



FCSC

First Capital Securities Corporation Limited



FIRST CAPITAL SECURITIES CORPORATION LIMITED

VISION

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

MISSION

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

First Capital Securities Corporation Limited

Company Information

Board of Directors

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

Chief Financial Officer

Saeed Iqbal

Audit Committee

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

Human Resource and Remuneration (HR&R) Committee

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

Company Secretary

Sajjad Ahmad

Auditors

Nasir Javaid Maqsood Imran
Chartered Accountants

Legal Advisers

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

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

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



**First
Capital
Securities
Corporation Ltd**

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of First Capital Securities Corporation Limited ("the Company" or "FCSC") will be held on Friday 28 October 2022 at 11:30 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on 28 October 2021;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2022 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 2023 and to fix their remuneration;

4 Special Business

DISPOSAL OF 54,791,061 ORDINARY SHARES OF RS. 10.00 EACH, THE ENTIRE SHAREHOLDING OF THE COMPANY IN PACE BARKA PROPERTIES LIMITED, IN THIS REGARD TO PASS THE FOLLOWING SPECIAL RESOLUTIONS WITH OR WITHOUT MODIFICATION:

"RESOLVED THAT the Chief Executive Officer of the Company be and is hereby authorized to take all necessary steps to make disinvestment up to 54,791,061 ordinary shares of Rs. 10/- each of Pace Barka Properties Limited to any prospective buyer on such terms and conditions as may be approved by the Board of Directors".

"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, regulatory and legal formalities for the completion of aforesaid disposal of shares."

By order of the Board


Sajjad Ahmad
Company Secretary

Lahore:
07 October 2022

Notes:-

- 1) The Members Register will remain closed from 21 October 2022 to 28 October 2022 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2022 will be treated in time for the purpose of Extraordinary General Meeting.

- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore, not less than 48 hours before the time of the meeting.
- 4) Pursuant to Companies (Postal Ballot) Regulations, 2018, the shareholders will be allowed to exercise their right to vote through postal ballot for election of directors
- 5) Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.

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

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

Accordingly, the shareholders of the Company can opt to attend the meeting through Video/Webex. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2022 and who are interested to attend AGM through online platform are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 7 (seven) days prior before the meeting; through following means;

Email; sajjadahmad@pacepakistan.com, asattar@pacepakistan.com,
WhatsApp Number 0303-4444800, 0301-8449940

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

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

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

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

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

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 28 October 2022.

DISPOSAL OF 54,791,061 ORDINARY SHARES OF RS. 10.00 EACH, THE ENTIRE SHAREHOLDING OF THE COMPANY IN PACE BARKA PROPERTIES LIMITED (“PBPL”)

The Board of Directors of the Company in their meeting held on 06 October 2022, decided to dispose off the entire shareholding of the Company in PBPL to any prospective buyer at a price of not less than the fair value of PBPL’s shares on the date of sale.

PBPL was incorporated on 22 November 2005. The Principal activity of the PBPL is to construct, acquire, develop and sell shopping malls, apartments, villas, commercial buildings etc., and carry on the business of hotel and restaurants.

The registered office of PBPL is located at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. The existing Authorized Share Capital of PBPL is Rs. 4,800,000,000/- divided into 480,000,000 ordinary shares of having a par value 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 cost to the Company and the Company holds 54,791,061 ordinary shares in PBPL.

The break-up value per share of PBPL is Rs. 17.62 per share as per latest available Annual Audited Accounts as at 30 June 2022. An extract of Profit & Loss Account of PBPL for last three years is as under:

Particulars	June 2022 (Rupees in thousands)	June 2021 (Rupees in thousands)	June 2020 (Rupees in thousands)
Operating Profit/(Loss)	(354,691)	(273,211)	(103,494)
Net Profit/(Loss) after Tax	(311,003)	(234,917)	(156,675)
Earnings/(Loss) per Share – Basic and Diluted	(1.02)	(0.77)	(0.51)

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

Particulars	June 2022 (Rupees in thousands)	June 2021 (Rupees in thousands)	June 2020 (Rupees in thousands)
Non-Current Assets	5,147,306	4,146,191	4,033,986
Current Assets	2,140,359	2,657,607	2,581,543
Total Assets	7,287,665	6,803,798	6,615,529
Total Equity (Share Capital and Reserves)	5,379,782	4,664,410	4,890,855
Non-Current Liabilities	985,715	604,845	253,144
Current Liabilities	922,168	1,534,543	1,471,530
Total Liabilities	7,287,665	6,803,798	6,615,529

The fair value of PBPL share is to be determined in accordance with law prior to the sale of shares on the bases of latest financial statements of the BPL as at 30 June 2022 or latest accounts available. The rationale behind the disposal of this disinvestment is that the Company intends to put the proceeds to be realized from sale of shares in alternate profitable ventures

It is proposed to authorize Chief Executive Officer to take necessary steps to make disinvestment up to **54,791,061**, the entire shareholding of the Company in PBPL.

The Board of Directors in their meeting held on 06 October 2022 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 the buyer and recommend terms and conditions of disposal to the Board of Directors for final decision on the sale of shares of PBPL.

The sale price per share of PBPL shall be equal to fair value of the shares to be determined in accordance with law.

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 of PBPL.

INFORMATION REQUIRED UNDER S.R.O. 423(1)/2018 DATED 03.04.2018

In case of sale, lease or disposal of sizeable part of undertaking:		
I. Detail of assets to be sold, leased or disposed of shall include the following;		
a)	Description / Name of assets;	Ordinary Shares of Pace Barka Properties Limited
b)	Acquisition date of the asset;	31-10-2006
c)	Cost;	Rs.10.00 per share at par value
d)	Re-valued amount and date of	Not applicable

	revaluation (if applicable);	
e)	Book value;	Rs. 17.62
f)	Approximate current market price / fair value;	Not available as these shares are not traded on PSX/ tentative fair value may be equal to break-up value
g)	in case of sale, if the expected sale price is lower than book value or fair value, then the reason thereof;	The shares will be disposed off at fair value to be determined according to law and to be approved by the Board of Directors of the Company.
h)	In case of lease of assets, tenure, lease rentals, increment rate; mode / basis of determination of lease rentals; and other important terms and conditions of the lease;	Not applicable
i)	The proposed manner of disposal of the said assets:	Through cash against transfer of shares
ii)	In case the Company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts;	Not applicable
iii)	Purpose of the sale, lease or disposal of assets along with following details;	
	a) Utilization of proceeds from the transaction	the Company intends to put the proceeds to be realized from sale of shares in alternate profitable ventures
	b) Effect on operational capacity of the Company, if any, and;	No effect
	c) Quantitative and qualitative benefits expected to accrue to the members	The company is expecting a capital gain on sale of shares plus higher returns from alternate projects identified by the Company
II.	The above sale of shares may not lead to closure of business / winding up 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, audited annual accounts for the last three years of the Company and PBPL and all other related information of the Company may be inspected during the business hours at the Registered Office of the Company from the date of the publications of the this notice till the conclusion of the Extraordinary General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

All the directors of the Company including the Chief Executive are (nominated by the Company) 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 سیکورٹیز کارپوریشن لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ (”کمپنی“ یا ”FCSC“) کے شیئر ہولڈرز کا انٹیسواں (29واں) سالانہ اجلاس عام مورخہ 28 اکتوبر 2022ء بروز جمعہ 11:30 بجے دن کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 1-B-96، ایم ایم عالم روڈ، گلبرگ-III، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 28 اکتوبر 2021ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2022ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز رپورٹ کو وصول کرنا، اپنانا اور زیر غور لانا۔
3. 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔
4. خصوصی امور

پیس برکہ پراپرٹیز لمیٹڈ میں کمپنی کی مکمل شیئر ہولڈنگ یعنی 54,791,061 عمومی حصص بشرح 10.00 روپے فی حصص کی فروخت، اس بابت بمعہ/علاوہ ترامیم مندرجہ ذیل خصوصی قراردادوں کو منظور کرنا:

”قرار پایا کہ کمپنی کہ پیس برکہ پراپرٹیز لمیٹڈ کے -10 فی حصص کی شرح سے 54,791,061 عمومی حصص کی سرمایہ داری کو واپس لے کر بورڈ آف ڈائریکٹرز کی منظور شدہ شرائط و ضوابط کے تحت ممکنہ خریداروں کو فروخت کرنے کی بابت چیف ایگزیکٹو آفیسر کو مناسب اقدامات کرنے کے لئے یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے۔“

”مزید قرار پایا کہ مذکورہ بالا حصص کی فروخت مکمل کرنے کی غرض سے چیف ایگزیکٹو آفیسر/کمپنی سیکریٹری کو تمام درکار کاروباری، ریگولیٹری اور قانونی تقاضے پورے کرنے کا یہاں باقاعدہ مجاز ٹھہرایا جاتا ہے۔“

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور

107 اکتوبر 2022ء

مندرجات:

- (1) اراکین کارجرٹ 21 اکتوبر 2022ء تا 28 اکتوبر 2022ء (بشمول دونوں ایام) بند رہے گا۔ 21 اکتوبر 2022ء کو کاروبار بند ہونے تک رجسٹر کارپ لنک (پرائیویٹ) لمیٹڈ، K-1 کمرشل ماڈل ٹاؤن لاہور اور کمپنی کے شیئر ٹرانسفر آفس کو موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت وصولی شمار کیا جائے گا۔
 - (2) اجلاس میں شرکت اور رائے شماری کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا ہے۔ کارآمد کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔
 - (3) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B/1، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے۔
 - (4) کمپنیز (پوسٹل بیلٹ) ضوابط 2018ء کی پیروی میں، شیئر ہولڈرز کو ڈائریکٹرز کے انتخاب کے لئے بذریعہ پوسٹل بیلٹ رائے شماری کا حق استعمال کرنے کی اجازت ہوگی۔
 - (5) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد ٹوٹل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز ویڈیولنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کی درخواست دے سکتے ہیں۔ ویڈیولنک سہولت کی درخواست اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست سٹینڈرڈ فارم پر دی جائے۔ یہ سٹینڈرڈ فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔
- مزید برآں، مورخہ 17 مارچ 2020ء کے مراسلہ نمبر 5 کے تحت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے لسٹڈ کمپنیوں کو COVID-19 وبا کے خطرات سے حصص داران کو محفوظ رکھنے کے لئے اپنے سالانہ اجلاس عام کے معمول میں تبدیلی کی ہدایات جاری کی ہیں۔
- اسی طرح سے کمپنی کے حصص داران ویڈیو/ویپیکس/زوم کے ذریعے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2022ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کی کتابوں میں ظاہر ہوتے ہیں اور وہ آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہش مند ہیں تو انہیں اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

ای میل: asattar@pacepakistan.com ؛ sajjadahmad@pacepakistan.com

وٹس ایپ نمبر: 0301-8449940 ؛ 0303-4444800

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

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

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

(042)-35839182

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

(8) (a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بنی فیشنل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

(b) پراسیز کے تقرر کے لئے، CDC کا فرد واحد بنی فیشنل مالک مذکور بالا ضروریات کے مطابق پراسیز فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول اصلی CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتہ اور CNIC نمبر کے ساتھ پراسیز فارم کی توثیق ہونی چاہئے۔ پراسیز کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراسیز فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

9) اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتے میں تبدیلی کی صورت میں فوراً آگاہ کریں۔

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

اعلامیہ ہذا 28 اکتوبر 2022ء کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں زیر غور لائے جانے والے خصوصی امور کی بابت مادی حقائق پر مشتمل ہے۔

پیس برکہ پراپرٹیز لمیٹڈ ("PBPL") میں کمپنی کی مکمل شیئر ہولڈنگ یعنی 10.00 روپے فی حصص کی شرح سے

54,791,061 حصص کی فروخت

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 06 اکتوبر 2022ء میں PBPL میں کمپنی کی مکمل شیئر ہولڈنگ، جس

کی قیمت تاریخ فروخت کو PBPL کے حصص کی فیئر ویلیو سے کم نہ ہو، ممکنہ خریداروں کو فروخت کرنے کا فیصلہ کیا۔

"PBPL" 22 نومبر 2005 کو رجسٹر ہوئی۔ PBPL کی بنیادی کاروباری سرگرمیوں میں شاپنگ مالز، اپارٹمنٹس، ولاز،

کمرشل بلڈنگز وغیرہ کی تعمیر، حصول، ترقی اور فروخت اور ہوٹل اور ریسٹوران کے امور چلانا شامل ہے۔

PBPL کار رجسٹرڈ آفس فرسٹ کیپٹل ہاؤس، 96-B/1، زیریں زمینی منزل، ایم ایم عالم روڈ، گلبرگ-III، لاہور میں واقع

ہے۔ PBPL کا موجودہ مجاز سرمایہ حصص -/4,800,000,000 روپے ہے۔ جو -/10 روپے فی حصص پار ویلیو پر

480,000,000 عمومی حصص پر مشتمل ہے۔ جاری کردہ، سبسکرائبڈ اور ادا شدہ سرمایہ -/3,052,573,630 روپے

ہے جو -/10 روپے فی حصص کی شرح سے 305,257,363 حصص پر مشتمل ہے۔ PBPL کی جانب سے کمپنی کو دیئے

گئے حصص کی تعداد 54,791,061 ہے۔

30 جون 2022ء کو تازہ ترین دستیاب سالانہ پڑتال شدہ کھاتوں کے مطابق PBPL کی فی حصص بریک اپ قیمت

17.62 روپے فی حصص ہے۔ گذشتہ تین برسوں کے لئے PBPL کے نفع و نقصان اکاؤنٹ کا اقتباس حسب ذیل ہے:

تفصیلات	جون 2022ء	جون 2021ء	جون 2020ء
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(ہزار روپوں میں)

آپریٹنگ نفع / (نقصان)	(354.691)	(273.211)	(103.494)
خالص نفع / (نقصان) علاوہ ٹیکس	(311.003)	(234.917)	(156.675)
آمدنی / (خسارہ) فی حصص - بنیادی و تجلیلی	(1.02)	(0.77)	(0.51)

گذشتہ تین برسوں کے لئے PBPL کی مالیاتی حالت:

تفصیلات	جون 2022ء	جون 2021ء	جون 2020ء
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(ہزار روپوں میں)

غیر حالیہ اثاثہ جات	5,147,306	4,146,191	4,033,986
حالیہ اثاثہ جات	2,140,359	2,657,607	2,581,543
کل اثاثہ جات	7,287,665	6,803,798	6,615,529

کل ایکویٹی (سرمایہ حصص اور ذخائر)	5,379,782	4,664,410	4,890,855
غیر حالیہ واجبات	985,715	604,845	253,144
حالیہ واجبات	922,168	1,534,543	1,471,530
کل واجبات	7,287,665	6,803,798	6,615,529

PBPL کی فیئر ویلیو کا تعین تازہ ترین دستیاب کھاتوں یا 30 جون 2022ء کو PBPL کی تازہ ترین مالیاتی اسٹیٹمنٹس کی بنیاد پر قانون کے مطابق حصص کی فروخت سے پیشتر کیا جائے۔ اس واپس سرمایہ داری کی فروخت کا مقصد یہ ہے کہ کمپنی حصص کی فروخت سے حاصل آمدنی کو متبادل منافع بخش کمپنی میں لگانا چاہتی ہے۔

تجویز کیا جاتا ہے کہ مجاز چیف ایگزیکٹو آفیسر PBPL میں 54,791,061 حصص پر مشتمل مکمل شیئر ہولڈنگ کو واپس لینے کے لئے تمام ضروری اقدامات کرے۔

بورڈ آف ڈائریکٹرز نے 106 اکتوبر 2022ء کو منعقدہ اجلاس میں شیئر ہولڈرز کو تجویز دی تھی کہ کمپنی کے چیف ایگزیکٹو آفیسر کو خریداروں کو فروخت کے لئے شرائط و ضوابط پر مذاکرات کریں اور PBPL کے حصص کی فروخت پر حتمی فیصلہ کے لئے بورڈ آف ڈائریکٹرز کو فروخت کی شرائط و ضوابط تجویز کریں۔

قانون کے مطابق PBPL کے فی حصص کی قیمت فروخت ممکنہ متعین کردہ حصص کی فیئر ویلیو کے مساوی ہوگی۔

مذکورہ بالا بورڈ اجلاس میں یہ بھی منظور کیا گیا کہ PBPL حصص کی فروخت کی بابت تمام کاروباری و قانونی تقاضوں کو پورا کرنے کے لئے کمپنی کے چیف ایگزیکٹو آفیسر یا کمپنی سیکریٹری کو مجاز ٹھہرانے کے لئے شیئر ہولڈرز کی منظوری حاصل کی جائے۔

انڈر ٹیکنگ کے بھاری حصے کی فروخت، لیز یا ڈسپوزل کی صورت میں

انڈر ٹیکنگ کے بھاری حصے کی فروخت، لیز یا ڈسپوزل کی صورت میں	
1. فروخت، لیز یا ڈسپوزل کے جانے والے اثاثہ جات کی تفصیل میں مندرجہ ذیل شامل ہونے چاہئیں۔	
(a)	اثاثوں کی تفصیل/نام
	پیس برکہ پراپرٹیز لمیٹڈ کے عمومی حصص
(b)	اثاثے کے حصول کی تاریخ
	31-10-2006
(c)	قیمت
	پارویلیو پر 10.00 روپے فی حصص
(d)	متعین کردہ رقم اور تعین کرنے کی تاریخ (اگر لاگو)
	لاگو نہیں ہوتا
(e)	بک ویلیو
	17.62 روپے
(f)	اندازاً حالیہ مارکیٹ پرائس/فیئر ویلیو
	دستیاب نہیں کیونکہ PSX پر ان حصص کی تجارت نہیں کی گئی/اندازاً فیئر ویلیو بیک اپ ویلیو کے برابر ہو سکتی ہے۔
(g)	فروخت کی صورت میں، اگر ممکنہ قیمت فروخت بک ویلیو یا فیئر ویلیو سے کم ہو تو اس کی وجہ:
	کمپنی کے بورڈ آف ڈائریکٹرز سے منظور شدہ یا قانون کے مطابق طے شدہ فیئر ویلیو پر حصص کی فروخت ہوگی۔
(h)	اثاثہ جات کی لیز کی صورت میں مدت، لیز کا کرایہ، اضافہ کی شرح، لیز کرایہ کے تعین کی بنیاد/طریقہ کار اور لیز کی دیگر اہم شرائط و ضوابط
	لاگو نہیں ہوتا
(i)	مذکورہ اثاثہ جات کی روخت کا مجوزہ طریقہ کار
	حصص کی منتقلی کے عوض بذریعہ کیش
(ii)	اگر کمپنی نے کسی خریدار کی نشاندہی کی ہے تو متعلقہ فریق کون ہے۔ ان حقائق کو مادی حقائق کے اعلامیہ میں ظاہر کیا جائے۔
	لاگو نہیں ہوتا۔
(iii)	اثاثہ جات کی فروخت، لیز، ڈسپوزل کا مقصد بمعہ مندرجہ ذیل تفصیلات:
(a)	لیں دین سے حاصل آمدنی کا تصرف
	کمپنی حصص کی فروخت سے حاصل آمدنی کو متبادل منافع بخش کمپنی میں لگانے کا ارادہ رکھتی ہے۔

