rs. 234,484,862/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. The legal advisor is confident of success of the case in company's' favor.

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

23.1.18 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, 2018 against the Company stating therein that an amount of € 12,750/- had been transferred in 2003 to the Company for the purchase of shares of World Call Company. The claimant sought relief of Rs. 2,200,000 and € 12,750/- against the Company. While as per the legal counselor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on this legal counsellor opinion management decided not to record any provision as value of provision is not certain.

23.1.19 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 mark-up and any further mark-up 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.

World Press (Private) Limited (the subsidiary company)

23.1.20 The company is non compliant with the provisions of various tax laws. This may result in imposition of penalty from the relevant regulatory authority. Since, the amount of penalty cannot be measured reliably thus no provision has been recorded in the financial statements.

Lanka Securities (Private) Limited (the subsidiary company)

23.1.21 During the year 2014 via case No. DMR/2544/14 plaintiff named Ananda Wijerathne filed a suit against Lanka Securities Private Limited in the District Court of Colombo for the recovery of amount Rs LKR 1,300,000 (PKR 987,817). The case is awaiting further trial.

23.1.22 During the year 2014 via case No. HCC/503/14/MR plaintiff named C.A 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 2,506,422). The case is awaiting further trial

23.1.23 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 (PKR 8,358,453). The case is awaiting further trial in Supreme Court of Srilanka.

23.1.24 During the year 2018 via case No. 1/42/2018 plaintiff named Buddhika Suraj Wickramarathne on account of an industrial dispute filed a suit against Lanka Securities Private Limited in LT No 1-Borella . The case is fixed for trial on September 12,2018 on account of defendants (Lanka Securities Private Limited) witness to be cross examined.

23.1.25 During the year 2018 via case No. 8/180/17 plaintiff named JCR Udayakumara on account of an industrial dispute filed a suit against Lanka Securities Private Limited in LT No 8-Borella . The case is awaiting further trial on October 23,2018 on account of defendants (Lanka Securities Private Limited) witness to be cross examined.

23.1.26 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 LT No 1-Borella . The further court dates for the above case are September 12,2018, October 17,2018 & November 14,2018.

23.1.27 During current year via case No. CA/Writ/326/2019 plaintiff Court of Appeals filed a suit against Lanka Securities Private Limited in the local court . The case is awaiting trial

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.

Falcon Commodities (Private) Limited (the subsidiary company)

23.1.28 The Income tax department has passed an order dated 07 May 2014 against the Company for the recovery of tax amounting to Rs. 362,215 for the tax year 2012 . The tax authorities have disallowed certain expenses amounting to Rs. 1,355,803. The Commissioner of Inland Revenue (Appeals) has remanded back the case to the tax department. Therefore, in view of the above no provision is recognized in these financial statements.

23.2 Commitments

	Note	**2018 Rupees**	2018 Rupees
Commitments include amounts in respect of:			
Capital expenditure	23.2.1	**12,195,000**	34,600,760
Sale of shares		**-**	517,215,269
Purchase of shares		**-**	513,507,359
Sale of property		**-**	5,459,282
Ijarah lease rental		**3,331,995**	6,679,115
		15,526,995	1,077,461,785

23.2.1 One of the subsidiary (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. 36,870,000 is paid as an advance and remaining Rs. 12,195,000 is to be paid as per the property purchase agreement.

24 Share capital

Issued, subscribed and paid-up share capital

2019	2018		**2018**	2018
-------**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	2019		2018	
		Percentage of holding	**Number of shares**	Percentage of holding	Number of shares
Amythest 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.

	Note	**2018 Rupees**	2018 Rupees
25 Operating revenue			
Revenue from construction contracts		**216,166,968**	394,778,288
Brokerage income		**30,397,024**	57,389,631
Dividend income		**253,620**	1,460,805
Money market income		**9,876,085**	12,185,645
(Loss)/gain on sale of investments		**3,565,479**	(8,311,538)
Investment advisory fee from FCMF and open fund management		**2,822,254**	3,926,793
Rental income		**275,000**	1,520,000
Loss on sale of investment property		**-**	(55,622,666)
		263,356,430	407,326,958
Sales tax		**(1,525,464)**	(1,993,008)
		261,830,966	**405,333,950**
26 Direct costs			
Materials consumed		**18,734,468**	23,082,200
Salaries and benefits		**50,535,027**	48,121,126
Electricity and fuel consumed		**8,627,511**	8,085,385
Rent, rates and taxes		**-**	479,000
Postage and communication		**1,108,767**	420,987
Travelling expenses		**81,500**	-
Entertainment		**200,328**	482,558
Repair and maintenance		**1,315,126**	1,946,278
Vehicle running and maintenance		**37,050**	130,323
Rental expense of machinery		**10,380,603**	10,186,668
Other construction expenses		**41,222,940**	21,462,343
Miscellaneous		**8,507,064**	18,445,083
Installations		**40,414,077**	226,909,605
		181,164,461	359,751,556