(b) کمپنی کی آپریشنل استعداد پر اثرات، اگر کوئی کوئی اثرات نہیں ہیں، اور	کوئی اثرات نہیں
(c) اراکین کے لئے ممکنہ مقداری و معیاری فوائد	کمپنی حصص کی فروخت پر کیپٹل گین اور کمپنی کے طے شدہ متبادل پروجیکٹ سے خاطر خواہ آمدنی کی توقع کی جاتی ہے۔
ii. مذکورہ بالا حصص کی فروخت کاروبار کی بندش/کمپنی کی تحلیل کا امکان پیدا نہیں کرتی۔	

دستاویزات کا معائنہ

میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت بیان، شیئر ہولڈنگ کی تازہ ترین وضع اور گذشتہ چھ ماہ کے دوران کمپنی میں 10 فی صد یا زائد شیئر ہولڈنگ کے مالک شیئر ہولڈرز کی شیئر ہولڈنگ میں تغیر، کمپنی اور PBPL کے گذشتہ تین برس کے پڑتال شدہ سالانہ کھاتے اور کمپنی کی دیگر متعلقہ معلومات کی نقول کا جائزہ نوٹس ہذا کی اشاعت سے سالانہ اجلاس عام کے اختتام تک کمپنی کے رجسٹرڈ آفس میں کاروباری اوقات کار کے دوران کیا جاسکتا ہے۔

ڈائریکٹرز اور ان کے رشتہ داروں کی دلچسپی

کمپنی کے تمام ڈائریکٹرز بشمول چیف ایگزیکٹو (کمپنی کے نامزد کردہ) اور ان کے رشتہ دار (اگر کوئی ہیں) اپنی ملکیتی حصص کی حد تک دلچسپی رکھتے ہیں۔ ان ڈائریکٹرز بشمول چیف ایگزیکٹو اور ان کے رشتہ دار (اگر کوئی ہیں) کی دلچسپی پر قراردادوں کے اثرات دیگر شیئر ہولڈرز کے مساوی اثرات سے مختلف نہیں ہیں۔ یہاں بیان کردہ دلچسپی کے امور کے علاوہ ان کا خصوصی امور اور/یا قراردادوں میں کوئی مفاد نہیں۔

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, 2022,

- ❖ 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
06 October 2022

Shehrbano Taseer
Chairman

فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ

چیئر مین کی جائزہ رپورٹ

بورڈ کی مجموعی کارکردگی اور کمپنیز ایکٹ 2017ء کے سیکشن 192 کے تحت کمپنی کے مقاصد کے حصول کے لئے بورڈ کے مؤثر کردار پر چیئر مین کی جائزہ رپورٹ۔

کوڈ آف کارپوریٹ گورننس کے تحت فرسٹ کیپٹل سیکورٹیز 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 مد نظر رکھا گیا ہے اور ایکشن پلان مرتب کیا گیا ہے۔

میں 30 جون 2022ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کرتی ہوں۔

- ❖ فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ ("FCSC") کے بورڈ آف ڈائریکٹرز نے کمپنی کے شیئر ہولڈرز کے بہترین مفاد کو ملحوظ خاطر رکھتے ہوئے اپنے فرائض دلجمعی سے سرانجام دیئے ہیں اور کمپنی کے امور کو مؤثر انداز میں منظم 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 ریسورس اینڈ ریمونزیشن کمیٹی تشکیل دی ہے اور ان کے شرائط و ضوابط 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 ڈیولپمنٹ 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 جاسکے۔

❖ 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 خود کار 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 و ضوابط 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 و ضوابط 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 و ضوابط 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 شکر گزار ہوں۔ میں مستقبل میں کمپنی کی ترقی کے لئے پرامید ہوں۔

لاہور

چیرمین

106 اکتوبر 2022ء

FIRST CAPITAL SECURITIES CORPORATION LIMITED DIRECTORS' REPORT

On behalf of the Board of Directors of First Capital Securities Corporation Limited ("the Company" or "FCSC"), we are pleased to present the annual report of the Company together with the audited annual financial statements for the financial year 2022.

Operational Results

The principal business activities of the Company include equity investments and Money market operations. The Company's financial results for the Financial Year 2022 ("FY22") are summarized as follows:

	30 June 2022	30 June 2021
	Rupees	Rupees
Revenue	414,035,040	364,608,987
Operating expenses	12,199,466	9,330,541
Finance and other costs	305,873,661	263,739,756
Profit / (loss) after taxation	92,927,243	207,429,503
Earnings/(loss) per share (basic & diluted)	0.29	0.66

During the period under review, the Company has reported profit after tax of Rs. 92.927 million (EPS: 0.29) as compared to Rs. 207.429 million (EPS: 0.66) during the same period last year. The Company has generated gross revenue of Rs. 414.035 during the period under review as compared to Rs. 364.609 in the same period last year, mainly on the back of gain of Rs. 500.044 million from change in fair value of investment property as compared to Rs. nil in corresponding period last year. Finance cost increased to Rs. 42.133 million from Rs. 263.740 million.

During the year company reported profit before tax amounting Rs. 92.227 Million, but still the accumulated losses of the company stand at Rs. 1,153.151 Million as at June 30, 2022 (2021: 1,245.612 Million). Moreover, the current liabilities of the Company exceed its current assets by Rs. 1074.278 Million.

Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. During the year management successfully negotiated with financial Institution(s) for deferment of its principal and rental payable against diminishing musharka agreement. As at year end the management of the Company is trying to sell its investment properties to settle its loan facilities and is confident that this will be done on favorable terms.

Based on above mentioned assumption of the management these financial statements have been prepared on the going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

Performance of Key Investments

First Capital Equities Limited ("FCEL")

FCEL reported a loss after taxation from continuing operations of Rs 90.88 million in FY22 as compared to profit of Rs. 90.88 million during the same period last year. During the year discontinuation of operations loss of the Company is recorded at Rs 1.46 million during the

period under review as compared to loss of Rs. 0.85 million in previous year. Further, the Un-realized loss on re-measurement of investment is recorded at Rs. 77.01 million.

During the current year, FCEL During the year company earned losses of Rs. 79.60 Million (2021: Profit Rs. 90.13 Million) after recognizing unrealized loss on investments amounting Rs. 77.01 Million (2021: gain Rs. 94.57 Million), moreover the accumulated losses of the company stand at Rs. 1060.51 Million as at June 30, 2022 (2021: 980.91 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 495.49 Million (2021: Rs. 441.17 Million).

Lanka Securities (Private) Limited (“LSL”)

LSL has reported profit after tax of LKR 243.84 million during the period under review as compared of LKR 170.15 million during the same period last year. Earnings per share for the year is recorded at LKR 9.88 as compared to LKR 6.90 in the preceding year.

First Capital Investments Limited (“FCIL”)

FCIL has posted loss after taxation of Rs. 14.425 million during the Financial Year 2022 as compared to profit after taxation of Rs. 12.254 million during the Financial Year 2021 (“FY-21”). Loss per share during the period under review is recorded at Rs. 0.69 as compared to Earnings per share of Rs. 0.58 during the same period last year. The Loss per share of the Company is mainly on the back of equity market performance that stated negative return of 12% during the period under review as compared to gain of 37% during the FY-21.

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

During the financial year ending 30th June 2022 vs (FY-2021), the sales of the Company increased by 11%. The Company has posted profit after taxation of Rs. 28.88 million during the Financial Year 2022 as compared of Rs. 196.65 million during the Financial Year 2021.

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 2021.

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, 2021, 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, 2021 Rs. 0.66 as compared to loss per share Rs. (1.34) 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;

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

Composition of Board

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

Names	Designation
Shehribano Taseer	Chairman
Aamna Taseer	CEO
Shehryar Ali Taseer	Director
Shahbaz Ali Taseer	Director
Umair Fakhar Alam	Director
Naeem Akhtar	Director
Mustafa Mujeeb Ch	Director

Total number of Directors 7

a) Male; and 5

b) Female: 2

Composition:

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

Committee of the board

Audit Committee

Mr. Umair Fakhar Alam (Chairman)
Miss Shehribano Taseer (Member)
Mr. Naeem Akhtar (Member)

**Human Resource and
Remuneration (HR&R)
Committee**

Mr. Umair Fakhar Alam (Chairman)
Mrs. Aamna Taseer (Member)
Miss Shehribano Taseer (Member)

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

EXECUTIVE REMUNERATION

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

	Directors			
	Chief Executive Officer		Executive Director	
	2021	2020	2021	2020
	----- Rupees -----			
Managerial remuneration	2,400,000	2,400,000	Nil	Nil

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, 2023, 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.

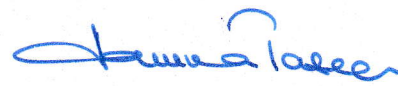
Acknowledgement

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
06 October 2022


Director


Aamna Taseer
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 2022ء کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

آپریٹنگ نتائج

کمپنی کی مرکزی کاروباری سرگرمیوں میں ایکویٹی انویسٹمنٹ اور منی مارکیٹ آپریشنز شامل ہیں۔ کمپنی کے مالیاتی نتائج برائے مالیاتی سال 2022 (”FY22“) کا خلاصہ حسب ذیل ہے:

30 جون 2021ء	30 جون 2022ء	
روپے	روپے	
364,608,987	414,035,040	آمدنی
9,330,541	12,199,466	آپریٹنگ اخراجات
263,739,756	305,873,661	مالیاتی لاگت و دیگر
207,429,503	92,927,243	نفع / (نقصان) علاوہ ٹیکسیشن
0.66	0.29	فی حصص آمدنی / (خسارہ) بنیادی وڈائیٹیوٹڈ

زیر جائزہ مدت کے دوران کمپنی نے گزشتہ برس کی اسی مدت کے دوران 207.429 ملین روپے (فی حصص آمدنی: 0.66 روپے) کے مقابلے میں 92.927 ملین روپے نفع علاوہ ٹیکس رپورٹ کیا (فی حصص آمدنی: 0.29)۔ کمپنی نے گزشتہ برس میں 364.609 روپے کے مقابلے میں زیر جائزہ مدت کے دوران 414.035 ملین روپے کی آمدنی حاصل کی جو گزشتہ برس کی اسی مدت میں 364.609 ملین روپے کے مقابلے میں سرمایہ داری پراپرٹی کی فیئر ویلیو میں تبدیلی سے 500.044 ملین روپے آمدنی سے منسوب کیا جاتا ہے۔ قرضوں پر لاگت 26.740 ملین روپے سے 42.133 ملین روپے رہی۔

سال بھر میں کمپنی نے 92.227 ملین روپے نفع بمعہ ٹیکس رپورٹ کیا لیکن 30 جون 2022ء کو کمپنی کا مجموعی خسارہ، 1,153.151 ملین روپے ہے (2021: 1245.612 ملین روپے)۔ مزید برآں، کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 1074.248 ملین روپے تک بڑھ چکے ہیں۔

مذکورہ بالا عوامل کے باعث کمپنی کو اپنے کاروبار کو چلانے اور اپنے فرائض کی ادائیگی کے لئے معقول آپریٹنگ منافع اور سرمایہ درکار ہے۔ اسی طرح سے کمپنی کے آپریشنز میں غیر یقینی کے بادل چھائے ہوئے ہیں جو کمپنی کے عمومی کاروباری امور کے دوران رائلٹی کی انجام دہی میں شکوک شبہات پیدا کرتے ہیں۔ کمپنی کی کاروبار جاری رکھنے کی صلاحیت بہتر سرمایہ پر منحصر ہے۔ مذکورہ سال کے دوران کمپنی نے مشارکہ معاہدے کی بابت قرضہ اور اس پر واجب الادا ریٹیل کی ادائیگی میں مدت کی رعایت کے لئے کامیاب مذاکرات کئے ہیں۔ سال کے اختتام پر کمپنی کی انتظامیہ قرضوں کی ادائیگی کے لئے اپنی انویسٹمنٹ املاک فروخت کرنے کی کوشش کر رہی ہے اور پر امید ہے کہ یہ عمل موافق شرائط پر پائیہ تکمیل تک پہنچ جائے گا۔

انتظامیہ کے مذکورہ بالا مفروضوں کے علاوہ یہ مالیاتی اسٹیٹمنٹس کاروبار جاری رکھنے کی توقعات پر تیار کی گئی ہیں۔ نتیجتاً مالیاتی اسٹیٹمنٹس میں اثاثہ جات کی فروخت اور واجبات کی لیکویڈیشن سے متعلق کوئی رد و بدل شامل نہیں ہے جس کی وجہ سے ظاہر ہو کہ کمپنی کاروبار جاری رکھنے کی صلاحیت نہیں رکھتی۔

اہم سرمایہ کاری کی کارکردگی

فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("FCEL")

کمپنی نے فعال آپریشنز سے گذشتہ برس میں 90.88 ملین روپے کی نسبت مالیاتی سال 2022ء کے دوران 90.88 ملین روپے منافع علاوہ ٹیکس رپورٹ کیا۔ آپریشنز غیر فعال ہونے پر سال بھر میں کمپنی نے گذشتہ برس کی اسی مدت میں 0.85 ملین روپے خسارے کے مقابلہ میں زیر جائزہ مدت کے دوران 1.46 ملین روپے خسارہ ریکارڈ کیا۔ مزید برآں، سرمایہ داری کے دوبارہ تعین پر غیر وصول شدہ آمدنی 77.01 ملین روپے رہی۔

حالیہ برس کے دوران 77.01 ملین روپے (2021: 94.57 ملین روپے آمدنی) کی سرمایہ داری پر غیر موصول شدہ خسارہ برداشت کرنے کے بعد FCEL نے 79.60 ملین روپے (2021: 90.13 ملین روپے) خسارہ برداشت کیا۔ مزید برآں 30 جون 2022ء تک کمپنی کو 1060.51 ملین روپے (2021: 980.91 ملین روپے) مجموعی خسارہ برداشت کرنا پڑا اور رپورٹنگ کی تاریخ کو حالیہ واجبات کمپنی کے حالیہ اثاثہ جات سے 495.49 ملین روپے (2021: 441.17 ملین روپے) سے تجاوز کر چکے ہیں۔

لنکاسیکورٹیز (پرائیویٹ) لمیٹڈ ("LSL")

LSL نے گذشتہ برس کی اسی مدت کے دوران 170.15 ملین لنکن روپے خسارے کی نسبت 243.84 ملین لنکن روپے نفع علاوہ ٹیکس درج کیا۔ فی حصص آمدنی گذشتہ برس میں 6.90 لنکن روپے کے مقابلے میں زیر جائزہ سال کے دوران 9.88 لنکن روپے ریکارڈ ہوئی۔

فرسٹ کیپٹل انوسٹمنٹس لمیٹڈ (“FCIL”)

FCIL نے مالیاتی سال 2021ء کے دوران 12.254 ملین روپے خسارہ علاوہ ٹیکس کے مقابلے میں مالیاتی سال 2022ء کے دوران 14.425 ملین روپے خسارہ علاوہ ٹیکس درج کیا۔ گذشتہ برس کی اسی مدت کے دوران 0.58 روپے فی حصص خسارے کے مقابلے میں زیر جائزہ مدت کے دوران فی حصص خسارہ 0.69 روپے رہا۔ کمپنی کافی حصص خسارہ ایکویٹی مارکیٹ کی کارکردگی سے منسوب کیا جاتا ہے جس نے مالیاتی سال 2021ء کے دوران 37 فی صد کے مقابلے میں زیر جائزہ مدت کے دوران 12% فی صد منفی ریٹرن درج کیا۔

ایورگرین واٹرویلی (پرائیویٹ) لمیٹڈ (“EGWV”)

مالیاتی سال 2021ء کے مقابلے میں 30 جون 2022ء کو اختتام پذیر مالیاتی سال کے دوران کمپنی کی فروخت میں 11 فیصد کا اضافہ ہوا۔ کمپنی نے گذشتہ برس کے دوران 196.65 ملین روپے کے مقابلے میں مالیاتی سال 2022ء کے دوران 28.88 ملین روپے کا منافع علاوہ ٹیکسیشن درج کیا۔

کاروباری و سماجی ذمہ داری

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

ہیومن ریسورس مینجمنٹ

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

داخلی نظم و ضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی نظم و ضبط کے سسٹم کے نفاذ اور سالانہ موثر نظر ثانی کے لئے ذمہ دار ہیں تاکہ وہ اپنے سٹیک ہولڈرز کو ان کی سرمایہ دار پر معقول منافع دے سکیں جو خطرات کے ذمہ دار تعین اور انتظام سے منسلک ہوتا ہے۔ اس میں مالیاتی، آپریشنل اور تعمیلی کنٹرولز اور رسک مینجمنٹ طریقہ ہائے کار اور ان پر متاثر عمل درآمد پر نظر ثانی شامل ہے۔ ڈائریکٹرز نے 2022ء کو اختتام پذیر سال کے لئے اپنا سالانہ جائزہ اور تخمینہ مکمل کر لیا ہے۔

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

رسک مینجمنٹ

بورڈ کو علم ہے کہ کسی بھی کاروبار میں خطرہ بنیادی عوامل میں سے ایک ہے اور یہ کہ اس میں خطرہ اور مواقع دونوں شامل ہوتے ہیں۔ کمپنی فیصلہ سازی کے تمام امور میں خطرے سے آگاہی کے کاروباری کلچر کو مضبوط کرنے پر یقین رکھتا ہے۔ پیس رسک مینجمنٹ کے ذریعے خطروں سے نبرد آزما ہونے کے لئے موثر انداز میں اور بروقت عمل کرنے میں بھی یقین رکھتا ہے۔ اس عزم اعادہ کرنے کے لئے ادارے میں ہر سطح پر لئے گئے فیصلوں کی بابت انتظامیہ کو آگاہ کرنے کے لئے غرض سے خطرے کا جائزہ لیا جاتا ہے۔ کسی بھی رسک مینجمنٹ سسٹم میں موجود حدود و قیود کے پیش نظر کاروباری خطرات کی نشاندہی، تخمینہ اور انتظام کا عمل خطرے کو ختم کرنے کی بجائے کنٹرول کرنے کے لئے استعمال ہوتا ہے اور مادی بے یقینی یا خطرے کے برعکس یہ کلی کی بجائے جزوی یقین دہانی کراتا ہے۔ قدرتی آفات جیسے مخصوص خطرات کو داخلی نظم و ضبط کے ذریعے قابل قبول سطح پر ضبط نہیں کیا جاسکتا۔ ایسے بڑے خطرات کو حسب ضرورت طے شدہ شرائط پر مقامی انشورنس مارکیٹ میں فریق ثالث کو منتقل کر دیا جاتا ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

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

اہم مالیاتی اشاریے

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

شیر ہولڈرز کے پے آؤٹس

30 جون 2022ء کو اختتام پذیر سال کے دوران کمپنی کے کیش فلو کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے امسال کوئی پے آؤٹ/منافع منقسمہ تجویز نہیں کیا ہے۔

فی حصص آمدنی/(خسارہ)

30 جون 2022ء کو اختتام پذیر سال کے لئے فی حصص آمدنی (بیسک اور تحلیلی) گذشتہ برس کے لئے (1.34) فی حصص

خسارے کے مقابلے میں 0.66 روپے رہی۔

ڈائریکٹرز کے انتخاب میں تاخیر

ڈائریکٹرز کی میعاد 26 ستمبر 2012ء کو ختم ہو گئی۔ اگلے تین سالوں کے لئے پہلے ہی ڈائریکٹرز کی تعداد 7 مقرر کی جا چکی ہے۔ البتہ بورڈ نے ڈائریکٹرز کے انتخاب میں خلل یعنی مسٹر سلمان تاثیر مرحوم کے حصص کی عدم تقسیم کے باعث ڈائریکٹرز کے انتخابات کی تاریخ کا فیصلہ تاحال نہیں ہو سکا۔

- انتظامیہ کی جانب سے تیار کردہ نوٹس اور مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، سرمایہ اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتے ہیں۔
- کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار کر رکھی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور درست فیصلوں کی بنیاد پر لگائے گئے ہیں۔ مساوائے مالیاتی اسٹیٹمنٹس کے نوٹ-4 میں بیان کی گئی تبدیلیوں کے۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی قواعد کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے انحراف (اگر کوئی ہے) کو مناسب انداز میں ظاہر کیا گیا ہے۔
- کمپنی کے آپریٹنگ نتائج کا گذشتہ برس سے انحراف کا خلاصہ اور اس کی وجوہات اوپر بیان کی گئی ہیں۔
- ٹیکس، ڈیوٹی، لیوی اور چارجز کی بابت قانونی واجبات کی ادائیگی لازمی ہے جس کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ-15 میں بیان کی گئی ہیں۔
- قرضوں اور دیگر انسٹرومنٹس کی تفصیلات جن میں کمپنی نادر ہندہ ہے یا نادر ہندہ ہونے والی ہے کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ-16 میں بیان کی گئی ہیں۔

کوڈ آف کارپوریٹ گورننس

”سٹیٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط“ کو نافذ کیا گیا ہے۔ CCG کی پیروی میں کمپنی نے بورڈ اور اس کی کمیٹیاں تشکیل دی ہیں۔

بورڈ کی ترکیب

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

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

ڈائریکٹرز کی کل تعداد 07

(a) مرد: 05

(b) خاتون: 02

ترکیب:

02 خود مختار ڈائریکٹرز

04 دیگر نان ایگزیکٹو ڈائریکٹرز

01 ایگزیکٹو ڈائریکٹرز

02 خاتون ڈائریکٹرز

بورڈ کمیٹیاں

مسٹر عمیر فخر عالم (چیئر مین)

آڈٹ کمیٹی

مس شہر بانو تاثیر (رکن)

مسٹر نعیم اختر (رکن)

ہیومن ریسورس اینڈ مسٹر عمیر فخر عالم (چیرمین)
ریہونریشن (HR&R) مسز آمنہ تاثیر (رکن)
کمپنی مس شہر بانو تاثیر (رکن)
کوڈ آف کارپوریٹ گورننس کا تعمیلی بیان لف ہذا ہے۔

ایگزیکٹو کا معاوضہ

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

ایگزیکٹو ڈائریکٹر		چیف ایگزیکٹو آفیسر	
2021ء	2022ء	2021ء	2022ء

روپے

صفر	صفر	2,400,000	2,400,000	انتظامی معاوضہ
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ڈائریکٹرز کی تجارت

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

آڈیٹرز

حالیہ آڈیٹرز میسرز ناصر جاوید مقصود عمران، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کی وضع

کمپنی ایکٹ 2017ء کے سیکشن (f)(2)227 کے تحت اور لسٹنگ ضوابط کی پیروی میں شیئر ہولڈنگ کی وضع لف ہذا ہے۔

اظہار تشکر

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

منجانب / برائے بورڈ آف ڈائریکٹرز

لاہور

تاریخ: 06 اکتوبر 2022ء

آمنہ تاثیر

CEO / ڈائریکٹر

ڈائریکٹر

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1. CUIIN (Registration Number) 00323452. Name of the Company FIRST CAPITAL SECURITIES CORPORATION LIMITED3. Pattern of holding of the shares held by the shareholders as at 30-06-2022

-----Shareholdings-----			
4 No. of Shareholders	From	To	Total Shares Held
369	1	100	11,746
628	101	500	209,775
523	501	1,000	433,544
1229	1,001	5,000	3,274,344
600	5,001	10,000	4,596,588
172	10,001	15,000	2,229,100
137	15,001	20,000	2,508,603
76	20,001	25,000	1,804,743
95	25,001	30,000	2,703,523
40	30,001	35,000	1,322,259
39	35,001	40,000	1,511,823
23	40,001	45,000	988,554
55	45,001	50,000	2,710,263
24	50,001	55,000	1,275,174
26	55,001	60,000	1,516,511
17	60,001	65,000	1,075,055
16	65,001	70,000	1,095,000
17	70,001	75,000	1,258,368
14	75,001	80,000	1,094,300
9	80,001	85,000	752,500
5	85,001	90,000	446,500
9	90,001	95,000	839,384
34	95,001	100,000	3,395,000
3	100,001	105,000	303,010
5	105,001	110,000	536,500
3	110,001	115,000	338,000
6	115,001	120,000	710,758
3	120,001	125,000	375,000
8	125,001	130,000	1,025,000
4	130,001	135,000	532,500
3	135,001	140,000	417,000
1	140,001	145,000	140,050
10	145,001	150,000	1,497,068
2	150,001	155,000	310,000
4	155,001	160,000	633,371
2	160,001	165,000	323,917
1	165,001	170,000	167,000
1	170,001	175,000	171,500
2	180,001	185,000	368,500
3	185,001	190,000	565,500
1	190,001	195,000	192,500
7	195,001	200,000	1,393,500
5	200,001	205,000	1,019,460
2	205,001	210,000	412,000
1	210,001	215,000	213,138
2	215,001	220,000	438,500
1	220,001	225,000	221,000
3	225,001	230,000	682,500
4	235,001	240,000	954,000
2	240,001	245,000	484,000
3	245,001	250,000	747,000
1	255,001	260,000	260,000
3	280,001	285,000	851,653
2	290,001	295,000	587,000
2	295,001	300,000	600,000
3	300,001	305,000	909,500
1	305,001	310,000	308,000
1	315,001	320,000	316,000
1	325,001	330,000	330,000

2	340,001	345,000	686,500
2	345,001	350,000	695,500
1	365,001	370,000	367,484
1	370,001	375,000	372,289
1	375,001	380,000	377,500
1	385,001	390,000	390,000
3	395,001	400,000	1,200,000
1	400,001	405,000	400,500
1	405,001	410,000	410,000
1	410,001	415,000	410,500
1	415,001	420,000	420,000
1	420,001	425,000	422,500
1	425,001	430,000	425,500
1	445,001	450,000	450,000
1	450,001	455,000	454,000
1	455,001	460,000	460,000
1	470,001	475,000	470,500
2	475,001	480,000	957,000
1	490,001	495,000	495,000
3	495,001	500,000	1,500,000
1	500,001	505,000	504,500
1	505,001	510,000	507,000
2	515,001	520,000	1,040,000
1	525,001	530,000	528,650
1	545,001	550,000	550,000
3	555,001	560,000	1,668,000
1	565,001	570,000	568,000
1	585,001	590,000	586,500
1	590,001	595,000	592,000
1	625,001	630,000	629,500
1	640,001	645,000	642,000
1	650,001	655,000	651,000
1	695,001	700,000	695,750
1	750,001	755,000	755,000
1	765,001	770,000	769,500
1	820,001	825,000	820,500
4	895,001	900,000	3,591,969
1	945,001	950,000	946,391
1	960,001	965,000	961,636
1	970,001	975,000	970,500
1	975,001	980,000	976,000
1	1,000,001	1,005,000	1,000,500
1	1,035,001	1,040,000	1,040,000
1	1,110,001	1,115,000	1,114,000
1	1,145,001	1,150,000	1,148,000
1	1,485,001	1,490,000	1,486,000
2	1,540,001	1,545,000	3,081,398
1	1,560,001	1,565,000	1,564,500
1	1,655,001	1,660,000	1,659,000
9	1,795,001	1,800,000	16,177,338
1	2,045,001	2,050,000	2,048,345
1	2,385,001	2,390,000	2,390,000
1	2,735,001	2,740,000	2,739,988
1	2,750,001	2,755,000	2,751,500
1	3,200,001	3,205,000	3,204,000
1	3,545,001	3,550,000	3,550,000
1	3,600,001	3,605,000	3,602,283
1	3,840,001	3,845,000	3,844,059
1	3,990,001	3,995,000	3,991,754
1	4,185,001	4,190,000	4,186,500
1	4,925,001	4,930,000	4,928,000
1	5,285,001	5,290,000	5,288,000
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	31,390,001	31,395,000	31,395,000
1	33,770,001	33,775,000	33,772,767
1	68,430,001	68,435,000	68,432,023
4353			316,610,112

5	Categories of shareholders	Shares held	Percentage
5.1(a)	Directors, CEO and their Spouse and Minor Children		
	Mrs. Aamna Taseer	7,177,978	2.2671
	Mr. Shahbaz Ali Taseer	700	0.0002
	Mr. Shehryar Ali Taseer	2,390,632	0.7551
	Miss Shehrbano Taseer	556	0.0002
	Mr. Mustafa Mujeeb Chaudhry	500	0.0002
	Mr. Naeem Akhtar	500	0.0002
	Mr. Umair Fakhar Alam	500	0.0002
5.1 (b)	Chief Executive Officer (7,177,978) share of (Aamna Taseer CEO)	-	-
5.1 ©	Directors spouse & minor children		
	Mr. Salman Taseer	35,574,835	11.2362
5.1.1	Executive / Executives' spouse	-	-
5.2	Associated Companies, undertaking and related parties	-	-
	a) Amythest Limited	72,034,306	22.7517
	b) Sisly Group Company Limited	31,395,000	9.9160
5.3	NIT and ICP	3,845,559	1.2146
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 interest		
	a) Mr. Sulmaan Taseer (Late) (Refer 5.1c)	-	-
	b) Amythest Limited (Refer 5.2a)	-	-
5.8	General Public		
	a) Local	105,315,508	33.2635
	b) Foreign	22,886,830	7.2287
	b) Foreign Companies/Organizations/(repatriable bases) Refer 5.2 (a) above Refer 5.2 (b) above		
5.9	Others		
	a) Joint Stock Companies	14,407,830	4.5507
	b) Pension fund Provident Fund etc.	367,484	0.1161
	c) Others	574,980	0.1816
		316,610,112	100.00

KEY FINANCIAL DATA FOR LAST 7 YEARS

FINANCIAL DATA

Rupees in Thousands

	2022	2021	2020	2019	2018	2017	2016
Operating revenue	414,035	364,608	(148,516)	(250,343)	(67,561)	28,461	65,455
Operating expenses	(12,199)	(9,330)	(48,786)	(45,660)	63,742	43,595	43,302
Operating profit/ (loss)	401,835	355,278	(197,303)	(296,004)	(209,018)	(1,955,658)	(842,060)
Other revenue	13,390	111,102	11,524	12,245	12,129	16,936	44,741
Financial Expenses	(305,873)	(263,739)	(242,768)	(175,324)	(5,133,556)	(27,787)	(24,542)
Taxation	(17,125)	4,788	2,025	34,871	(1,617)	(1,124)	(1,748)
Profit after Taxation	92,227	207,429	(426,521)	(424,210)	(203,640)	(1,939,874)	(799,091)

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
FIRST CAPITAL SECURITIES CORPORATION LIMITED
FOR THE YEAR ENDED JUNE 30 2022**

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

1.	The total number of directors are seven as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of board is as follows:	
(i)	Independent Directors	02
(ii)	Other Non-Executive Directors	04
(iii)	Executive Directors	01
(iv)	Female Directors	02
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	The Board has arranged Directors' Training program for the following:	
	(Name of Director)	Mrs. Aamna Taseer
		Mr. Shehryar Ali Taseer
		Ms. Shehribano Taseer
	(Name of Executive & Designation (if applicable))	N/A
10.	The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
11.	CFO and CEO duly endorsed the financial statements before approval of the board.	
12.	The board has formed committees comprising of members given below:	

a.	Audit Committee (Name of members and Chairman)	Umair Fakhar Alam, (Chairman) Shehrbano Taseer, (Member) Naeem Akhtar, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Umair Fakhar Alam, (Chairman) Aamna Taseer, (Member) Shehrbano Taseer, (Member)
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	N/A
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:	
a	Audit Committee	06
b	HR and Remuneration Committee	01
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15.	The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;	
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company	
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard.	
18.	We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and	
19.	The explanation pertaining to the Regulations other than 3, 6, 7, 8, 27, 32, 33 & 36 is below: As per Regulation 19, at least 100% of the Directors should acquire the prescribed certification under a Director Training program, only 43% of the directors have completed their training as of June 30, 2022. The company is in process of complying with the requirement of Regulation 19 of the Listed Companies Code of Corporate Governance Regulations 2019.	

For and on behalf of the Board

CHIEF EXECUTIVE

Lahore

06 October 2022

DIRECTOR



**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, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of "First Capital Securities Corporation Limited" (the Company) for the year ended **June 30, 2022** in accordance with the requirement of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and a 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 Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures, and risks.

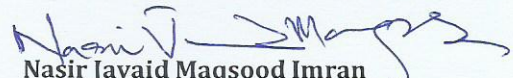
The Regulations require the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017.

We are only required and have ensured compliance with 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 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, 2022**.

Further, we highlight that the Company has not complied with the provision of regulation 19(1) of the Regulations which requires at least 100% of the Directors to have Director's training certificates, as disclosed in note 19 of the Statement of Compliance.

Date: _____
Islamabad
UDIN: CR2022101637ZQo4ENjW


Nasir Javaid Maqsood Imran
Chartered Accountants
Imran ul Haq

Lahore Office:

3rd Floor, Pace Tower, Plot No. 27, Block "H", Gulberg 2 Lahore
Tel: 042-35754821-22, Fax: 042-36317513, Email: nasirgulzar@njmi.net

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Tel: 021-32212382, 32212383, 32211516, Fax: 021-32211515, Email: khi@njmi.net



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 comprise the statement of financial position as of June 30, 2022, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022, and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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 although during the year company reported a profit after tax amounting to Rs. 92.227 Million, but still the accumulated losses of the company stand at Rs. 1,153.1 Million as of June 30, 2022 (2021: 1,245.6 Million). Moreover, the current liabilities of the Company exceed its current assets by Rs. 1,074.28 Million. 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 qualified 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 the 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.

The following are the Key Audit Matters:

Sr. #	Key Audit Matters	How the matters were addressed in our audit
1.	<p data-bbox="220 884 798 929">Valuation of long-term investments</p> <p data-bbox="220 952 798 1198">As stated in Note 8 of the accompanying financial statements, the company has significant investments in various quoted and unquoted entities which are valued at fair value, and a substantial amount of fair value gain is recognized on those investments during the year.</p> <p data-bbox="220 1232 798 1444">We identified the valuation of long-term investments as a key audit matter because there is a significant risk over the valuations of these investments due to the inherent subjectivity and estimation involved in the valuation of such assets.</p>	<p data-bbox="831 884 1383 974">We performed following key audit procedures to address the assessed risk:</p> <ul data-bbox="831 996 1383 1489" style="list-style-type: none"><li data-bbox="831 996 1383 1176">▪ Assessed competence, capability, and objectivity of management's expert and discussed with management appropriateness of assumptions and methodologies used;<li data-bbox="831 1198 1383 1355">▪ We involved our valuation experts to assess the appropriateness of the methodologies and assumptions used in respect of revaluation; and<li data-bbox="831 1377 1383 1489">▪ Assessed the appropriateness of the related disclosures in the Company's financial statements.
2.	<p data-bbox="220 1556 798 1601">Investment property valuation</p> <p data-bbox="220 1635 798 1881">As stated in Note 7 of the accompanying financial statements, the company has purchased investment property of a substantial amount during the year and has recognized a substantial amount of fair value gain during the year</p> <p data-bbox="220 1915 798 1986">We identified investment property as a key</p>	<p data-bbox="831 1556 1383 1646">We performed following key audit procedures to address the assessed risk:</p> <ul data-bbox="831 1668 1383 1986" style="list-style-type: none"><li data-bbox="831 1668 1383 1780">▪ Obtained independent valuer's report and took an understanding of the scope of the valuer's work;<li data-bbox="831 1803 1383 1892">▪ Assessed the competence, capabilities, and objectivity of the external valuer;<li data-bbox="831 1915 1383 1986">▪ We reconciled the detail of properties valued by the independent valuer to



audit matter because it has a material impact on financial statements.

details provided by the company;

- Compared values assigned by the independent valuer with the actual transactions that 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.

3. Litigations

There are several legal and regulatory matters for which no provision has been established, as disclosed in Note 20 of the accompanying financial statements.

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

We identified litigations as key audit matters because there is a high level of judgment involved in assessing the likelihood of their outcome which affect the level of provisioning and/or disclosures.