	Note	2018 Rupees	2018 Rupees
27 Operating and administrative expenses			
Salaries, wages and benefits		**112,033,412**	140,846,189
Stock exchange charges		**2,897,655**	4,509,627
Rent, rates and taxes		**4,399,218**	3,900,506
Telephone and fax		**2,980,524**	4,706,398
Utilities		**3,134,631**	4,182,256
Insurance		**234,797**	685,947
Printing and stationery		**710,633**	972,216
Travelling and conveyance		**2,826,772**	3,270,767
Repairs and maintenance		**2,849,220**	4,696,535
Postage and courier		**817,518**	891,407
Vehicle running		**2,314,814**	1,299,003
News papers and periodicals		**61,818**	91,213
Entertainment		**1,504,631**	2,680,997
Brokerage commission and capital value tax		**-**	1,294,429
Legal and professional charges		**5,722,412**	9,260,084
Lease rentals on Ijarah facilities		**3,347,120**	2,581,925
Advertisement		**3,939,201**	5,695,299
Provision for doubtful debts	**13.2**	**26,923,590**	171,768,494
Bad debt written off		**-**	1,778,046
Fees and subscriptions		**1,716,931**	3,326,936
Auditors' remuneration	**27.1**	**3,399,951**	3,251,973
Depreciation	**6.1**	**22,882,670**	26,400,880
Deposits written off		**1,881,375**	24,694,652
Impairment loss on TREC	**7.1**	**2,500,000**	2,500,000
Miscellaneous		**36,171,382**	37,120,688
		245,250,275	462,406,467
Related to discontinued operations		**76,754,808**	273,854,904
Related to continuing operations		**168,495,467**	188,551,563

27.1 Auditors' remuneration

	Parent company	Subsidiary companies	Total 2019	Total 2018
	-----	-----	Rupees	-----
Annual audit	**525,000**	**1,498,451**	**2,023,451**	1,985,273
Consolidated accounts	**475,000**	**-**	**475,000**	475,000
Half yearly review	**200,000**	**295,000**	**495,000**	490,000
Other certifications	**-**	**295,000**	**295,000**	200,000
Out of pocket expenses	**40,000**	**71,500**	**111,500**	101,700
	1,240,000	**2,159,951**	**3,399,951**	3,251,973

	Note	2019 Rupees	2018 Rupees
28 Other income			
Income from financial assets			
Income on deposit accounts		**2,602,844**	2,118,319
Interest from staff loans		**71,181**	65,279
Income on term deposits		**21,666,803**	21,264,940
Income from other than financial assets			
Gain/(loss) on sale of property, plant and equipment		**12,509,789**	41,127,414
Liabilities and accrued interest written back		**62,507,396**	423,930,130
Gain on sale of intangible assets	**28.1**	**-**	5,375,000
Gain on sale of investment property		**5,400,000**	-
Interest income on delayed payments		**3,341,078**	9,794,532
Notional income on remeasurement of financial liability		**-**	27,399,232
Miscellaneous		**2,708,508**	3,091,790
		110,807,599	**534,166,636**

28.1 This gain is recognized on sale of rights of room located in Pakistan Stock Exchange Building, Karachi for Rs. Nil (2018: Rs. 12.87 Million) to Summit Bank Limited.

	Note	2019 Rupees	2018 Rupees
29 Finance costs			
Mark-up on long term loans		**216,658,959**	5,113,041
Mark-up on short term borrowings		**192,068**	77,575
Mark up amortized	21.1	**40,627,914**	10,715,064
Finance charges on assets subject to finance lease		**-**	3,691,484
Bank charges and commission		**893,545**	736,534
Loan settlement charges		**-**	6,862,140
		258,372,486	27,195,838
30 Taxation			
Current		**13,243,328**	17,984,201
Prior Year		**(13,086,169)**	(14,164,127)
Deferred		**179,198**	(217,741)
		336,357	3,602,333

30.1 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.

31 Discontinued operations

During the year 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. The comparative statement of profit or loss has been restated to show the discontinued operation separately from continuing operations. Results of discontinued operations are as follows:

	Note	2019 Rupees	2018 Rupees
Brokerage commission			
Brokerage income - gross		**24,020,666**	50,360,799
Less:			
Sales tax		**(3,009,383)**	(6,099,228)
Capital value tax		**(857,273)**	(2,081,681)
Brokerage income - net		**20,154,010**	42,179,890
Operating and administrative expenses		**(76,754,808)**	(273,854,904)
Taxation		**(251,925)**	(7,938,151)
Loss after taxation from discontinued operations		**(56,852,723)**	(239,613,165)
31.1 Cash flows from/(used in) discontinued operations			
Net cash used in operating activities		**(72,837,843)**	988,353,308
Net cash from investing activities		**-**	-
Net cash flow for the year		**(72,837,843)**	988,353,308