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

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



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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

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

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



Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Date:

Islamabad

UDIN: AR202210163o5Y0Z32JQ

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED

FINANCIAL STATEMENTS AS AT JUNE 30, 2022

STATEMENT OF FINANCIAL POSITION

STATEMENT OF PROFIT OR LOSS

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CASH FLOWS

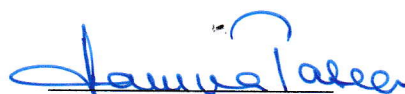
STATEMENT OF CHANGES IN EQUITY


NOTES TO THE FINANCIAL STATEMENTS


FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	143,423,338	132,743,163
Investment properties	7	2,685,278,881	2,152,618,664
Long term investments	8	1,713,194,347	1,821,951,969
Long term deposits	9	37,500	37,500
		4,541,934,066	4,107,351,296
CURRENT ASSETS			
Trade debts - unsecured, considered good	10	-	503,784
Loans, advances, prepayments and other receivables	11	38,322,992	33,544,229
Short term investments	12	32,834,322	75,227,561
Advance tax	13	7,894,825	7,541,537
Cash and bank balances	14	14,947,715	80,394
		93,999,854	116,897,505
CURRENT LIABILITIES			
Trade and other payables	15	71,615,173	65,599,872
Current portion of long term loan	16	390,909,090	100,000,000
Current portion of accrued markup	17	705,753,915	331,429,552
		1,168,278,179	497,029,424
		3,467,655,741	3,727,219,378
NON-CURRENT LIABILITIES			
Long Term Loan	16	1,387,150,910	1,678,060,000
Accrued Markup	17	41,927,982	111,377,020
Staff retirement benefits payable	19	3,125,943	2,293,421
Deferred tax liability	18	22,501,180	15,000,100
		1,454,706,015	1,806,730,541
Contingencies and commitments	20	-	-
NET ASSETS		2,012,949,726	1,920,488,836
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (June 2021: 320,000,000) ordinary shares of Rs. 10 each		3,200,000,000	3,200,000,000
Issued, subscribed and paid-up capital	21	3,166,101,120	3,166,101,120
Retained earnings		(1,153,151,394)	(1,245,612,284)
		2,012,949,726	1,920,488,836

The annexed notes 1 to 37 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, 2022

	Note	2022	2021
Rupees			
Revenue			
Money market services	22	-	1,108,269
Dividend Income	22	65,142,246	526,012
Unrealized gain/(loss) on re-measurement of 'investments at fair value through profit or loss'	24	(151,150,862)	362,974,706
Change in fair value of investment properties	7	500,043,656	-
		414,035,040	364,608,987
Expenses			
Operating and administrative expenses	25	(12,199,466)	(9,330,541)
Operating Profit		401,835,574	355,278,446
Other income	26	13,390,433	111,102,532
Finance cost	27	(305,873,661)	(263,739,756)
Profit before taxation		109,352,346	202,641,222
Taxation	28	(17,125,103)	4,788,281
Profit after taxation		92,227,243	207,429,503
Earning per share			
- basic and diluted	29	0.29	0.66

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer

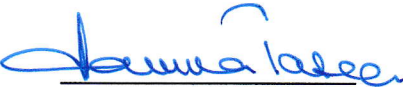



Director

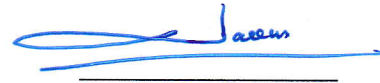
FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	Rupees	
Profit/(Loss) after taxation	92,227,243	207,429,503
Other comprehensive income for the year:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of post retirement benefit obligation - net of tax	233,647	236,251
<i>Items that may subsequently reclassified to profit or loss:</i>	-	-
Other comprehensive income for the year - net of tax	233,647	236,251
Total comprehensive Income for the year - net of tax	92,460,890	207,665,754

The annexed notes 1 to 37 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, 2022

	Share Capital	Revenue reserve/Accumulated Reserves	Total
		Retained earnings	
----- Rupees -----			
Balance as at July 01, 2020	3,166,101,120	(1,453,278,038)	1,712,823,082
Profit for the year	-	207,429,503	207,429,503
Other comprehensive income for the year - net of tax	-	236,251	236,251
Total comprehensive profit for the year - net of tax	-	207,665,754	207,665,754
Balance as at 30 June 2021	3,166,101,120	(1,245,612,284)	1,920,488,836
Balance as at July 01, 2021	3,166,101,120	(1,245,612,284)	1,920,488,836
Profit for the year	-	92,227,243	92,227,243
Other comprehensive income for the year - net of tax	-	233,647	233,647
Total comprehensive profit for the year - net of tax	-	92,460,890	92,460,890
Balance as at 30 June 2022	3,166,101,120	(1,153,151,394)	2,012,949,726

The annexed notes 1 to 37 form an integral part of these financial statements.


 Chief Executive Officer

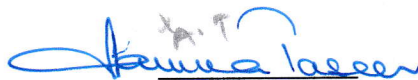

 Chief Financial Officer


 Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Cash flows from operating activities		
Profit before taxation	109,352,346	202,641,222
<i>Adjustments for:</i>		
Finance cost	305,873,661	263,739,756
Unrealized loss on re-measurement of investments at 'fair value through profit or loss'	151,150,862	(362,974,706)
Impact of discounting	-	(66,271,548)
Exchange loss	982,090	-
Provision for penalty written back	-	(33,330,684)
Change in value of investment properties	(500,043,656)	-
Provision for doubtful debt	503,784	-
Advances written off	152,450	-
Depreciation	406,825	222,045
Dividend Income	(65,142,246)	(526,012)
Interest income	(1,990,433)	(50,345)
Provision for staff retirement benefits	1,066,169	725,796
	(107,040,494)	(198,465,698)
Loss before working capital changes	2,311,852	4,175,524
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets:</i>		
Trade debts	-	305,962
Loans, advances, prepayments and other receivables	(5,296,044)	(11,830,917)
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	(3,608,722)	6,641,830
	(8,904,766)	(4,883,125)
Cash used in operations	(6,592,914)	(707,601)
<i>Increase in non-current liabilities:</i>		
Finance cost paid	(998,336)	(177,828,896)
Taxes paid/adjusted-net	(353,288)	(15,231)
	(1,351,624)	(177,844,127)
Net cash used in operating activities	(7,944,538)	(178,551,728)
Cash flows from investing activities		
Purchase of Vehicle	(11,087,000)	-
Purchase of investment property	(32,616,561)	-
Dividend received	64,524,987	161,181
Interest received	1,990,433	50,345
Net cash generated from investing activities	22,811,859	211,526
Cash flows from financing activities		
Loan obtained during the year	-	178,060,000
Net cash generated from financing activities	-	178,060,000
Net increase/(decrease) in cash and cash equivalents	14,867,321	(280,202)
Cash and cash equivalents at the beginning of the year	80,394	360,596
Cash and cash equivalents at the end of the year	14,947,715	80,394

The annexed notes 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Chief Executive Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 Legal status and nature of business

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

Geographical location and location of other offices are as under:

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

2 Going concern assumption

Although during the year company reported profit before tax amounting Rs. 92.227 Million, but still the accumulated losses of the company stand at Rs. 1,153.1 Million as at June 30, 2022 (2021: 1,245.6 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 1,074.28 Million.

Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. During the year end, management is in negotiation with Bank and a third party for sale its pledge investment properties to settle principal amount and rental payable against diminishing musharka agreement. The management is confident that this will be done on favourable terms.

Based on above mentioned assumption of the management these financial statements have been prepared on the going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

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 %	
			2021	2021
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
First Capital Equities Limited (FCEL)	Pakistan	Sale / purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	73.23	73.23
Ever Green Water Valley (Private) Limited	Pakistan	Installation and manufacturing of water purification plants, RO systems, water softness system and other related activities. The company is also engaged in construction activities.	100.00	100.00
Falcon Commodities (Private) Limited (FCL)	Pakistan	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited.	100.00	100.00
First Construction Limited	Pakistan	A construction company.	100.00	100.00
Ozer Investments Limited (OIL)	Sri Lanka	OIL has not yet started its commercial activity however main objects are providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage.	100.00	100.00

Associates

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

3.2 Statement of compliance

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

3.3 Basis of measurement

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

3.4 Critical accounting estimates and judgments

The Company's significant accounting policies are stated in Note 5. The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The areas where various assumptions and estimates are significant to Company's financial statements are as follows:

a)	Useful life and residual values of property and equipment	Note 5.1
b)	Impairment	Note 5.1
c)	Provisions and contingencies	Note 5.14 & Note 20
d)	Valuation of investment properties	Note 5.4
e)	Staff retirement benefits	Note 5.15
f)	Provision for taxation	Note 5.17

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

4.1 The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021.

- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

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

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2022 or later periods. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements.

- Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what 40 Nishat Chunia Power Limited comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 effective for annual reporting periods beginning on or after 1 January 2022 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

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

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

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)
- IFRS 1 First Time Adoption of International Financial Reporting Standards	1-Jul-09
- IFRS 17 Insurance Contracts	1-Jan-23

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

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

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

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

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

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

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30 2021 did not require any adjustment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 5.11).

5.2 Capital work in progress

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

5.3 Leases

Right of use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets that falls under the category of investment properties are carried at fair value as mentioned in note 5.5.

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

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments in the measurement of the lease liability comprise the following:

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

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

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

5.4 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is charged to the statement of profit or loss. Rental income from investment properties is accounted for as described in Nte 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.

5.5 Financial Instruments

i- Initial measurement of financial asset

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

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

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

ii- Subsequent measurement

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

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

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

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

iii Non-derivative financial assets

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

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

5.6 Trade debts, advances and other receivables

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

5.7 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.

5.8 Financial liabilities

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

5.9 Mark-up bearing borrowings and borrowing cost

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

5.10 Impairment

Financial Assets

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

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

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

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

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

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

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

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

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

Non-Financial Assets

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

5.11 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.

5.12 Trade and other payables

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

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

5.13 Offsetting of financial assets and financial liabilities

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

5.14 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.

5.15 Staff retirement benefits

Defined benefit plan

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

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

5.16 Revenue recognition

Capital gains or losses on sale of investments are recognized in the year in which they arise. Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided. Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up. Dividend income is recognized when the right to receive the dividend is established i.e. at the time of closure of share transfer book of the Company declaring the dividend. Return on securities other than shares is recognized as and when it is due on time proportion basis. Mark-up/interest income is recognized on accrual basis. Rental income from investment properties is credited to profit or loss on accrual basis.

5.17 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.

5.18 Related Party transactions

All transactions involving related parties arising in the normal course of business are conducted 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.

5.19 Functional and presentation currency

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

5.20 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.

5.21 Operating Segments

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

6 Property, plant and equipment

		2022	2021
	Note	Rupees	Rupees
Operating fixed assets	6.1	10,998,232	318,057
Capital work in progress (CWIP)	6.2	132,425,106	132,425,106
		143,423,338	132,743,163

6.1 Operating fixed assets

	Leasehold improvements	Computers	Office equipments	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
COST	(Rupees)						
Balance as at 1 July 2020	470,315	720,622	2,061,090	154,000	88,250,000	6,405,230	98,061,257
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2021	470,315	720,622	2,061,090	154,000	88,250,000	6,405,230	98,061,257
Balance as at 1 July 2021	470,315	720,622	2,061,090	154,000	88,250,000	6,405,230	98,061,257
Additions during the year	-	-	-	-	-	11,087,000	11,087,000
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2022	470,315	720,622	2,061,090	154,000	88,250,000	17,492,230	109,148,257
DEPRECIATION							
Balance as at 1 July 2020	470,315	720,622	2,042,497	154,000	88,250,000	5,883,721	97,521,155
Charge for the year	-	-	4,992	-	-	217,053	222,045
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2021	470,315	720,622	2,047,489	154,000	88,250,000	6,100,774	97,743,200
Balance as at 1 July 2021	470,315	720,622	2,047,489	154,000	88,250,000	6,100,774	97,743,200
Charge for the year	-	-	4,992	-	-	401,833	406,825
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2022	470,315	720,622	2,052,481	154,000	88,250,000	6,502,607	98,150,025
Book value as at 30 June 2021	-	-	13,601	-	-	304,456	318,057
Book value as at 30 June 2022	-	-	8,609	-	-	10,989,623	10,998,232

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	Rupees	Rupees
7 Investment properties			
Opening balance		2,152,618,664	2,152,618,664
Addition during the year		205,023,814	-
Disposal during the year		(172,407,253)	-
Fair value adjustment		500,043,656	-
Closing balance	7.1	2,685,278,881	2,152,618,664
Break of investment property is as follows:			
Owned properties		285,232,561	252,616,000
Leased properties -- right to use		2,400,046,320	1,900,002,664
	7.3	2,685,278,881	2,152,618,664

- 7.1 Investment property amounting Rs. 2,400 Million (2021: 1,900 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. 2,685 Million (2021: Rs. 2,152.6 Million), title of property amounting Rs. 2,440 Million, Rs 212.6 Million and Rs. 32.6 Million is held in the name of Pace (Pakistan) Limited, First Capital Equities Limited and Capital Heights (Pvt.) Limited respectively. The transfer of this property is in process as at year end. However, the Company has complete control and possession of said property.

- 7.2 Fair value of investment properties is determined by an independent professional valuer. Latest valuation of these properties was carried out on June 30, 2022 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, 2022:

	Fair value measurements at 30 June 2022 using significant other observable inputs (Level 2) Rupees
Recurring fair value measurements	
Investment properties	2,685,278,881

The following table presents the Company's investment properties that are measured at fair value at June 30, 2021:

	Fair value measurements at 30 June 2021 using significant other observable inputs (Level 2) Rupees
Recurring fair value measurements	
Investment properties	2,152,618,664

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2022 or 2021.

Valuation techniques used to derive level 2 fair values:

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

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

Particulars	Size Square Ft.	Fair value		Force sale value	
		2022	2021	2022	2021
		Rupees			
Shop situated at Pace Shopping Mall, Mouza Dhola Zari G.T. Road, Gujranwala	196	7,590,000	7,590,000	6,831,000	6,831,000
Plot-D situated Near Rangers Headquarters Lahore Cantt	87444	2,400,046,320	1,900,002,664	2,160,041,688	1,710,002,398
Shops situated at 5th Floor, Pace Shopping Mall, Model Town Link Road, Lahore	4000	40,000,000	40,000,000	36,000,000	36,000,000
Apartments situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi	5436	32,618,747	205,026,000	29,356,872	184,523,400
79 Shops Second & Third Floor Pace Shopping Mall, Grand Turk Road, Near Service Industries, Gujrat	9009	205,023,814	-	184,521,433	-
		2,685,278,881	2,152,618,664	2,416,750,993	1,937,356,798

7.4 The direct expense relating to investment properties were Rs.65,000 (2021: Rs. 65,000).

8 Long term investments	Note	2022	2021
		Rupees	Rupees
Investment in related parties			
Subsidiary companies - Unquoted	8.1	522,657,493	536,631,383
Associated companies - Unquoted	8.2	894,268,113	868,808,303
Associated company - Quoted	8.3	90,076,892	178,343,194
Subsidiary company - Quoted	8.4	206,191,848	238,169,089
		1,713,194,347	1,821,951,969

Note	Shares		2022	2021	Percentage of holding	
	2022	2021			2022	2021
	Number		Rupees		%	
8.1 Subsidiary companies - unquoted - at fair value						
	16,561,634	16,561,634	196,983,237	201,309,183	78.86%	78.86%
8.1.2	12,583,886	9,166,886	143,468,538	168,717,968	51.00%	51.00%
	3,150,000	3,150,000	-	5,223,652	100.00%	100.00%
	715,400	715,400	182,205,717	161,380,580	100.00%	100.00%
	1,000	1,000	-	-	100.00%	100.00%
	20,000	20,000	-	-	100.00%	100.00%
			522,657,493	536,631,383		

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

8.1.2 During the financial year 2000-2001, the Company has made an investment of 148,575 US Dollars (8,170,141 PKR) in Lanka Securities (Pvt.) Limited (LSPL), subsidiary of the Company, incorporated and domiciled in Sri Lanka subscribing 3,564,900 ordinary shares of LSPL @ 2.29/ PKR-each. Subsequently during the financial year 2007-2008 the company made a further investment of 626,429 US Dollars (38,059,842 PKR) subscribing 3,564,900 ordinary shares of LSPL @ 10.67/ PKR-each. The company have received return amounting 1,854,594 US Dollars (186,556,817 PKR) to date from LSPL. During the financial year 2021-2022, Lanka Securities (Pvt.) Limited have issued one bonus share for every 2.68 shares. This shares issuance has resulted in increase of company shares holding in LSPL by 3,417,000 shares.

8.2 Associated companies - unquoted - at fair value

Note	Shares		2022	2021	Percentage of holding	
	2022	2021			2022	2021
	Number		Rupees		%	
	54,790,561	54,790,561	894,155,613	868,695,803	17.95%	17.95%
8.2.1	11,250	11,250	112,500	112,500	0.07%	0.07%
			894,268,113	868,808,303		

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

8.3 Associated company - quoted - at fair value

Note	Shares		Market value		Market value per share		Percentage of holding	
	2022	2021	2022	2021	2022	2021	2022	2021
	Number		Rupees		Rupees		%	
8.3.1	45,264,770	45,264,770	90,076,892	178,343,194	1.99	3.94	25.31%	25.31%

8.3.1 Change in value of investment amounts of Rs. 88,266,302 (2021: Rs. 118,593,698) represents change in fair value of investment during the year. Level 1 inputs were used for fair value calculation for this quoted investment.

8.4 Subsidiary company - at fair value

Note	Shares		Market value		Market value per share		Percentage of holding	
	2022	2021	2022	2021	2022	2021	2022	2021
	Number		Rupees		Rupees		%	
8.4.1	103,494,200	103,494,200	206,191,848	238,169,089	1.99	2.30	73.23%	73.23%

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

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

		2022	2021
	Note	Rupees	Rupees
9 Long term deposits			
Other deposits		37,500	37,500
10 Trade debts-unsecured, considered good			
Money market receivables		503,784	503,784
Provision for doubtful debts		(503,784)	-
		-	503,784
11 Loans, advances, prepayments and other receivables			
Loans and advances			
Advances to staff - secured, considered good		156,540	170,086
Prepaid Insurance expense		-	-
Dividend receivables		-	364,831
Due from related parties - unsecured, considered good	11.1	38,166,452	33,009,312
		38,322,992	33,544,229
11.1 Due from related parties - unsecured, considered good			
Media Times Limited	11.1.1	399,100	399,100
Evergreen Water Valley (Private) Limited	11.1.2	37,767,352	32,610,212
		38,166,452	33,009,312
11.1.1	This represents advance payment made to Media Times Limited against publishing which is normal course of business. No collateral is available against this. Maximum aggregate receivable balance on the month end basis is Rs. 399,100 (2021: Rs. 399,100).		
11.1.2	This represents receivables from subsidiary company against rental income for use of construction equipment, which is maximum aggregate receivable balance on the month end basis. No collateral is available against same.		
11.1.3			
Aging of receivable from related parties			
Neither past due nor impaired		-	-
Past due 1 - 60 days		1,900,000	1,900,000
Past due 61 - 120 days		1,900,000	1,900,000
Above 120 days		34,366,452	29,209,312
		38,166,452	33,009,312
12 Short term investments			
Investments - at fair value through profit or loss	12.1	32,834,322	75,227,561
		32,834,322	75,227,561
12.1 Investments - at fair value through profit or loss			
Carrying value at 1 July:			
Related parties		58,445,666	20,787,299
Others		16,781,895	3,718,897
		75,227,561	24,506,196
Unrealized (loss)/gain on remeasurement of investments during the year		(42,393,239)	50,721,365
		32,834,322	75,227,561
Fair value of short term investments at 30 June:			
Related parties	12.2	27,167,998	58,445,666
Others	12.3	5,666,324	16,781,895
		32,834,322	75,227,561

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

	Note	Shares/units		Carrying value		Fair value		Percentage of holding	
		2022	2021	2022	2021	2022	2021	2022	2021
		Number		Rupees		Rupees		%	
a) Real Estate Investment and Services									
Pace (Pakistan) Limited		7,038,176	7,038,176	50,815,631	14,850,551	21,255,292	50,815,631	2.52%	2.52%
b) Mutual Funds									
First Capital Mutual Fund Limited		935,466	935,466	7,630,035	5,936,748	5,912,706	7,630,035	6.09%	6.09%
				<u>58,445,666</u>	<u>20,787,299</u>	<u>27,167,998</u>	<u>58,445,666</u>		

12.3 Investments at fair value through profit or loss - others

	Note	Shares		Carrying value		Fair value	
		2022	2021	2022	2021	2022	2021
		Number		Rupees		Rupees	
a) Insurance							
Shaheen Insurance Company Limited		15,329	15,329	65,915	46,447	52,119	65,915
b) Telecommunication							
Worldcall Telecom Limited	12.3.1	4,221,207	4,221,207	16,715,980	3,672,450	5,614,205	16,715,980
				<u>16,781,895</u>	<u>3,718,897</u>	<u>5,666,324</u>	<u>16,781,895</u>

12.3.1 This includes 4,220,677 (2021: 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 20.1.

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

		2022	2021
	Note	Rupees	Rupees
13 Advance tax		7,894,825	7,541,537
14 Cash and bank balances			
Cash in hand		-	10,000
Cash at bank			
- current accounts		4,416	6,126
- deposit accounts	14.1	14,943,299	64,268
		14,947,715	70,394
		14,947,715	80,394
14.1	The deposit accounts carry mark-up at rates upto 10.25% (2021: upto 5%) per annum.		
15 Trade and other payables--unsecured			
Creditors		10,967,038	11,207,282
Accrued liabilities		16,259,375	19,580,816
Security deposit from tenants		486,660	486,660
Payable against purchase of investment property	15.1	6,681,123	6,681,123
Final settlements payable	15.2	22,019,278	22,036,914
Withholding income tax payable		5,207,459	4,655,602
Sales tax payable		244,082	244,081
Provision for Taxation		9,624,023	
Other liabilities		126,135	707,394
		71,615,173	65,599,872

15.1 This represent Rs. 6,681,123 (2021: Rs. 6,681,123) payable to Pace (Pakistan) Limited an associated company against purchase of property.

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

		2022	2021
	Note	Rupees	Rupees
16 Long Term Loan			
Payable against diminishing musharka--secured	16.1	1,600,000,000	1,600,000,000
Payable against long term loan from non-financial institutions--unsecured	16.2	178,060,000	178,060,000
		1,778,060,000	1,778,060,000
Less Current portion of loan		(390,909,090)	(100,000,000)
Non current portion of loan		1,387,150,910	1,678,060,000

16.1 This represents balance payable against two diminishing musharka facilities obtained from Silk Bank Limited (Eman Islamic Banking) Facility 1 and 2 amounting to Rs. 1,100 Million and Rs. 500 Million respectively. Details of rental payable on these facilities is mentioned in note 17.1. Principal amount of Facility 1 and 2 is repayable in 11 equal semi-annual instalments commencing from June 14, 2022 and August 08, 2022 respectively. The Company has not paid instalment due on June 2022 amounting Rs. 100 million. In case of failure to make due payments by the Company, Bank can charge penalty at the rate of 6 month KIBOR (Ask side) plus 5% per annum on overdue amount. Silk Bank Limited has charge by way of hypothecation over following assets:

- Diminishing Mushrka Asset
- Current Assets of the company

16.2 This represents loan received on interest at the rate of 24% obtained from WTL Services (Private) Limited. During the year, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%.

		2022	2021
	Note	Rupees	Rupees
17 Accrued Markup			
Rental payable against diminishing musharka	17.1	705,753,915	403,256,124
Interest payable against long term loan from non-financial institutions	17.2	41,927,982	
Penalty payable against diminishing musharka	17.3	-	-
		747,681,897	403,256,124
Less Current portion of Accrued Markup		(705,753,915)	(331,429,552)
Non current portion of loan		41,927,982	71,826,572

17.1 The rental payable against the diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking) was at the rate of 6 month KIBOR (ask side) plus 2% margin per annum. In 2021, on the request of the Company, the Bank agreed to defer the repayment of principal and rental for two years starting from July 15, 2020 and interest rate to be charged during deferment period is 2 year KIBOR plus 2% spread per annum. Rental deferred is measured at present value using the applicable rental rate of 2Y KIBOR plus 2%. Reconciliation of deferred rental is as follows:

		2022	2021
	Note	Rupees	Rupees
Deferred rental	17.1.1	710,007,672	469,527,672
Less: Impact of discounting	17.1.2	(4,253,757)	(66,271,548)
		705,753,915	403,256,124
17.1.1 Reconciliation of deferred rental			
Opening balance		469,527,672	423,167,260
Add: Charged during the year		240,480,000	224,167,781
Less: Paid during the year		-	(177,807,369)
		710,007,672	469,527,672
17.1.2 Reconciliation of discounting			
Opening balance		66,271,548	-
Add: Discounting impact of deferred rental		-	66,271,548
Less: Impact of unwinding		(62,017,791)	
		4,253,757	66,271,548

17.2 This represents interest at the rate of 24% on loan obtained from WTL Services (Private) Limited. During the year, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%. Movement of interest during the year is as follows:

		2022	2021
	Note	Rupees	Rupees
Opening balance		39,550,448	-
Add: Charged during the year		2,377,534	39,550,448
Less: Paid during the year		-	-
		41,927,982	39,550,448
18 Deferred tax liability			
Deferred tax liability	18.1	22,501,180	15,000,100
18.1 Tax on deductible temporary differences			
Tax on taxable temporary differences			
Revaluation gain on investment property		(22,501,180)	(15,000,100)
		(22,501,180)	(15,000,100)
Deferred tax asset/(liability)		(22,501,180)	(15,000,100)
18.2 Movement of tax asset / (liability) - net			
Opening balance		(15,000,100)	(20,000,275)
Charged to profit or loss		(7,501,080)	5,000,175
Charged to OCI		-	-
		(22,501,180)	(15,000,100)

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

	2022	2021
	Rupees	Rupees
Deductible temporary differences	25,145,221	24,330,335
Tax losses --net	203,062,485	64,501,136
Unrecognized deferred tax asset	66,180,235	25,761,127

	Note	2022 Rupees	2021 Rupees
19 Staff retirement benefits payable			
Gratuity	19.1	3,125,943	2,293,421
		3,125,943	2,293,421
19.1 Movement in net obligation			
Statement of financial position liability at 01 July		2,293,421	4,606,376
Expense chargeable to Profit or Loss account	19.3	1,066,169	725,796
Remeasurements chargeable in other comprehensive income	19.4	(233,647)	(236,251)
Benefit payable transferred to short term liability		-	(2,802,500)
Statement of financial position liability at 30 June		3,125,943	2,293,421
19.2 Movement in present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at 1 July		2,293,421	4,606,376
Current service cost		389,459	453,360
Past Service Cost (Credit)		447,368	-
Interest cost on defined benefit obligation		229,342	272,436
Benefits payable transferred to short term liability		-	(2,802,500)
Actuarial loss/(gains) from changes in demographic assumptions		50,862	-
Actuarial loss/(gains) from changes in financial assumptions		3,844	477
Actuarial loss/(gains) due to Experience adjustments		(288,353)	(236,728)
Present value of defined benefit obligation at 30 June		3,125,943	2,293,421
19.3 Amount charged to profit or loss			
Current service cost		389,459	453,360
Past Service Cost (Credit)		447,368	-
Interest cost		229,342	272,436
Total amount chargeable to profit or loss		1,066,169	725,796
19.4 Charged to other comprehensive income			
Actuarial loss/(gains) from changes in demographic assumptions		50,862	-
Actuarial loss/(gains) from changes in financial assumptions		3,844	477
Actuarial loss/(gains) due to Experience adjustments		(288,353)	(236,728)
		(233,647)	(236,251)

	2022 Rupees	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees
19.5 Historical information for gratuity plan					
Present value of defined benefit obligation	3,125,943	2,293,421	4,606,376	6,427,923	10,047,853
Gain/(loss) on actuarial experience adjustments on plan liability	(288,353)	(236,728)	(1,618,290)	(558,184)	(650,528)

19.6 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, 2022 would have been as follows:

	Increase	Decrease
Discount rate	3,046,625	3,219,890
Future salary increase	3,219,890	3,045,314

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

19.7 Actuarial valuation of this plan was carried out on June 30, 2022 using the Projected Unit Credit Method of which the principle actuarial assumptions used are as follows:

	2022 per annum	2021 per annum
Discount rate used for profit or loss charge	10.00%	8.50%
Discount rate used for year-end obligation	13.25%	10.00%
Expected rate of salary increase in future years		
Salary increase FY 2021	N/A	N/A
Salary increase FY 2022	12.25%	9.00%
Salary increase FY 2023	12.25%	9.00%
Salary increase FY 2024	12.25%	9.00%
Salary increase FY 2025	12.25%	9.00%
Salary increase FY 2026	12.25%	9.00%
Salary increase FY 2027 and onward	12.25%	9.00%
Retirement assumption	Age 60	Age 60
Mortality rate	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year

19.8 Estimated expenses to be charged to profit or loss account for financial year 2022-2023 is Rs 726,901 which includes Rs 458,635 in respect of current service cost, Rs. 268,266 in respect of interest cost in defined benefit obligation.

19.9 Weighted average duration of the defined benefit obligation is 3 years for gratuity.(previously: 2 years).

20 Contingencies and commitments

20.1 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.

20.2 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

20.3 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.

20.4 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.

20.5 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.

- 20.6 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 honourable High Court of Sindh. The legal counsel is confident of success of the case in company's favour.

2022	2021
Rupees	Rupees

- 20.7 Commitments in respect of capital expenditure

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

21 Share capital

21.1 Issued, subscribed and paid-up capital

2022	2021		2022	2021
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

- 21.2 Ordinary shares of the Company held by related parties as at year end are as follows

	Note	2022	2021
		(Number of shares)	
Amythest Limited	21.3	72,034,182	72,034,182
Sisley Group	21.4	31,395,000	31,395,000

- 21.3 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.

- 21.4 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.

22 Money market services

	Note	2022	2021
		Rupees	Rupees
Money market income			
- local currency		-	1,252,344
- foreign currency		-	-
		-	1,252,344
Less: Sales tax		-	(144,075)
		-	1,108,269

23 Dividend income

Others	23.1	65,142,246	526,012
		65,142,246	526,012

- 23.1 This represents dividend received from Lanka Securities (Pvt.) Limited (related party). Last year, dividend has been received from First Capital Mutual Fund.

24 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 remeasurement of short term investments	12	(42,393,239)	50,721,365
Unrealized gain/(loss) on remeasurement of long term investments	8	(108,757,623)	312,253,341
		(151,150,862)	362,974,706

	Note	2022 Rupees	2021 Rupees
25 Operating and administrative expenses			
Salaries, wages and other benefits	25.1	5,585,848	5,855,546
Rent, rates and taxes		100,000	100,000
Postage, telephone and stationary		3,000	34,084
Utilities		30,000	6,500
Printing and stationery		31,805	65
Repairs and maintenance		639,700	1,812
Vehicle running expenses		1,000	238,744
Advances written off		152,450	-
Provision for doubtful debts		503,784	-
Entertainment		105,000	27,635
Legal and professional		3,254,459	1,520,285
Auditors' remuneration	25.2	1,250,500	1,250,500
Depreciation	6.1	406,825	222,045
Others		135,095	73,325
		12,199,466	9,330,541

25.1 Salaries, wages and other benefits includes Rs. 1,066,169 (2021: Rs. 725,796) in respect of gratuity expense for the year.

	Note	2022 Rupees	2021 Rupees
25.2 Auditors' remuneration			
Annual audit fee		500,000	500,000
Fee for audit of consolidated financial statements		500,000	500,000
Half yearly review		200,000	200,000
Out of pocket expenses		50,500	50,500
		1,250,500	1,250,500

26 Other income

Income from financial assets

Income on treasury bills /saving accounts		1,990,433	50,345
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Income from non-financial assets

Rental income of plant and machinery	26.1	11,400,000	11,400,000
Gain on sale of subsidiary		-	10,000
Impact of discounting on deferred rental	17.1	-	66,271,548
Provision for penalty written back	17.3	-	33,330,684
Miscellaneous income		-	39,955
		13,390,433	111,102,532

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

	Note	2022 Rupees	2021 Rupees
27 Finance cost			
Bank charges and commission		16,246	21,527
Impact of Unwinding on rentals		62,017,791	-
Exchange loss		982,090	-
Markup/Rental on long term financing	17.1 & 17.2	242,857,534	263,718,229
		305,873,661	263,739,756
28 Taxation			
<u>Current tax</u>			
For the year	28.1	9,624,023	211,894
Deferred tax expense/(income)	18	7,501,080	(5,000,175)
		17,125,103	(4,788,281)

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 150 of the Income Tax Ordinance,2001 respectively, which is 15% of dividend income. Since the Company's income is subject to final tax therefore no numerical reconciliation of tax is produced.

29 Profit per share

29.1 Profit per share - basic

		2022	2021
Profit for the year	Rupees	92,227,243	207,429,503
Weighted average number of ordinary shares	Numbers	316,610,112	316,610,112
Earning per share - basic	Rupees	0.29	0.66

29.2 Profit per share - diluted

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

30 Number of employees

The average and total number of employees are as follows:

	2022	2021
Average number of employees during the year	5	7
Total number of employees as at 30 June	5	4

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	2022 Rupees	2021 Rupees
Long term deposits	9	37,500	37,500
Trade debts	10	-	503,784
Other receivables	11	38,322,992	33,544,229
Bank balances	14	14,947,715	70,394
		<u>53,308,207</u>	<u>34,155,907</u>

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

31.1.2 Credit quality of financial assets

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

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 Agency	2022	2021
	Short term	Long term		Rupees	Rupees
Faysal Bank Limited	A-1+	AA	PACRA	6,150	6,150
Allied Bank Limited	A-1+	AAA	PACRA	14,906,740	29,419
Bank Islami	A-1	A+	PACRA	6,126	6,126
Soneri Bank Limited	A-1+	AA-	PACRA	9,306	9,306
Bank Alfalah Limited	A-1+	AA+	VIS	10,000	10,000
Silk Bank Limited	A-2	A-	VIS	9,393	9,393
				14,947,715	70,394

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	2022	2021
		Rupees	Rupees
Neither past due nor impaired	10	-	427,181
Past due		503,784	76,603
		503,784	503,784

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

	2022	2021
	Rupees	Rupees
Commercial banks	381,734	381,734
Others	122,050	122,050
	503,784	503,784

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

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	2022	2021
		Rupees	Rupees
<u>Loan and advances</u>			
Related parties	11	38,166,452	33,009,312
Employees		156,540	170,086
		38,322,992	33,179,398

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 2022:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
Rupees					
Financial liabilities					
Loan payable	1,778,060,000	1,778,060,000	390,909,090	1,387,150,910	-
Rental payable	747,681,897	751,935,654	710,007,672	41,927,982	-
Trade and other payables	71,615,173	71,615,173	71,615,173	-	-
	2,597,357,070	2,601,610,827	1,172,531,935	-	-

The following are the contractual maturities of financial liabilities as on June 30 2021:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to five years	More than five years
Rupees					
Financial liabilities					
Loan payable	1,778,060,000	1,778,060,000	100,000,000	1,678,060,000	-
Rental payable	442,806,572	509,078,120	377,047,626	132,030,494	-
Trade and other payables	65,599,872	65,599,872	65,599,872	-	-
	2,286,466,444	2,352,737,992	542,647,498	1,810,090,494	-

31.3 Market risk

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

Market risk comprises of three types of risks:

- currency risk
- interest rate risk
- other price risk

31.3.1 Currency risk

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

31.3.2 Interest rate risk

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

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

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

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

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

	2022 Rupees	2021 Rupees
Financial assets		
	14,943,299	64,268
Financial liabilities		
	1,778,060,000	1,600,000,000
	1,793,003,299	1,600,064,268

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 2022 and 2021 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.

2022					
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	296,268,740	10% increase	325,895,614	-	29,626,874
		10% decrease	266,641,866	-	(29,626,874)
Short term investments	32,834,322	10% increase	36,117,754	-	3,283,432
		10% decrease	29,550,890	-	(3,283,432)
	<u>329,103,062</u>				
2021					
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	416,512,283	10% increase	458,163,512	-	41,651,228
		10% decrease	374,861,055	-	(41,651,228)
Short term investments	75,227,561	10% increase	82,750,317	-	7,522,756
		10% decrease	67,704,805	-	(7,522,756)
	<u>491,739,844</u>				

31.3.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

Recurring fair value measurements

	30-Jun-22			
	Level 1	Level 2	Level 3	Total
	Rupees			
<u>Long term investments</u>				
Quoted investments	90,076,892	-	206,191,848	296,268,740
Unquoted investments	-	-	1,416,925,606	1,416,925,606
<u>Investment properties</u>	-	2,685,278,881	-	2,685,278,881
<u>Short term investments</u>	32,834,322	-	-	32,834,322

	30-Jun-21			
	Level 1	Level 2	Level 3	Total
	Rupees			
<u>Long term investments</u>				
Quoted investments	178,343,194	-	238,169,089	416,512,283
Un Quoted investments	-	-	1,405,439,686	1,405,439,686
<u>Investment properties</u>	-	2,152,618,664	-	2,152,618,664
<u>Short term investments</u>	75,227,561	-	-	75,227,561

Valuation techniques used to measure fair values

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

As at June 30, 2021, the Company's long term investments in unquoted securities (see note 8), carried at fair value. The fair value of such investments is determined by using level 3 techniques. The fair value of investment in unquoted securities has been determined based on the net asset value.