32 Earning/(loss) per share - basic and diluted

		2019	2018
Net profit/(loss) for the year from continued operations	**Rupees**	**(20,395,777)**	64,749,075
Net profit/(loss) for the year from discontinued operations	**Rupees**	**(41,633,249)**	(175,468,721)
Weighted average number of ordinary shares as at 30 June	**Numbers**	**316,610,112**	316,610,112
Earning/(loss) per share - basic and diluted--continued operations	**Rupees**	**(0.06)**	0.20
Earning/(loss) per share - basic and diluted -- discontinued operations	**Rupees**	**(0.13)**	(0.55)

There is no dilution effect on the basic EPS as the Group has no such commitments.

33 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	**2019** Value of transactions made during the year	2018 Value of transactions made during the year
			---Rupees---	
Bank of Ceylon	Associated company	Employee benefits fund	**-**	-
		Share transaction	**508,874,070**	434,127,661
		Brokerage income	**2,319,048**	1,978,413
		Interest income	**-**	21,062,814
		Investment in Repo	**14,298,785**	12,198,496
		Investment in fixed deposit	**43,762,834**	37,334,692
Merchant Bank of Sri Lanka	Associated company	Share transaction	**4,846,381**	4,134,516
		Brokerage income	**31,017**	26,461
Pace Pakistan Limited	Associated company (share holding 5.11%)	Purchase of property	**378,000,000**	1,878,000,000
		Service Charges	**671,760**	671,760
		Brokerage income	**4,741**	4,741
		Sale of investment property	**430,000,000**	-
		Payment on behalf of group	**1,758,814**	-
		Payment received	**-**	265,480
		Sale of goods and services provided	**38,400,000**	66,108,866
		Payments against Purchase of property	**620,235,214**	20,614,218
		Vehicle purchased		425,000
First Capital Mutual Fund	Associate (shareholding 63.42%)	Asset management fee	**2,432,977**	3,335,673
		Dividend Income	**-**	-
		Brokerage income	**42,980**	42,980
		Other Receivable	**121,649**	188,466
		Payment received	**188,466**	245,375
Pace Barka Properties Limited	Associate (shareholding 17.95%)	Rental income earned	**-**	-
		Sale of goods and services	**95,393,979**	404,959,161
		Payment received	**-**	25,000,000
Media Times Limited	Associate (shareholding 33.08%)	Purchase of goods and services	**59,200**	172,500
		Advance agaisnt publishing	**800,000**	-

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

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

	2018	2018
	Rupees	Rupees

34 Cash generated from operations

Profit/(loss) before taxation	**(96,111,460)**	(95,583,051)
Adjustments for:		
Depreciation	**22,882,670**	26,400,880
Finance cost	**216,851,027**	19,617,679
Accrued interest written back	**(62,507,396)**	(423,264,921)
Loss/(Gain) on re-measurement of short term investments	**62,953,686**	60,006,366
Loss on disposal of investment properties	**-**	55,622,666
Loss/(gain) on re-measurement of investment properties	**(300,623,792)**	150,123,186
Capital gain on sale of investments	**(3,565,479)**	803,843
Gain on sale of intangible assets	**-**	(5,375,000)
Gain on disposal of property, plant and equipment	**(12,509,789)**	(40,862,414)
Provision for doubtful debts and bad debts written off	**26,923,590**	171,768,494
Deposits written off	**1,881,375**	456,145
Impairment losses	**2,500,000**	2,500,000
Share of loss from investments accounted for using equity method	**35,258,395**	17,780,114
Impairment on investment in associates	**6,528,524**	-
Dividend income	**(253,620)**	(1,460,805)
Retirement benefits paid	**6,638,795**	13,175,705
Interest income	**(25,837,475)**	(741,851)
Liabilities written back	**-**	(665,209)
Amortization	**250,008**	250,008
Deferred notional income	**40,627,914**	(27,399,232)
Other income	**-**	(2,979,816)
Bad debts written off	**-**	1,778,046
Mark-up income	**-**	(31,124,751)
	17,998,433	(13,590,867)
Profit before working capital changes	**(78,113,027)**	(109,173,918)
Effect on cash flow due to working capital changes:		
Decrease/(increase) in:		
Inventories	**35,576,694**	(26,701,657)
Trade debts	**253,585,473**	878,986,926
Loans and advances	**(398,141,374)**	(311,439,251)
Short term investments	**59,243,018**	(34,697,441)
	(49,736,189)	506,148,577
(Decrease)/increase in:		
Trade and other payables	**(737,068,871)**	817,732,548
Short term borrowings	**(491,125)**	(9,258,052)
	(737,559,996)	808,474,496
	(787,296,185)	1,314,623,073
	(865,409,212)	1,205,449,155

35 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.

35.1 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.