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

31.4 Capital management

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

The Company's objectives when managing capital are:

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

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

31.5 Financial instruments by category

30-Jun-22			
At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Rupees			
Financial Assets			
Long term investments	-	1,713,194,347	-
Long term deposits	37,500	-	-
Trade debts	-	-	-
Short term investments	-	32,834,322	-
Advances, deposits, prepayments and other receivables	38,322,992	-	-
Cash and bank balances	14,947,715	-	-
	53,308,207	1,746,028,669	-
			1,799,336,875

30-Jun-22		
At amortized cost	Liabilities at fair value through profit or loss	Total
Financial Liabilities		
Trade and other payables-Unsecured	71,615,173	-
Long Term Payable	1,387,150,910	-
Mark up payable	705,753,915	-
	2,164,519,999	-
		2,164,519,999

30-Jun-21			
At Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Rupees			
Financial Assets			
Long term investments	-	1,821,951,969	-
Long term deposits	37,500	-	-
Trade debts	503,784	-	-
Short term investments	-	75,227,561	-
Advances, deposits, prepayments and other receivables	33,544,229	-	-
Cash and bank balances	80,394	-	-
	34,165,907	1,897,179,530	-
			1,931,345,437

30-Jun-21		
At amortized cost	Liabilities at fair value through profit or loss	Total
Rupees		
Financial Liabilities		
Trade and other payables-Unsecured	65,599,872	-
Long term payable	1,600,000,000	-
Mark up payable	331,429,552	-
	1,997,029,424	-
		1,997,029,424

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 33 are as follows:

Name of Parties	Nature of relationship	Nature and description of related party transaction	2022	2021
			Value of transactions made during the year	Value of transactions made during the year
-----Rupees-----				
Evergreen Water Valley (Private) Limited	Subsidiary(100% owned)	Rental income earned	11,400,000	11,400,000
		Rental receivable adjusted against vehicle	6,242,860	-
Pace (Pakistan) Limited	Common Directorship	Investment property exchanged	172,407,253	-
		Investment property purchase	32,616,561	-
Lanka Securities (Pvt.) Limited	Subsidiary(51% owned)	Dividend Income	65,142,246	-
		Dividend received	64,160,156	-
First Capital Mutual Fund	Associate (6.09% owned)	Dividend Income		526,012
		Dividend received	364,831	161,181

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	
	2022	2021	2022	2021	2022	2021
	Rupees					
Managerial remuneration	2,400,000	2,400,000	-	-	-	-
Medical Expenses Reimbursed	-	-	-	-	-	-
Provision for gratuity	632,938	-	-	-	-	-
	3,032,938	2,400,000	-	-	-	-
Number of persons	1	1	6	6	-	-

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 _____ 2022 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 Impact of Covid-19

The COVID-19 pandemic has generally been in control during the year, with variations in its spread and intensity across the country. However, the Company has reviewed its exposure to business risks and has not identified any significant impact on the Company's operations during the year ended June 30, 2022.

37 General

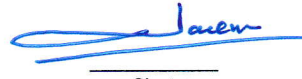
The figures have been rounded off to the nearest Rupee.



Chief Executive Officer



Chief Financial Officer



Director



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 of June 30, 2022, 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 of June 30, 2022, 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 the existence of material uncertainty that may cast significant doubt about the ability to continue as a going concern of First Capital Securities Corporation Limited (Parent Company) and First Capital Equities Limited and Falcon Commodities (Private) Limited (Subsidiary Companies). However, the financial statements of said subsidiaries and parent company have been prepared on a going concern basis, based on the financial and operational measures taken by the management except for Falcon Commodities (Private) Limited financial statements, which have been prepared on non-going concern basis. Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of the 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.

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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.

The following are the Key Audit Matters:

Sr. # Key Audit Matters	How the matters were addressed in our audit
<p>1. Investment property valuation</p> <p>As stated in Note 8 of the accompanying consolidated financial statements, the Group has purchased investment property of a substantial amount during the year and has recognized a substantial amount of fair value gain during the year</p> <p>We identified investment property as a key audit matter because it has a material impact on consolidated financial statements.</p>	<p>We performed following key audit procedures to address the assessed risk:</p> <ul style="list-style-type: none">▪ Obtained independent valuer's report and took an understanding of the scope of the 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 group;▪ Compared values assigned by the independent valuer with the actual transactions that 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 group's financial statements.
<p>2. Recoverability of Trade Debts</p> <p>At year-end, the group's gross trade debtors were Rs. 551.7 Million against which allowances for doubtful debts amounting to Rs. 277.7 Million were recorded for details refer to note 14 of the financial statements.</p> <p>We identified the recoverability of trade debtors as a key audit matter because it involves significant management judgment in assessing the amount likely to be received and estimates in determining the allowance of expected credit loss.</p>	<p>We performed following key audit procedures to address the assessed risk:</p> <ul style="list-style-type: none">▪ Obtaining an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection, and making allowances for doubtful debts;▪ Agreeing, on a sample basis, the balances used in management's estimate of expected credit loss



with the books of account of the group;

- Testing the assumptions and estimates made by management for the allowances for doubtful debts; and
- Evaluating that the allowance for doubtful debt is in accordance with the requirements of the applicable financial reporting framework.

3. Litigations

There are several legal and regulatory matters for which no provision has been established, as disclosed in Note 23 of the 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 is purely judgmental.

We identified litigations as key audit matters because there is a high level of judgment involved in assessing the likelihood of their outcome which affects the level of provisioning and/or disclosures.

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

- Obtained an 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.



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 the 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.

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

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

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

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



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

Islamabad

UDIN:

AR202210163MnrSifODI

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Non-current assets			
Property, plant and equipment	6	274,887,340	272,244,918
Intangible assets	7	2,562,501	2,812,510
Investment properties	8	4,106,031,794	3,354,181,263
Investments accounted for using the equity method	9	542,751,346	412,524,455
Long term investments	10	11,328,264	24,127,216
Long term deposits and advances - considered good	11	4,197,255	36,579,471
		4,941,758,500	4,102,469,833
Current assets			
Stock in trade	13	290,053,500	290,053,500
Trade debts	14	274,064,257	608,139,942
Loans, advances and other receivables	15	290,668,891	366,683,418
Prepayments		1,052,233	1,018,351
Short term investments	16	532,798,992	533,452,966
Cash and bank balances	17	66,321,188	50,837,074
		1,454,959,061	1,850,185,251
Current liabilities			
Trade and other payables	18	472,820,339	666,392,155
Short term borrowings		-	14,833,987
Current portion of lease liability	21	299,917	6,867,378
Current portion of long term loans	19	1,438,821,540	267,590,909
Current portion of accrued markup	20	847,634,915	428,752,510
Provision for taxation		121,848,383	84,024,702
		2,881,425,094	1,468,461,641
		(1,426,466,033)	381,723,610
		3,515,292,467	4,484,193,443
Net current assets/(liability)			
Non-current liabilities			
Lease liability	21	-	-
Deferred tax liability	12	22,468,065	14,204,296
Staff retirement benefits	22	32,612,167	24,442,112
Long term loans	19	1,523,514,546	2,694,745,177
Accrued markup	20	41,927,982	111,377,019
		1,620,522,760	2,844,768,604
Contingencies and commitments	23	-	-
		1,894,769,707	1,639,424,839
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital: 320,000,000 (2021: 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		(14,086,757)	28,618,644
Reserves capitalized		480,054,923	480,054,923
Retained earnings		(2,027,065,797)	(2,356,835,232)
Equity attributable to owners of the Parent Company		1,605,003,489	1,317,939,455
Non-controlling interests (NCI)		289,766,218	321,485,384
		1,894,769,707	1,639,424,839

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, 2022

	Note	2022 Rupees	2021 Rupees
<u>CONTINUED OPERATIONS</u>			
Operating revenue	25	1,053,859,456	918,563,540
Direct costs	26	<u>(497,508,632)</u>	<u>(297,503,130)</u>
Gross profit		556,350,824	621,060,410
Unrealized gain/(loss) on re-measurement of 'investments at fair value through profit or loss'	27	(110,801,168)	124,640,584
Fair value gain on investment properties		505,586,769	-
Operating and administrative expenses	28	<u>(298,006,998)</u>	<u>(232,925,251)</u>
Operating profit		653,129,427	512,775,743
Other income	29	77,903,728	148,708,075
Finance costs	30	<u>(357,638,712)</u>	<u>(290,379,007)</u>
		(279,734,984)	(141,670,932)
Share of loss from investments accounted for using the equity method - net of tax	9.1	<u>(55,825,039)</u>	<u>(42,167,422)</u>
Profit before taxation		317,569,404	328,937,389
Taxation	31	<u>(110,291,763)</u>	<u>(71,662,464)</u>
Profit after taxation		207,277,641	257,274,925
<u>DISCONTINUED OPERATION</u>			
Loss after taxation from discontinued operation	32	<u>(1,461,410)</u>	<u>(747,415)</u>
Profit after taxation for the year		205,816,231	256,527,510
Basic and diluted earning per share-- from continued operation	33	0.4544	0.54
Basic and diluted loss per share-- from discontinued operation	33	<u>(0.0034)</u>	<u>(0.0017)</u>
Profit attributable to:			
- Owners of the Parent Company		142,794,038	170,233,247
- Non-controlling interests		<u>63,022,193</u>	<u>86,294,263</u>
Profit for the year		205,816,231	256,527,510

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



Chief Executive Officer



Chief Financial Officer

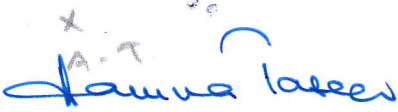


Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
Profit after taxation		205,816,231	256,527,510
Other comprehensive income for the year			
Items that will not be reclassified to profit and loss:			
Remeasurement of defined benefit plan - net of tax	22.3	2,782,622	(3,142,186)
Deffered tax effect due to remeasurement of defined benefit plan		(790,206)	
		1,992,416	(3,142,186)
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	184,234,313	1,520,724
Exchange differences on translation of foreign operations recognized as:			
- Exchange translation reserve		(42,705,401)	(20,050,089)
- Non-controlling interests		(41,030,679)	(19,263,811)
Other comprehensive (loss) for the year		(83,736,080)	(39,313,900)
Total comprehensive Profit for the year		308,306,880	215,592,148
Total comprehensive income attributable to :			
- Owners of the Parent Company		285,246,417	150,293,050
- Non-controlling interests		23,060,463	65,299,098
		308,306,880	215,592,148

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


Kamna Laxee
Chief Executive Officer


Kamna Laxee
Chief Financial Officer


Kamna Laxee
Director

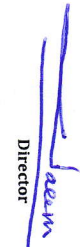
**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022**

	Attributable to owners of the Parent Company			Revenue Reserve		Total	Non-controlling Interests		Total Equity
	Share Capital	Exchange Translation Reserve	Reserve Capitalized	Retained Earnings					
Balance at 01 July 2020	3,166,101,120	48,668,733	480,054,923	(2,536,904,220)	1,157,920,556	256,186,286	1,414,106,842		
Total comprehensive income for the year									
Profit for the year	-	-	-	170,233,247	170,233,247	86,294,263	256,527,510		
Other comprehensive loss	-	(20,050,089)	-	109,892	(19,940,197)	(20,995,165)	(40,935,362)		
Share of reserve on incremental depreciation - net of tax from associate	-	-	-	9,725,849	9,725,849	-	9,725,849		
Total comprehensive income for the year	-	(20,050,089)	-	180,068,988	160,018,899	65,299,098	225,317,997		
Balance at 30 June 2021	3,166,101,120	28,618,644	480,054,923	(2,356,835,232)	1,317,939,455	321,485,384	1,639,424,839		
Total comprehensive income for the year									
Profit for the year	-	-	-	142,794,038	142,794,038	63,022,193	205,816,231		
Other comprehensive income	-	(42,705,401)	-	185,157,780	142,452,379	(39,961,730)	102,490,649		
Share of reserve on incremental depreciation - net of tax from associate	-	-	-	1,817,617	1,817,617	-	1,817,617		
Total comprehensive income for the year	-	(42,705,401)	-	329,769,435	287,064,034	23,060,463	310,124,497		
Transaction with owners									
Profit attributed paid to non-controlling interest	-	-	-	-	-	(54,779,629)	(54,779,629)		
Balance at 30 June 2022	3,166,101,120	(14,086,757)	480,054,923	(2,027,065,797)	1,605,003,489	289,766,218	1,894,769,707		

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


Chief Executive Officer

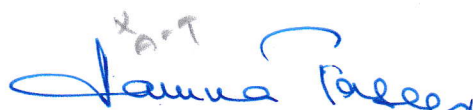

Chief Financial Officer


Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Cash flows from operating activities			
Cash generated from operations	35	502,571,785	179,072,820
Finance costs paid		(2,878,759)	(189,417,114)
Taxes paid		(64,992,414)	(360,161)
Net cash generated from operating activities		434,700,612	(10,704,455)
Cash flows from investing activities			
Purchase of property plant and equipment		(12,876,787)	(5,475,314)
Proceeds from sale of property, plant and equipment		2,305,071	-
Purchase of investment property		(854,318,216)	-
Proceeds from sale of investment property		608,054,454	19,300,000
Dividend received		3,689,549	1,568,635
Payment of Lease Rentals		(6,989,244)	(6,430,616)
Interest received		58,957,098	42,826,649
Proceed from sale of subsidiary			10,000
Investment in associate -- FCMF		(1,000,000)	(10,000,000)
Increase/(Decrease) from investments - net		(96,970,943)	(163,323,685)
Long term deposits		32,382,216	(18,485,822)
Proceeds from short term investment		900,000	
Net cash used in investing activities		(265,866,802)	(140,010,153)
Cash flows from financing activities			
Receipt of loan--net		-	178,060,000
Dividend paid to non-controlling interest		(54,779,629)	
Bank overdraft facility		(14,833,987)	14,833,987
Net cash generated from/(used in) financing activities		(69,613,616)	192,893,987
Net increase in cash and cash equivalents		99,220,194	42,179,379
Impact of exchange translation		(83,736,080)	(39,313,900)
Cash and cash equivalents at the beginning of the year		50,837,074	47,971,595
Cash and cash equivalents at the end of the year	17	66,321,188	50,837,074

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, 2022

1 The Group and its operations

1.1 The Group consists of First Capital Securities Corporation Limited, (the Holding Company), Ever Green Water Valley (Private) Limited, Falcon Commodities (Private) Limited, First Capital Equities Limited, First Capital Investments Limited, First Construction Limited, Lanka Securities (Private) Limited and Ozer Investments Limited (the subsidiary companies) [together referred to as "the Group"] and the Group's interest in equity accounted investee namely; First Capital Mutual Fund, Media Times Limited and Pace Baraka Properties Limited.

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

Head Office

First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gullberg-III, Lahore.

Karachi Corporate Office

4th Floor, Block B,C,D Lakson Square 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 (Now Companies Act 2017). The Company is engaged in the business of Installation & manufacturing of Water purification plants, RO systems, water softness systems and Construction of Buildings and other related activities. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gullberg-III Lahore. Ever Green Water Valley (Private) Limited is the wholly owned subsidiary of the Holding Company.

1.4 Falcon Commodities (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The principal activity of the Company is to carry on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 4th Floor, Lakson Square Building No,01 Sarwar Shaheed Road Karachi. Falcon Commodities (Private) Limited is the wholly owned subsidiary of the Holding Company.

1.5 First Capital Equities Limited (FCEL) (the Subsidiary Company) was incorporated in Pakistan on January 26, 1995 as a private limited company, under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings. The Holding Company has 73.23% ownership in First Capital Equities Limited. Geographical locations and addresses of all business units are as under:

Head Office

First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gullberg-III, Lahore.

Karachi Corporate Office

4th Floor, Block B,C,D Lakson Square Building No,01 Sarwar Shaheed Road 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 (Now Companies Act 2017) having registered office at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. Status of the Company was changed from private limited to public limited on August 06, 2003. The Securities and Exchange Commission of Pakistan (SECP) has issued a license to the Company to undertake Asset Management Services as required under the NBFC (Establishment and Regulation) Rules, 2003. The Company has been assigned Management Quality Rating "AM4++" by The Pakistan Credit Rating Agency Limited "PACRA" Credit Rating Company. The main activity of the company is to provide asset management services to First Capital Mutual Fund Limited (The fund). The Holding Company has 78.86% ownership in First Capital Investments Limited.

Head Office

First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gullberg-III, Lahore.

Karachi Corporate Office

4th Floor, Lakson Square Building No.1,Sarwar Shaheed Road, Karachi.

1.7 First Construction Limited (the Subsidiary Company) was incorporated on August 15, 2014 as Public Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The principal activity of the Company is to undertake construction, development and related activities. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gullberg-III, Lahore. First Construction Limited is the wholly owned subsidiary of the Holding Company.

1.8 Lanka Securities (Private) Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 1989. The principal activity of the Company is equity debt security brokering and undertaking placement of equity debt securities. The registered office of the Company is situated at No. 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.

2 Going concern assumption

- 2.1 During the year Parent Company reported profit before tax amounting Rs. 92.227 Million, but still the accumulated losses of the company stand at Rs. 1,153.1 Million as at June 30, 2022 (2021: 1,245.6 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 1,074.28 Million.

Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. During the year end, management is in negotiation with Bank and a third party for sale its pledge investment properties to settle principal amount and rental payable against diminishing musharka agreement. The management is confident that this will be done on favourable terms.

Based on above mentioned assumption of the management these financial statements have been prepared on the going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

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

During the year company incurred loss of Rs. 79.60 Million (2021: profit Rs. 90.1 Million) after recognizing unrealized loss on investments amounting Rs. 77.01 Million (2021: gain of Rs. 94.5 Million), moreover the accumulated losses of the company stand at Rs. 1,061 Million as at June 30, 2022 (2021: 980.91 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 495.49 Million (2021: Rs. 441.17 Million).

The management of the Company is continuously in process of negotiating its loan facilities and is hopeful that outstanding loan of UBL will be settled against investment property. 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. Resultantly, these financial statements are prepared on going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

- 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 (2021: Rs. Nil) against administrative expenses of Rs. 59,000 (2021: Rs. 59,000). The historical trend of earning versus expenses shows a downward trend.
- The net worth and net capital balances of the Company as at June 30, 2022 is less than the minimum net worth requirement of Rs. 10 million and net capital balance requirement of Rs. 2.5 million.

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

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 2022 and the audited financial statements of the subsidiary companies for the year ended June 30, 2022 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 new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021.
- Interest Rate Benchmark Reform– Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

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

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2022 or later periods. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements.

- Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what 40 Nishat Chunian Power Limited comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 effective for annual reporting periods beginning on or after 1 January 2022 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
- IFRS 1 First Time Adoption of International Financial Reporting Standards	1-Jul-09
- IFRS 17 Insurance Contracts	1-Jan-23

4 Basis of measurement

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

4.1 Critical accounting estimates and judgments

The Group's significant accounting policies are stated in Note 5. The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The areas where various assumptions and estimates are significant to the Group's financial statements are as follows:

a)	Useful life and residual values of property and equipment	Note 5.2
b)	Impairment	Note 5.7
c)	Valuation of investment properties	Note 5.10
d)	Provisions	Note 5.19
e)	Staff retirement benefits	Note 5.21
f)	Provision for taxation	Note 5.18

5 Summary of significant accounting policies

5.1 Principles of consolidation and equity accounting

a) Subsidiaries

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

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

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

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

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

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

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

b) Associates

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

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

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

c) Foreign currency transactions and translation

Functional and presentation currency

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

Transactions and balances

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

d) Foreign operations

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

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

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

5.2 Property, plant and equipment

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

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

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

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

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

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Group's estimates of residual value of property and equipment at 30 June 2022 did not require any adjustment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

5.3 Capital work-in-progress

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

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

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

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

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

5.5 Leases

Right of use asset

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful

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

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments in the measurement of the lease liability comprise the following:

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

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

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

5.6 Intangible assets

5.6.1 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.

5.6.2 Others

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

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

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

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

5.7 Impairment

Financial Assets

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

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

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

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

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

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

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

Non-Financial Assets

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

5.8 Long term loans

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

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

5.9 Investment properties

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently, these are stated at fair value. The fair value is determined annually by an independent professional valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arm's length 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.

5.10 Financial assets

i). Initial measurement of financial asset

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

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

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

ii). Subsequent measurement

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

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

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

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

iii). Non-derivative financial assets

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

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

5.11 Trade debts

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

5.12 Settlement date accounting

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

5.13 Inventories

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

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

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

5.14 Stores, spares and loose tools

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

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

5.15 Cash and cash equivalents

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

5.16 Trade and other payables

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

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

5.17 Offsetting of financial assets and financial liabilities

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

5.18 Provisions

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

5.19 Securities purchased and sold under resale / repurchase agreements

Repurchase agreements

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

Reverse repurchase agreements

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

5.20 Mark-up bearing borrowings

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

5.21 Staff retirement benefits

Defined benefit plan

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

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

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

5.22 Revenue recognition

- a) Capital gains or losses on sale of investments are recognized in the year in which they arise.
- b) Brokerage income, consultancy and money market services are recognized on accrual basis and when services are provided.
- c) Income on placements on account of continuous funding system is recognized on accrual basis.
- d) Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of
- 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 recognized in accordance with the five step model by applying the following:

Step 1 : Identify the contract with a customer;

Step 2 : Identify the performance obligations in the contract;

Step 3 : Determine the transaction price of the contract;

Step 4 : Allocate the transaction price to each of the separate performance obligations in the contract; and

Step 5 : Recognize the revenue when (or as) the entity satisfies a performance obligation.

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

- (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

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 recognized over time.

The Group measures its 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 recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

5.23 Taxation

Current

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

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

5.24 Borrowing costs

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

5.25 Proposed dividend and appropriations to reserves

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

5.26 Segment reporting

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

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

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

	Note	2022 Rupees	2021 Rupees
6 Property, plant and equipment			
Operating fixed assets	6.1	14,405,377	6,325,931
Capital work-in-progress	6.2	255,230,106	255,230,106
Right of use assets	6.3	5,251,857	10,688,881
		274,887,340	272,244,918

6.1 Operating fixed assets

	Owned assets							Total
	Construction equipment	Leasehold improvements	Plant and machinery	Computers	Office equipment	Furniture and fixture	Vehicles	
	-----Rupees-----							
Cost								
Balance at 01 July 2020	886,088	470,315	88,250,000	37,990,445	21,491,974	29,044,358	41,193,508	219,326,688
Additions during the year	-	-	-	5,253,404	136,410	85,500	-	5,475,314
Disposals during the year	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	(2,920,000)	(498,417)	(1,815,421)	(1,712,887)	(6,946,725)
Balance at 30 June 2021	886,088	470,315	88,250,000	40,323,849	21,129,967	27,314,437	39,480,621	217,855,277
Balance at 01 July 2021	886,088	470,315	88,250,000	40,323,849	21,129,967	27,314,437	39,480,621	217,855,277
Additions during the year	355,300	-	-	901,132	238,166	295,189	11,087,000	12,876,787
Disposals during the year	-	-	-	(24,744)	-	-	(8,435,030)	(8,459,774)
Exchange differences	-	-	-	(6,356,755)	(3,430,001)	(1,041,872)	(3,252,519)	(14,081,147)
Balance at 30 June 2022	1,241,388	470,315	88,250,000	34,843,482	17,938,132	26,567,754	38,880,072	208,191,143
Accumulated depreciation								
Balance at 01 July 2020	886,088	470,315	88,250,000	37,099,497	20,345,034	28,340,483	40,019,498	215,410,915
Depreciation for the year	-	-	-	1,654,709	304,407	138,570	507,053	2,604,739
Depreciation on disposals	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	(2,569,252)	(458,169)	(1,746,000)	(1,712,887)	(6,486,308)
Balance at 30 June 2021	886,088	470,315	88,250,000	36,184,954	20,191,272	26,733,053	38,813,664	211,529,346
Balance at 01 July 2021	886,088	470,315	88,250,000	36,184,954	20,191,272	26,733,053	38,813,664	211,529,346
Depreciation for the year	-	-	-	2,603,546	264,555	128,462	691,833	3,688,396
Depreciation on disposals	-	-	-	(19,589)	-	-	(8,435,030)	(8,454,619)
Exchange differences	-	-	-	(5,481,664)	(3,327,554)	(915,620)	(3,252,519)	(12,977,357)
Balance at 30 June 2022	886,088	470,315	88,250,000	33,287,247	17,128,273	25,945,895	27,817,948	193,785,766
Carrying value								
As at 30 June 2021	-	-	-	4,138,895	938,695	581,384	666,957	6,325,931
As at 30 June 2022	355,300	-	-	1,556,235	809,859	621,859	11,062,124	14,405,377
Rate of depreciation (%)	20	10	7.5 to 20	33 to 50	10 to 12.5	10 to 50	20 to 25	

	Note	2022 Rupees	2021 Rupees
6.1.1			
Depreciation for the year has been allocated as follows:			
Direct costs	26	-	-
Operating and administrative expenses	28	3,688,396	2,604,739
		<u>3,688,396</u>	<u>2,604,739</u>
6.2			
Capital work-in-progress			
Opening balance		255,230,106	255,230,106
Closing balance	6.2.1	<u>255,230,106</u>	<u>255,230,106</u>

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 229.89 Million (2021: Rs 229.89 Million) and Rs. 25.33 Million (2021: Rs 25.33 Million) respectively. Construction work on these properties is in progress as at 30 June 2022. This includes Rs. 25.33 Million (2021: 25.33 Million) paid for purchase of leasehold property.

6.2.2 The Group does not hold the title of capital work in progress (CWIP) which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2021: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2021: Rs. 36.95 million) is held in the name of Mr. Liaquat Ali, , CWIP of Rs. 44.6 Million (2021: Rs. 44.6 million) is held in the name of Wireless and Cable (Pvt.) Limited and CWIP amounting Rs. 25.33 million (2021: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion.

	Note	2022 Rupees	2021 Rupees
6.3			
Right of use assets -- Leasehold Building			
Cost			
Opening balance		23,549,945	26,074,967
Additions during the year		-	404,421
Covid Adjustment		-	(329,205)
Exchange Loss		-	(2,600,238)
Closing balance		<u>23,549,945</u>	<u>23,549,945</u>
Accumulated depreciation			
Opening balance		12,861,064	8,636,650
Charge during the year		6,310,203	5,531,557
Exchange gain/(loss)		(873,179)	(1,307,143)
Closing balance		<u>18,298,088</u>	<u>12,861,064</u>
Net book value		<u>5,251,857</u>	<u>10,688,881</u>

Depreciation for the year has been allocated to operating and administrative expenses.

7 Intangible assets

Membership cards		2,500,000	2,500,000
Asset management license		62,501	312,510
Total	7.1	<u>2,562,501</u>	<u>2,812,510</u>

7.1 Movement in the intangible assets is as follows:

Opening balance cost		3,250,047	3,250,047
Closing balance cost		<u>3,250,047</u>	<u>3,250,047</u>
Opening Balance - Accumulated amortization		437,537	187,528
Add: Amortization for the year		250,009	250,009
Closing Balance - Accumulated amortization		<u>687,546</u>	<u>437,537</u>
Closing balance		<u>2,562,501</u>	<u>2,812,510</u>

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

7.3 Group has no internally generated intangible assets.

8 Investment properties	Note	2022 Rupees	2021 Rupees
Opening balance		3,354,181,263	3,267,338,763
Acquisition during the year		854,318,216	221,740,121
Disposal during the year	8.4 & 8.8	(608,054,454)	(134,897,621)
Fair value adjustment		505,586,769	-
Closing balance	8.1 & 8.2	<u>4,106,031,794</u>	<u>3,354,181,263</u>

8.1 Investment properties comprises of following:

- Property situated at Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad Express Way, Rawalpindi measuring 5,436 sqft (2021: 70,667 sqft) amounting to Rs. 32.6 Million (2021: Rs. 421.49 Million), 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. 1037.3 Million (2021: 832 Million) having area of 37,481 sqft (2021: 28,472sqft).

- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2021: 87444 sqft) and market value of Rs. 2,400 Million (2021: Rs. 1,900 Million), title of this property is in name of Pace Pakistan Limited--related party which is mortgaged against the loan facility and title will be transferred after property is released by bank although group have complete control and possession of property.

- Shops situated at 5th Floor Pace Shopping Mall Model Town Link Road Lahore, measuring 15354 sqft (2021: 15354 sqft) having fair value amounting Rs. 113.5 Million (2021: Rs. 113.5 Million), title of this property is in the name of Pace Pakistan Limited. The Group has complete control and possession of the property.

- Property situated at Pace Woodlands Lahore, having area of 2,250 Sqft (2021: 2,250 Sqft) and market value of Rs. 12 Million (2021: 12 Million), title of this property is in name of Pace Barka Properties Limited--related although group have complete control and possession of property.

- Property situated at 5th Zamzama Street, Phase V-DHA, Karachi having area of 7,920 Sqft (2021:7,920 Sqft) and market value of Rs. 74.8 Million (2021: 74.8 Million).

- Property situated at F-49 Block 8, KDA Scheme # 5, Clifton Karachi having area of 18,000 Sqft (2021: Nil) and market value of Rs. 435.6 Million (2021: Nil).

8.2 These includes properties amounting to Rs. 824.7 Million (2021: Rs. 824.7 Million) that are under mortgage by banks against the borrowings. In addition to above investment property amounting Rs. 2,400 Million (2021: Rs. 1,900) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

8.3 The direct expense relating to investment properties were Rs. 100,000 (2021: Rs. 100,000)

8.4 The fair value of 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, 2022.

8.5 The table below analyse 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 2022.

Recurring fair value measurements	Fair value measurements at 30 June 2022 using significant other observable inputs (Level 2) Rupees
Investment properties	4,106,031,794
	<u>4,106,031,794</u>

The following table presents the Group's investment properties that are measured at fair value at 30 June 2021.

Recurring fair value measurements	Fair value measurements at 30 June 2021 using significant other observable inputs (Level 2) Rupees
Investment properties	3,354,181,263
	<u>3,354,181,263</u>

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2022 or 2021.

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 2022 Rupees	Area Sq. Ft	June 2021 Rupees
Various shops,	Grand Trunk Road, Pace Gujrat, Gujrat	35921	905,146,933	26912	720,625,500
Various Shops	'Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1560	28,446,300	1560	28,446,300
Plot-D	Near Rangers Headquarters Lahore Cantt	87444	2,160,041,688	87444	1,710,002,398
5th Floor	Pace Mall Model town Link Road Lahore	15354	102,196,091	15354	102,186,090
Various apartments	Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad	5436	29,356,872	70667	379,344,599
House	Pace Woodlands Lahore	2250	10,800,000	2250	10,800,000
House	5th Zamzam Street, Phase V, DHA Karachi	7920	67,358,250	7920	67,358,250
House	F-49 Block 8, KDA Scheme # 5, Clifton Karachi	18000	392,082,481	-	-
		173885	3,695,428,615	212107	3,018,763,137

8.7 Detail of investment property sold during the year having net book value above Rs. 5 million:

Particulars of the purchaser and relation	Mode of disposal	Book	Sales price	Gain/Loss
		value/Revalued amount		
		Rupees		
WorldCall Mobile (Pvt.) Limited	Negotiation	172,407,253	172,407,253	-
	Negotiation	435,647,201	435,647,201	-
		608,054,454	608,054,454	-

9 Investment accounted for using the equity method

	Note	2022 Rupees	2021 Rupees
Media Times Limited-Quoted			
59,592,270 (2021: 59,592,270) ordinary shares of Rs 10 each			
Equity held: 33.32% (2021:33.32%)			
Investment during the year		-	-
Share of loss for the year - net of tax	9.1	-	-
		-	-

These includes 13,893,000 shares (2021: 13,893,000 shares) out of total shares that are pledged with various commercial banks.

Pace Super Mall (Private) Limited-Unquoted

11,250 (2021: 11,250) ordinary shares of Rs 10 each		112,500	112,500
Equity held: 0.07% (2021: 0.07%)		112,500	112,500

	Note	2022 Rupees	2021 Rupees
Pace Barka Properties Limited-Unquoted			
54,790,561 (2021: 54,790,561) ordinary shares of Rs 10			
Equity held: 17.95% (2021: 17.95%)			
Share of loss for the year - net of tax	9.1	(55,825,039)	(42,167,422)
Share of other comprehensive income for the year	9.2	184,234,313	1,520,724
Share of other reserves for the year	9.3	1,817,617	9,725,849
		542,638,846	412,411,955
Total investments accounted for using equity method		542,751,346	412,524,455
9.1 Share of loss from associates.			
Media Times Limited		-	-
Pace Barka Properties Limited		(55,825,039)	(42,167,422)
		(55,825,039)	(42,167,422)
9.2 Share of other comprehensive income from associates			
Media Times Limited		-	-
Pace Barka Properties Limited		184,234,313	1,520,724
		184,234,313	1,520,724
9.3 Share of other reserve from associates			
Media Times Limited		-	-
Pace Barka Properties Limited		1,817,617	9,725,849
		1,817,617	9,725,849
9.4 Refer note 41.5 for summarized financial information for associates accounted for using equity method.			
	Note	2022 Rupees	2021 Rupees
10 Long term investments			
Pakistan Stock Exchange Limited	10.1	11,063,264	24,127,216
Mutual Funds Association of Pakistan	10.2	265,000	-
		11,328,264	24,127,216
10.1 Movement of long term Investments			
	Note	2022 Number of shares	2021 Rupees
Opening balance		1,081,453	1,081,453
Addition		-	-
Closing		1,081,453	1,081,453
Remeasurement of carrying value of shares	10.1.1	1,081,453	1,081,453
Unrealized (loss)/gain charged to P&L		(13,063,952)	13,420,831
10.1.1 Shares having value of Rs. 11,060,615/- (2021: Rs. 24,121,438/-) are freeze against Base Minimum Capital with Pakistan Stock Exchange.			
Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.			
10.2 Movement of long term Investments			
	Note	2022 Number of shares	2021 Rupees
Opening balance			
Addition		26,500	-
Deletion		-	-
Closing		26,500	-
Remeasurement of carrying value of shares	10.2.1	26,500	265,000
Unrealized (loss)/gain charged to P&L/OCI		-	-
10.2.1 Mutual Funds Association of Pakistan (MUFAP) is in process of being converted into a self-regulatory organization (SRO) for the purpose of which Asset Management Companies (AMCs) being member of MUFAP contributed equally in the paid-up-capital. The MUFAP has given 26,500 shares having par value of Rs. 10/- per share amounting to Rs. 265,000/- to each member.			

	Note	2022 Rupees	2021 Rupees
11 Long term deposits and advances - considered good			
Security deposits with:			
- Central Depository Company (CDC)		100,000	100,000
- Others		37,500	37,500
- Fix Deposit in Colombo stock exchange		559,755	8,943,916
- Retention money	11.1	3,500,000	27,498,055
		4,197,255	36,579,471
11.1	This represents money retained by Pace Barka Properties Limited (Associate Company) at 5% of contract work on account of interim payment certificates (IPCs) raised regarding work done on the Pace Circle Project. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 51.98 Million (2021: Rs. 27.49 Million).		
12 Deferred tax			
	Note	2022 Rupees	2021 Rupees
This comprises of the following:			
Deferred tax liability in respect of gain on investment property		22,501,180	15,000,100
Deferred tax asset in respect of others		(33,115)	(795,804)
Deferred tax liability	12.2	22,468,065	14,204,296
12.1	The Group has a unrecognized deferred tax asset amounting to Rs. 182.77 Million (2021: Rs. 461.54 Million) arising on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However as sufficient taxable profits may not be available in foreseeable future, to recognize this defer tax asset in consolidated financial statement.		
12.2	This includes deferred tax asset relating to Lanka Securities (Private) Limited subsidiary Company. The same falls under the regulation of different tax authority.		
12.3	Increase in deferred tax liability is due to increase in taxable temporary differences of parent company.		
13 Stock in trade			
	Note	2022 Rupees	2021 Rupees
Stock in trade	13.1	290,053,500	290,053,500
13.1	This represents various shops situated at Pace Gujranwala.		
14 Trade debts			
	Note	2022 Rupees	2021 Rupees
Money market receivables:			
Unsecured - considered good		-	503,784
Receivables against purchase of shares by clients:			
Unsecured - considered good		199,861,630	175,602,157
Unsecured - considered doubtful		272,355,195	271,851,411
		472,216,825	447,453,568
Receivable against professional services rendered :			
Related Parties - unsecured, considered good	14.1	8,132,035	21,214,122
Others:			
Unsecured - considered good		66,070,592	410,819,879
Unsecured - considered doubtful		5,373,355	4,737,020
		71,443,947	415,556,899
		551,792,807	884,728,373
Less: provision for doubtful debts	14.2	(277,728,550)	(276,588,431)
		274,064,257	608,139,942
14.1	This includes asset management fee amounting to Rs. 3,908,617 (2021: Rs. 3,970,802) receivable from First Capital Mutual Fund, an associated company. Maximum aggregate balance is same as closing. This also includes receivable from Pace Barka Properties Limited, an associated amounting to Rs. 4,223,418 (2021 : Rs.17,243,320). Maximum aggregate balance is Rs. 21,530,228 (2021: 18,624,181).		
14.2 Provision for doubtful debts			
	Note	2022 Rupees	2021 Rupees
Opening balance		276,588,431	272,994,951
Charge for the year	28	1,140,119	3,593,480
Closing balance		277,728,550	276,588,431
14.3	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. Nil (2021: Rs. Nil) and Rs. 636,335 (2021: Rs. 3.5 Million) respectively.		