35.1.1 Exposure to credit risk

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

	Note	**2019** **Rupees**	2018 Rupees
Long term deposits and advances		**12,692,602**	136,911,466
Long term investments		**14,058,889**	23,165,822
Trade debts - net	35.1.2	**380,137,747**	658,391,617
Loans and advances		**770,961,191**	364,008,230
Interest accrued		**32,296**	75,648
Deposits and other receivables		**-**	19,222,801
Short term investments	35.1.2	**314,697,240**	305,975,202
Placements		**-**	-
Bank balances	35.1.2	**61,231,516**	153,785,922
		1,553,811,481	1,661,536,708

35.1.2 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	**2019** **Rupees**	2018 Rupees
Trade debts as at balance sheet date are classified as follows:		
Foreign	**103,921,928**	364,760,304
Domestic	**276,215,819**	293,631,313
	380,137,747	658,391,617

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

	2019	2018
	-----------------**Rs.**----------------	
Neither past due not impaired	**490,439**	122,360,120
Past due 1 - 60 days	**4,898,129**	248,874,874
Past due 61 - 120 days	**12,405,623**	4,041,479
Above 120 days	**362,343,556**	283,115,144
	380,137,747	658,391,617

Short term investments

These short term investments are pledged with various financial institutions. For details, refer note 16.

Bank balances

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

	Note	2019 Rupees	2018 Rupees
Foreign		**7,276,084**	1,224,871
Domestic		**53,955,432**	152,561,051
	18	**61,231,516**	153,785,922

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 +	AA	JCR - VIS
Allied Bank Limited	A-1 +	AAA	PACRA
Bank Islami Limited	A-1	A+	PACRA
Soneri Bank Limited	A-1 +	AA-	PACRA
Habib Metropolitan Bank Limited	A-1 +	AA+	PACRA
Bank Al Habib Limited	A-1 +	AA+	PACRA
Silk Bank Limited	A-2	A-	JCR - VIS
United Bank Limited	A-1 +	AAA	JCR - VIS
Askari Bank Limited	A-1 +	AA+	PACRA
Albaraka Islamic bank	A1	A	PACRA
MCB Bank Limited	A-1 +	AAA	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Limited	A-1 +	AA	JCR-VIS
Bank of Ceylon	NA	AA+	Fitch Ratings
MBSL Bank	NA	A	ICRA (Lanka)

35.1.3 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 as all the balance is receivable from related parties and employees of the Company. Consequently, no expected credit loss allowance is required.

	Note	2019 Rupees	2018 Rupees
Long term deposits and advances		**12,692,602**	136,911,466
Long term investments		**14,058,889**	23,165,822
Trade debts - net	-	**380,137,747**	658,391,617
Loans and advances		**770,961,191**	364,008,230
Interest accrued		**32,296**	75,648
Deposits and other receivables		**-**	19,222,801
Short term investments	-	**314,697,240**	305,975,202
		1,492,579,965	1,507,750,786

35.1.3 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 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.

35.2 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:

	2019				
	Carrying Amount	**Contracted cash flow**	**Upto one year or less**	**One to two years**	**More than two years**
	----------------	----------------	**R u p e e s**	----------------	----------------
Financial liabilities					
Long term loan	**3,156,149,684**	**3,156,149,684**	**2,690,131,432**	**466,018,252**	**-**
Short term borrowings	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**506,495,836**	**506,495,836**	**506,495,836**	**-**	**-**
Mark-up accrued	**82,292,865**	**82,292,865**	**-**	**82,292,865**	**-**
	3,744,938,385	**3,744,938,385**	**3,196,627,268**	**548,311,117**	**-**

	2018				
	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	-----	-----	R u p e e s	-----	-----
Financial liabilities					
Long term loan	2,235,103,723	2,235,103,723	31,459,282	2,203,644,441	-
Short term borrowings	491,125	491,125	491,125	-	-
Trade and other payables	1,207,560,429	1,207,560,429	1,207,560,429	-	-
Mark-up accrued	144,800,249	144,800,249	-	144,800,249	-
	3,587,955,526	3,587,955,526	1,239,510,836	2,348,444,690	-

35.3 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

35.3.1 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:

	2019	2018
	Rupees	Rupees
Foreign debtors	**103,921,928**	364,760,304
Foreign currency bank accounts	**7,276,084**	1,224,871
Foreign creditor and other payables	**121,436,771**	387,007,904
Net exposure	**(10,238,759)**	(21,022,729)

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2019	2018	**2019**	2018
LKR to PKR	**0.841**	0.717	**0.922**	0.759

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.

	2019	2018
	Rupees	Rupees
Net effect on profit or loss	**(1,023,876)**	(2,102,273)
	(1,023,876)	(2,102,273)

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.

35.3.2 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:

	2019	2018	**2019**	2018
	Effective rate (in Percentage)		**Carrying amount (Rupees)**	
Financial liabilities				
Short term borrowings	**up to 11**	**up to 11**	**-**	491,125
Long term loans - secured	**up to 15**	**up to 12.29**	**3,156,149,684**	2,235,103,723
			3,156,149,684	2,235,594,848

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 2018.

	Profit or loss	
	100 bps Increase	**100 bps Decrease**
As at 30 June 2019	**Rupees**	
Cash flow sensitivity - Variable rate financial liabilities	**31,561,497**	**(31,561,497)**
As at 30 June 2018		
Cash flow sensitivity - Variable rate financial liabilities	22,355,948	(22,355,948)

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

35.3.3 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 2019 and 2018 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**	------------	------------
2019					
Investments					
Investments at fair value through	**70,268,884**	**10% increase**	**77,295,772**	-	**7,026,888**
profit or loss		**10% decrease**	**63,241,996**	-	**(7,026,888)**
	70,268,884				
2018					
Investments					
Investments at fair value through	81,292,112	10% increase	89,421,323	-	8,129,211
profit or loss		10% decrease	73,162,901	-	(8,129,211)
	81,292,112				

35.3.4 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 balance sheet are as follows:

	2019		2018	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	---Rupees---			
Financial assets				
Long term investments	**14,058,889**	**14,058,889**	23,165,822	23,165,822
Long term deposits and advances - considered good	**12,692,602**	**12,692,602**	135,911,466	135,911,466
Trade debts	**380,137,747**	**380,137,747**	658,391,617	658,391,617
Loans, advances and other receivables	**770,961,191**	**770,961,191**	364,008,230	364,008,230
Interest accrued	**32,296**	**32,296**	75,648	75,648
Deposits and other receivables	**-**	**-**	19,222,801	19,222,801
Short term investments	**314,697,240**	**314,697,240**	305,975,202	305,975,202
Cash and bank balances	**61,391,700**	**61,391,700**	154,350,251	154,350,251
	1,553,971,665	**1,553,971,665**	1,661,101,037	1,661,101,037

	2019		2018	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial liabilities	---Rupees---			
Long term loan	**3,156,149,684**	**3,156,149,684**	2,235,103,723	2,235,103,723
Short term borrowings	**-**	**-**	491,125	491,125
Trade and other payables	**506,495,836**	**506,495,836**	1,207,560,429	1,207,560,429
Mark-up accrued	**82,292,865**	**82,292,865**	144,800,249	144,800,249
	3,744,938,385	**3,744,938,385**	3,587,955,526	3,587,955,526

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 categorised:

30 June 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities	**Rupees**			
Long term investments	**14,058,889**			**14,058,889**
Short term investments	**70,268,884**	**-**	-	**70,268,884**
	84,327,773	**-**	-	**84,327,773**
30 June 2018				
Equity securities				
Long term investments	**23,165,822**			**23,165,822**
Short term investments	**81,292,112**			**81,292,112**
	104,457,934	**-**	-	**104,457,934**

35.3.5 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 behavior. 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

35.4 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 2018 and at 30 June 2018 were as follows:

	2019	2018
	Rupees	Rupees
Total debt	**3,238,442,549**	2,380,395,097
Total equity and debt	**4,956,312,035**	4,703,840,515
Debt-to-equity ratio	**65.34%**	50.61%

The increase in the debt-to-equity ratio in 2019 resulted primarily due to material finance facility obtained by Group 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.

36 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	
	2019	2018	**2019**	2018	**2019**	2018
	---Rupees---					
Short Term Employee Benefits						
Managerial remuneration	**2,400,000**	2,400,000	**-**	-	**33,711,232**	43,065,950
Re-imbursable expenses	**-**	-	**-**	-	**807,238**	1,119,034
Utilities	**-**	-	**-**	-	**442,956**	1,846,366
House rent	**-**	-	**-**	-	**1,771,824**	7,385,462
Commission	**-**	-	**-**	-	**-**	186,688
Post Employment Benefits					**-**	
Provision for gratuity	**228,573**	200,000	**-**	-	**6,903,402**	7,008,691
	2,628,573	2,600,000	**-**	-	**43,636,652**	60,612,191
Number of persons	**1**	1	**6**	6	**17**	25

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.

37 Number of employees

The average and total number of employees are as follows:

	2019	2018
Holding Company		
Average number of employees during the year	**20**	20
Total number of employees as at 30 June	**20**	19
Subsidary Companies		
Average number of employees during the year	**92**	174
Total number of employees as at 30 June	**125**	171

38 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 Construction and water sanitation
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.

4 Printing and publishing
Business of printers, publishers, packaging, advertisement , specialized directory and stationers.

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 Ordinance, 1984. 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.

39 Segment analysis and reconciliation

Information regarding the results of each reportable segments is included below. Performance is measured on the base 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.

39.1 Information about reportable segments

	Financial Services		Investment advisory services		Printing and publishing		Construction and water sanitation		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	-----	-----	-----	-----	-----	**Rupees**	-----	-----	-----	-----
External revenues	**58,689,479**	53,021,137	**2,432,977**	(285,585)	**-**	-	**216,166,968**	394,778,288	**277,289,424**	447,513,840
Inter-segment revenues									**-**	-
Direct cost	**(5,094,784)**	(9,721,034)	**-**	-	**-**	-	**(176,069,677)**	(350,030,522)	**(181,164,461)**	(359,751,556)
Operating expenses	**(211,062,234)**	(428,643,821)	**(21,720,014)**	(15,590,128)	**(1,794,052)**	(3,481,169)	**(17,202,499)**	(14,691,349)	**(251,778,799)**	(462,406,467)
Other income	**100,617,204**	532,138,392	**3,013,781**	463,119		265,000	**11,872,166**	1,300,125	**115,503,151**	534,166,636
Finance cost	**(216,581,720)**	(23,250,596)	**(20,524)**	(10,790)	**-**	(5,648)	**(41,770,242)**	(3,928,804)	**(258,372,486)**	(27,195,838)
Gain on investment properties	**300,623,792**	(150,123,186)	**-**	-	**-**	-	**-**	-	**300,623,792**	(150,123,186)
Unrealized gain / (loss) on re-measurement of short investment	**(44,968,824)**	(53,868,344)	**(17,984,862)**	(6,138,022)	**-**	-			**(62,953,686)**	(60,006,366)
Share of loss from investments accounted for using the equity method	**(21,343,862)**	6,314,125	**(13,914,533)**	(24,094,239)	**-**	-	**-**	-	**(35,258,395)**	(17,780,114)
Profit / (loss) before taxation	**(39,120,949)**	(74,133,327)	**(48,193,175)**	(45,655,645)	**(1,794,052)**	(3,221,817)	**(7,003,284)**	27,427,738	**(96,111,460)**	(95,583,051)
Taxation expense for the year	**11,433,536**	579,438	**(194,638)**	(1,323,684)	**-**	-	**(11,827,180)**	(10,796,538)	**(588,282)**	(11,540,784)
Profit / (loss) after taxation	**(27,687,413)**	(73,553,889)	**(48,387,813)**	(46,979,329)	**(1,794,052)**	(3,221,817)	**(18,830,464)**	16,631,200	**(96,699,742)**	(107,123,835)
Other information										
Segment assets	**4,507,139,214**	4,596,343,560	**212,720,273**	268,891,306	**16,795,449**	20,507,181	**760,397,481**	470,816,979	**5,497,052,417**	**5,356,559,026**
Segment liabilities	**3,064,365,488**	3,278,678,672	**6,183,086**	14,320,706	**10,246,322**	12,164,002	**698,388,035**	351,202,600	**3,779,182,931**	**3,656,365,980**
Depreciation	**19,833,900**	22,193,664	**1,421,440**	2,572,236	**1,386,650**	1,394,300	**240,680**	240,680	**22,882,670**	**26,400,880**
Capital expenditure	**7,254,775**	5,158,751	**-**	-	**-**	**-**	**-**	1,720	**7,254,775**	**5,160,471**

	2019 Rupees	2018 Rupees

39.2 Reconciliation of assets

Assets

	2019 Rupees	2018 Rupees
Total assets of reportable segments	**4,996,252,586**	4,880,395,768
Investments accounted for using the equity method	**500,799,831**	476,163,258
Consolidated total assets	**5,497,052,417**	5,356,559,026

39.3 Geographical information

Segment revenue is based on the geographical location of the customers and segments assets are based on geographical location of the assets.

39.3.1 Revenue

	2019 Rupees	2018 Rupees
Pakistan	**231,422,227**	390,124,209
Sri Lanka	**30,408,739**	57,389,631
	261,830,966	447,513,840

39.3.2 Non-current assets

	2019 Rupees	2018 Rupees
Pakistan	**3,962,061,177**	3,800,869,330
Sri Lanka	**5,666,677**	5,249,876
	3,967,727,854	3,806,119,206

39.4 Revenue on the basis of major products and services

	2019 Rupees	2018 Rupees
Dividend income	**253,620**	1,460,805
Money market income	**8,739,898**	10,783,757
(Loss) / gain on sale of investments	**(1,130,073)**	(63,934,204)
Investment advisory fee from FCMF	**2,432,977**	3,335,673
Brokerage income	**50,551,034**	99,569,521
Rental income	**275,000**	1,520,000
Revenue against construction contracts	**216,166,968**	394,778,288
	277,289,424	447,513,840

40 **Interests in other entities**

40.1 **Material subsidiaries**

The Group's principal subsidiaries as at June 30, 2018 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
		2019	2018	2019	2018	
First Capital Investments Limited	Pakistan	**78.86%**	**78.86%**	**21.14%**	**21.14%**	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.
World Press (Private) Limited	Pakistan	**65%**	65%	**35%**	35%	Printing, publishers, packaging, advertisement and specialized directory business and stationers
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%	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.
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

40.2 Non-controlling interests

Set out below is summarised 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		World Press (Private) Limited	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Summarised balance sheet								
Current assets	**63,113,967**	104,668,385	**366,841,604**	602,895,709	**627,924,323**	447,353,281	**15,249,874**	15,482,276
Current liabilities	**8,144,313**	7,265,942	**125,215,366**	387,960,186	**889,162,881**	102,646,335	**12,339,002**	12,164,002
Current net assets / (liabilities)	**54,969,654**	97,402,443	**241,626,238**	214,935,523	**(261,238,558)**	344,706,946	**2,910,872**	3,318,274
Non-current assets	**159,278,278**	164,578,846	**10,351,545**	7,955,544	**845,848,001**	1,310,203,209	**4,639,697**	6,026,347
Non-current liabilities	**7,710,745**	7,410,689	**1,402,020**	988,470	**238,811,117**	1,242,838,110	**-**	-
Non-current net assets/(liabilities)	**151,567,533**	157,168,157	**8,949,525**	6,967,074	**607,036,884**	67,365,099	**4,639,697**	6,026,347
Net assets	**206,537,187**	254,570,600	**250,575,763**	221,902,597	**345,798,326**	412,072,045	**7,550,569**	9,344,621
Accumulated non-controlling interests	**43,661,961**	53,816,225	**122,782,124**	108,732,273	**92,570,212**	110,311,686	**2,642,699**	3,270,617
Summarised statement of comprehensive income								
Revenue (continued & discontinued operation)	**(15,995,638)**	(8,262,480)	**30,408,739**	57,389,631	**17,094,595**	6,843,719	**-**	-
Profit/(loss) for the year	**(48,624,385)**	(46,979,329)	**(19,112,212)**	(5,216,584)	**(66,273,719)**	5,115,697	**(1,794,052)**	(3,221,817)
Other comprehensive income/(loss)	**590,972**	313,772	**2,725,551**	1,969,974	**-**	28,595,749	**-**	-
Total comprehensive income/(loss)	**(48,033,413)**	(46,665,557)	**(17,124,641)**	(3,246,610)	**(66,273,719)**	33,711,446	**(1,794,052)**	(18,639,115)
Profit/(loss) allocated to NCI	**(10,279,195)**	(9,931,430)	**(9,364,984)**	(2,556,126)	**(17,741,475)**	1,369,472	**(627,918)**	(1,127,636)
Other comprehensive income/(loss) allocated to NCI	**124,931**	66,331	**1,335,520**	965,287	**-**	7,655,082	**-**	-
Dividends paid to NCI	**-**	-	**-**	-	**-**	-	**-**	-
Summarised cash flows								
Cash flows from operating activities	**24,787,704**	(44,765,669)	**(41,760,017)**	6,779,944	**(429,490,843)**	1,002,043,146	**(232,402)**	(1,642,187)
Cash flows from investing activities	**(15,000,000)**	44,934,557	**47,811,230**	28,070,765	**455,201,977**	280,635,610	**-**	-
Cash flows from financing activities	**-**	-	**-**	-	**(128,891,675)**	(1,255,046,533)	**-**	-
Net (decrease)/increase in cash and cash equivalents	**9,787,704**	168,888	**6,051,213**	34,850,709	**(103,180,541)**	27,632,223	**(232,402)**	(1,642,187)

40.3 Interests in associates

Set out below are the associates of the group as at 30 June 2018 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	Place of business	Ownership interest held by the Group		Quoted Fair Value		Carrying Value	
		2019	2018	2018	2018	2018	2018
First Capital Mutual Fund	Pakistan	**32.20%**	46.00%	**31,369,927**	46,641,974	**31,369,927**	51,812,984
Media Times Limited	Pakistan	**33.32%**	33.08%	**50,057,505**	102,342,942	**-**	-
Pace Barka Properties Limited	Pakistan	**18.00%**	17.95%	**-**	-	**469,317,404**	424,237,774
Pace Super Mall	Pakistan	**0.10%**	0.07%	**-**	-	**112,500**	112,500
				81,427,432	148,984,916	**500,799,831**	476,163,258

40.4 Commitments and contingent liabilities in respect of associates

No commitments and contingent liabilities in respect of associates exist as at 30 June 2018.

40.5 Summarised financial information for associates

	First Capital Mutual Fund		Media Times Limited		Pace Barka Properties Limited	
	2018	2018	2018	2018	2018	2018
Summarised balance sheet						
	----------Rs.----------				----------Rs'000----------	
Current assets	117,255,677	226,346,924	**124,014,274**	124,014,274	**2,633,717**	2,682,790
Current liabilities	19,843,565	18,199,345	**663,095,804**	663,095,804	**1,403,192**	1,298,040
Current net assets / (liabilities)	**97,412,112**	208,147,579	**(539,081,530)**	(539,081,530)	**1,230,525**	1,384,750
Non-current assets	-	-	**341,028,815**	341,028,815	**4,064,349**	3,723,778
Non-current liabilities	-	-	**280,544,406**	280,544,406	**249,064**	307,756
Non-current net assets	**-**	-	**60,484,409**	60,484,409	**3,815,285**	3,416,022
Net assets/(liabilities)	**97,412,112**	208,147,579	**(478,597,121)**	(478,597,121)	**5,045,810**	4,800,772
Summarised statement of comprehensive income						
Revenue	**(37,764,548)**	(36,858,857)	**177,165,827**	354,887,897	**195,763**	592,415
Profit/(loss) for the year	**(43,208,097)**	(43,768,466)	**(244,506,124)**	(229,271,579)	**(116,126)**	73,771
Other comprehensive (loss)/income	**-**	-	**1,189,323**	(1,844,056)	**361,164**	219
Total comprehensive income/(loss)	**(43,208,097)**	(43,768,466)	**(243,316,801)**	(231,115,635)	**245,038**	73,990

41 Date of authorization for issue

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

42 SUBSEQUENT EVENTS

On September 28, 2019 Extra Ordinary General Meeting of First Capital Equities Limited (Subsidiary Company) was held in which members passed the special resolution to change Principal activity of Company form brokerage Company to real estate Company.

43 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.

Chief Executive Officer	**Chief Financial Officer**	**Director**

FCSC

FORM OF PROXY

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

Folio No./CDC A/c No.: _______________

Shares Held: __________________

Option 1
Appointing other person as Proxy

I/We____ S/o D/o W/o ___________________________________CNIC ________________________being the member(s) of First Capital 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 2019 at 12:00 p.m. and at any adjournment thereof.

Signed under my/our hands on this __________________day of _____________, 2019

Affix Revenue Stamp of
Rupees Five

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

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

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

I/we_____________________ S/o D/o W/o _________________CNIC _________being a member of First Capital Securities Corporation Limited holder of ________ Class____ Ordinary share(s) as per Registered Folio No. _____________ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer _________________________ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured email address is _____________________, please send login details, password and electronic signature through email.

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

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

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

   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) 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.

FIRST CAPITAL SECURITIES CORPORATION LIMITED

کمپنی سیکرٹری

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ

دوسری منزل، پیس شاپنگ مال،

فورٹریس سٹیڈیم، لاہور کینٹ، لاہور

پراکسی فارم

فولیونمبر/CDC اکاؤنٹ نمبر: ....

موجود حصص: ....

پہلی وضع

دوسرے شخص کو پراکسی مقرر کرنا

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

نمبر........................ کے حامل فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ کے رکن کی حیثیت سے

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

.... کو اس کی ناکامی کی صورت میں

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

.... 28 اکتوبر 2019ء کو 12:00 بجے منعقد ہونے والے سالانہ اجلاس یا اس کے کسی بھی

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

بتاریخ........................

زیر دستخطی........................

رکن کے دستخط

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

کی موجودگی میں دستخط کئے گئے

....

گواہ 1 کے دستخط گواہ 2 کے دستخط

دوسری وضع

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

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

نمبر........................ کے حامل فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ کے رکن اور........................ حصص،

درجہ........................ ،فولیونمبر........................ کے تحت عمومی حصص کے مالک ہونے کی حیثیت سے ثالث کے ذریعے برقی ووٹنگ

کرنا چاہتے ہیں اور اس لئے کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء کے تحت ایگزیکیوشن

آفیسر........................ کی پراکسی کے طور پر تقرری پر رضامندی کا اظہار کرتے ہیں۔ اس لئے ہم قراردادوں پر

پولنگ میں ووٹ کا مطالبہ کرتے ہیں۔ میرا محفوظ ای میل ایڈریس .... ہے برائے مہربانی لاگ ان کی

تفصیلات، پاس ورڈ اور برقی دستخط اس ای میل پر بھیج دیں۔

بتاریخ........................

زیر دستخطی........................

کی موجودگی میں دستخط کئے گئے

....

گواہ 1 کے دستخط گواہ 2 کے دستخط

(برائے مہربانی پشت پر نوٹس دیکھیں)

FIRST CAPITAL SECURITIES CORPORATION LIMITED

نوٹس:

1. سالانہ اجلاس میں شرکت اور ووٹ کا اہل کسی دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے پراکسی مقرر کرسکتا ہے۔ توثیق سے اجلاس کے انعقاد سے 48 گھنٹے پہلے پراکسیز کمپنی کے رجسٹرڈ آفس میں پہنچ جانی چاہئیں۔

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

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

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