15	Loans, advances and other receivables	Note	2022 Rupees	2021 Rupees
	Considered good			
	Advances to employees:			
	- Executives	14.1	1,005,073	1,909,957
	- Others		10,856,141	1,928,182
			11,861,214	3,838,139
	Unsecured - considered good			
	Due from associated companies	15.2	210,208,844	159,034,615
	Stock exchanges	15.3	4,300,000	4,300,000
	Advance to supplier	15.4	50,558,715	12,618,765
	Receivable against sale of investment property	15.5	-	178,718,759
	Other		13,740,118	8,173,140
			290,668,891	366,683,418

15.1 This does not include any loan, advance given to Chief executive or Directors.

15.2 This include receivable from Media Time Limited given as advance in the normal course of business amounting Rs 1,200,080 (2021: Rs 1,200,080) maximum aggregate balance on month end basis is Rs. 1,200,080 (2021: Rs 1,200,080). This includes receivable from First Capital Mutual Fund amounting Rs. 3,911,433 (2021: Rs. Rs. 4,399,255) against dividend and expense sharing. This also includes Rs. 205.1 Million (2021: Rs.153.43 Million) receivable from Pace Barka Properties Limited against construction contract (Contract Asset). Maximum aggregate is also same and no collateral is available against this balance.

15.3 This includes exposure deposit with the National Clearing Company of Pakistan Limited under the exposure rules. This includes Rs. 4,300,000/ (2021: Rs. 4,300,000/-) deposited with PSX against requirement of Base Minimum Capital.

15.4 This includes amount due with respect to subcontractors against construction work.

15.5 This also includes Nil (2021: Rs. 178.71 Million) receivable from Pace Pakistan Limited -- Related party against sale of investment property no collateral is available against this and maximum aggregate balance during the year is Rs. 178.71 Million (2021: Rs. 178.71 Million) calculated on month end basis.

16	Short term investments	Note	2022 Rupees	2021 Rupees
	Term deposits	16.1	405,517,578	308,546,635
	Investments at fair value through profit or loss	16.2	127,281,414	224,906,331
			532,798,992	533,452,966

16.1 This represents investment in fixed deposits and repo with Bank of Ceylon related party. At the year end, The principal amount of these deposits is Rs. 403 Million (2021: Rs. 307.2 Million) whereas the interest receivable against these deposit is Rs. 2.5 Million (2021: Rs. 1.3 Million) . The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 405.5 Million (2021: Rs. 308.5 Million).

16.2	Investments at fair value through profit or loss	Note	2022 Rupees	2021 Rupees
	Carrying value at 30 June:			
	- Related parties	16.2.1	199,039,331	105,541,252
	- Others	16.2.2	25,979,299	8,145,326
			225,018,630	113,686,578
	Unrealized (loss)/gain on remeasurement of investments during the year		(97,737,216)	111,219,753
			127,281,414	224,906,331
	Fair value of investments at fair value through profit or loss at 30 June comprises of:			
	- Related parties	16.2.1	116,503,218	198,927,032
	- Others	16.2.2	10,778,196	25,979,299
			127,281,414	224,906,331

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

	Note	Shares/Units		Carrying value		Fair value		Percentage holding	
		2022	2021	2022	2021	2022	2021	2022	2021
		-----Number-----		-----Rupees-----		-----Rupees-----		%	%
Real estate investment and services									
Pace (Pakistan) Limited - associated company		14,638,176	14,638,176	105,687,631	30,886,551	44,207,292	105,687,631	5.25%	5.25%
Mutual funds									
First Capital Mutual Fund Limited - associate		11,438,142	11,431,440	93,351,700	74,654,701	72,295,926	93,239,401	75%	74%
				<u>199,039,331</u>	<u>105,541,252</u>	<u>116,503,218</u>	<u>198,927,032</u>		

16.2.2 Investments at fair value through profit and loss - others

	Note	Shares		Carrying value		Fair value	
		2022	2021	2022	2021	2022	2021
		-----Number-----		-----Rupees-----		-----Rupees-----	
Insurance							
Shaheen Insurance Company Limited		849,329	849,329	3,652,115	2,573,467	2,887,719	3,652,115
PICIC Insurance Limited		32,000	32,000	51,840	22,720	27,200	51,840
Investment Banks							
Arif Habib Limited		120	120	9,734	3,904	5,327	9,734
Cement							
Pioneer Cement Limited		11,000	11,000	1,441,770	693,440	663,630	1,441,770
D.G Khan Cement Limited		-	-	-	-	-	-
Service Industry							
Pakistan Service Industry		80	80	72,000	79,200	123,200	72,000
Telecommunication							
Worldcall Telecom Limited	16.2.4	5,138,707	5,138,707	20,349,280	4,470,675	6,834,480	20,349,280
Pakistan Telecommunication Limited		34,000	34,000	402,560	301,920	236,640	402,560
	16.2.3			<u>25,979,299</u>	<u>8,145,326</u>	<u>10,778,196</u>	<u>25,979,299</u>

16.2.3 Shares having market value of Rs. 37,354,890/- (2021: 82,483,544/-) are pledged as security against long term loans.

16.2.4 This includes 4,220,677 (2021: 4,220,677) shares held under lien as security by National Accountability Bureau (NAB). These shares are held in possession of NAB. Refer to note 23.1.1.

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

	Note	2022 Rupees	2021 Rupees
17 Cash and bank balances			
Cash in hand		172,890	1,184,313
Cash at bank:			
- Current accounts - local and foreign currency		228,996	434,566
- Saving accounts - local and foreign currency	17.1	65,919,302	49,218,195
	17.2	66,148,298	49,652,761
		66,321,188	50,837,074

17.1 The deposit accounts carry mark-up at rates ranging from 3.35% to 13.1% (2021: 2% to 10%) per annum.

17.2 This includes Sri Lankan Rupees amounting to LKR. 17,927,330 (2021: LKR. 11,327,306).

	Note	2022 Rupees	2021 Rupees
18 Trade and other payables			
Trade creditors		132,548,029	359,924,840
Accrued liabilities	18.1	160,090,687	127,658,589
Payable against purchase of property	18.2	121,503,463	121,503,463
Sales tax		244,082	244,081
Federal excise duty	18.3	3,713,207	3,713,207
Security deposit of shopkeepers		486,660	486,660
Withholding tax		21,948,126	21,344,993
Other liabilities	18.4	32,286,085	31,516,322
		472,820,339	666,392,155

18.1 This includes payable amounting Rs 1,702,548 (2021: Rs. 1,702,548) to Media Times Limited, an associated company against printing and advertisement by one of the subsidiary of the company. This also includes payable amounting Rs. 34.9 Million (2021: Nil) to Pace Pakistan Limited, an associated company.

18.2 This represents payable to Pace Pakistan Limited, an associated company against purchase of properties in Pace Fortress Stadium, and Near Ranger headquarters Lahore and Pace Tower, Gulberg Lahore.

	Note	2022 Rupees	2021 Rupees
18.3 Federal Excise Duty (FED):			
Opening balance			
- Related to asset management	18.3.1	3,713,207	3,713,207
- Other		73,623	73,623
Closing balance		3,786,830	3,786,830

18.3.1 As per requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of management company has been applied effectively from 13 June 2013. The subsidiary is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. A stay order against the collection has been granted by the Honourable Sindh High Court on a petition filed by the Mutual Funds Association of Pakistan (MUFAP) as on 04 September 2013.

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 (2021: Rs 3.713 million) as the Federal Board of Revenue could file an appeal with Honourable Supreme Court of Pakistan against the Judgment passed by Honourable Sindh High Court of Pakistan.

18.4 This also includes amount Rs. 211,363 (2021: Rs. 211,363) payable to First Capital Mutual Fund a fund managed by FCIL a subsidiary company and Rs. 1,537,950 (2021: Rs. 2,209,710) to Pace Pakistan Limited.

19 Long term loans	Note	2022	2021
		Rupees	Rupees
Payable against diminishing musharka--secured	19.1	1,600,000,000	1,600,000,000
Payable against loan from financial institutions--secured	19.2	1,184,276,086	1,184,276,086
Payable against loan from non-financial institutions--unsecured	19.3	178,060,000	178,060,000
		2,962,336,086	2,962,336,086
Current portion		(1,438,821,540)	(267,590,909)
Non-Current portion		1,523,514,546	2,694,745,177

19.1 This represents balance payable against two diminishing musharka facilities obtained from Silk Bank Limited (Eman Islamic Banking) Facility 1 and 2 amounting to Rs. 1,100 Million and Rs. 500 Million respectively. Details of rental payable on these facilities is mentioned in note 20.1. Principal amount of Facility 1 and 2 is repayable in 11 equal semiannual installments commencing from June 14, 2022 and August 08, 2022 respectively. The Parent Company has not paid installment due on June 2022 amounting Rs. 100 million. In case of failure to make due payments by the Parent Company, Bank can charge penalty at the rate of 6 month KIBOR (Ask side) plus 5% per annum on overdue amount. Silk Bank Limited has charge by way of hypothecation over following assets:

- Diminishing Mushrka Asset
- Current Assets of the company

19.2 This includes loan payable to United Bank Limited (UBL) with an original mark up rate of 8% (2021: 8%) per annum. But owing to the negotiations with the bank the markup on this loan was freeze and waived off. The interest waived off on this loan amounts to Rs. 354 Million till October 01, 2010. The management of the First Capital Equities Limited-Subsidiary Company (FCEL) is in negotiation with UBL and are confident that this loan will be settled against Debt to Property swap as previously done on favourable terms. Based on ongoing negotiations Bank agreed to grant extension to the FCEL for repayment of loan till December 31, 2022.

This also includes loan facilities obtained by Evergreen Water Valley Private Limited--subsidiary company against two facilities amounting Rs. 65 Million (2021: Rs. 65 Million) and Rs. 300 Million (2021: Rs. 300 Million) repayable in 10 equal quarterly and 11 equal biannual instalments respectively. These facilities carries interest at the rate of 3M KIBOR + 5% per annum and 6M KIBOR + 2.5% per annum respectively.

19.3 This represents loan received on interest at the rate of 24% obtained from WTL Services (Private) Limited. During the year, the Parent Company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%.

20 Accrued markup	Note	2022	2021
		Rupees	Rupees
Rental payable against diminishing musharka--secured	20.1	705,753,915	403,256,124
Markup payable against long term loan from financial institutions--secured	20.2	141,881,000	97,322,957
Markup payable against long term loan from non-financial institutions--unsecured	20.3	41,927,982	39,550,448
		889,562,897	540,129,529
Current portion		(847,634,915)	(428,752,510)
Non Current portion		41,927,982	111,377,019

20.1 The rental payable against the diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking) was at the rate of 6 month KIBOR (ask side) plus 2% margin per annum. During the year on the request of the Parent Company, the Bank agreed to defer the repayment of principal and rental for two years starting from July 15, 2020 and rental rate to be charged during deferment period is 2 year KIBOR plus 2% spread per annum. Rental deferred is measured at present value using the applicable rental rate of 2Y KIBOR plus 2%. Reconciliation of deferred rental is as follows:

	Note	2022	2021
		Rupees	Rupees
Deferred rental	20.1.1	710,007,672	469,527,672
Less: Impact of discounting	20.1.2	(4,253,757)	(66,271,548)
		705,753,915	403,256,124

20.1.1 Reconciliation of deferred rental

Opening balance	469,527,672	423,167,260
Add: Charged during the year	240,480,000	224,167,781
Less: Paid during the year	-	(177,807,369)
	710,007,672	469,527,672

20.1.2 Reconciliation of discounting

Opening balance	66,271,548	-
Add: Discounting impact of deferred rental	-	66,271,548
Less: Impact of unwinding	(62,017,791)	-
	4,253,757	66,271,548

20.2 This represents interest on the loan obtained from Silk Bank Limited, Facility 1 amounting Rs. 65 Million and Facility 2 amounting Rs. 300 Million at the rate of 3 month KIBOR +5% and 6 month+2.5% respectively.

	Note	2022 Rupees	2021 Rupees
Opening balance		97,322,957	81,716,793
Add: Charged during the year		44,558,043	15,606,164
Less: Paid during the year		-	-
		141,881,000	97,322,957
20.3 This represents interest at the rate of 24% on loan obtained from WTL Services (Private) Limited. During the year, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%. Movement of interest during the year is as follows:			
	Note	2022 Rupees	2021 Rupees
Opening balance		39,550,448	-
Add: Charged during the year		2,377,534	39,550,448
Less: Paid during the year		-	-
		41,927,982	39,550,448
21 Lease liability			
Present value of minimum lease payments		299,917	6,867,378
Less: Current portion of lease liabilities		(299,917)	(6,867,378)
		-	-
Maturity analysis			
Not later than 1 year		299,917	6,867,378
Later than 1 year		-	-
		299,917	6,867,378
22 Staff retirement benefits			
Amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation	22.1	32,612,167	24,442,112
Accumulating compensated absences		-	-
		32,612,167	24,442,112
22.1 Movement in net obligation			
Opening balance		24,442,112	24,867,436
Expense charged to profit or loss account	22.2	10,952,677	6,683,173
Remeasurements charged in other comprehensive income	22.3	(2,782,622)	3,142,186
Benefits payable transferred to short term liability			(9,589,060)
Benefits paid/extinguished during the year			(661,623)
Closing balance		32,612,167	24,442,112
22.2 Charged to profit or loss			
Current service cost		9,801,567	5,601,083
Past Service Cost (Credit)		447,368	
Interest cost		703,742	259,322
		10,952,677	5,860,405
22.3 Charged to other comprehensive income			
Changes in financial assumptions		58,142	20,893
Changes in demographic assumption		50,862	
Experience adjustments		(2,891,626)	3,121,293
		(2,782,622)	3,142,186

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 2022. Significant actuarial assumptions are as follows:

		2022	2021
Discount rate	Per annum	up to 10%	up to 8.5%
Discount rate used for year-end obligation	Per annum	up to 13.25%	up to 10%
Expected rate of salary increase in future years	Per annum	up to 12.25%	up to 9%

23 Contingencies and commitments

23.1 Contingencies

Parent Company

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

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

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

- 23.1.2** During financial year 1998-1999, Securities and Exchange Commission of Pakistan ("SECP") raised a demand of Rs. 0.8 Million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP had filed an appeal in the Supreme Court of Pakistan against the judgment of the Honourable Lahore High Court. The Appeal has resulted in remand of the proceedings to the Lahore High Court; by the Honourable Supreme Court vide order dated 29.04.2010. The matter will be re-decided by the Lahore High Court. Honourable Lahore High Court passed an order dated 20-05-2015 to issue notices to the Appellants and consigned the appeal to record. In stated proceedings, Company has engaged a new Counsel who has filed Application for restoration of the stated Appeal and matter is pending before Lahore High Court. Management considers that there are strong grounds to support the Company's stance and is hopeful for a favourable decision. Consequently, no provision has been made in these financial statements for this amount.
- 23.1.3** CTR No. 14/2002 reference has been directed against the judgment of ITAT dated 03.02.2001 whereby the order passed under 66 - A of the Income Tax Ordinance, 1979, for the assessment years 1995-1996, by IAC of the Income tax Range - III, Companies Zone - II, Lahore has been affirmed. The C.T.R is now pending before the Honourable Lahore High Court and is to be heard along with other identical matters. There is likelihood of a favourable decision in favour of Company in as much as said order is in conflict with earlier judgments of the superior courts. The case has to be fixed by office of the Honourable Lahore High Court Lahore.
- 23.1.4** The Income Tax Appellate Tribunal Lahore vide its Order dated 19th November 2008 for Assessment Year 1996-1997, 1999-2000, 2001-2001,2002-2003, 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.
- 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 favour.
- 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 honourable High Court of Sindh. The legal counsel is confident of success of the case in company's favour.

First Capital Equities Limited (the subsidiary company)

- 23.1.7** During the year 2007-08, Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its reply to the show cause notice to the SECP. SECP has decided the case and has imposed a fine of Rs. 500,000/- on the Company on April 17, 2009. The Company has filed an appeal in Appellate Tribunal SECP against the aforesaid order and as a result the order was set aside by Tribunal on December 03, 2015 with an instructions to initiate fresh proceedings as per law.
- 23.1.8** On September 27, 2018, the Company filed suit for recovery and permanent injunction in the court of senior civil judge Lahore against legal heirs of one of its trade receivable Mr. Sulaiman Ahmed Saeed Al Houqani (Late) for recovery of receivable balance amounting Rs. 167.94 Million. The Company also pleaded to the Court to freeze Pakistani assets of Mr. Sulaiman Houqani i.e. 73.9 Million shares of Pace Barka Properties Limited (related party) having market value at filling of suit amounting Rs. 369.6 Million until recovery of balance. The case is pending before the court.
- 23.1.9** During the year 2008-09, M/s Savari (Pvt.) Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura (Pvt.) Limited, the clients of the Company has defaulted to pay their debts Rs. 239,900,022/-. The Company has filed a suit on February 01, 2009 in Civil Court, Lahore for recovery from these clients. 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 Trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities ((Pvt.)) Limited to interfere in the order of the Learned Trial Court passed in favours 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 honourable Lahore High Court Lahore. Which is pending before the High Court and the company is confident of a favourable decision in the case.
- 23.1.11** A case was filed in the Sindh High Court on May 19, 2009 for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. Legal counsel is confident about the recoverability of balance but adopting conservative approach management decided to provide provision against this balance.
- 23.1.13** During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Securities Corporation Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the recovery of Rs. 105.78 from the Company against reverse repo purchase transaction and insurance premium or cumulative recovery of Rs. 188.74 Million from First Capital Securities Corporation Limited. The case is pending before the honourable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favours. This case has also been disclosed in note 23.1.5.
- 23.1.16** During the 2017-2018, Al-Hoqani Securities has filed suit against the Company, First Capital Securities Corporation Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Anna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honourable High Court of Sindh and the next hearing is on September 20, 2022. The legal counsel is confident of success of the case in company's favours. This case has also been disclosed in 23.1.6.
- 23.1.17** During the year ending June 2018 a complaint was filed by Mr. David Williams Jeans before the Learned Judge, Consumer Court, Lahore on November 11, 2017 against the Company stating therein that an amount of € 12,750/- had been transferred in 2003 to the Company for the purchase of shares of World Call Company. The claimant sought relief of Rs. 2,200,000 and € 12,750/- against the Company. While as per the legal counsellor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on the legal counsellor's opinion management decided not to record any provision as value of provision is not certain.
- 23.1.18** 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.
- Lanka Securities (Private) Limited (the subsidiary company)**
- 23.1.19** During the year 2014 via case No. HCC/503/2014/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 1,847,179). The trial was to be made on May 11, 2022 (cross examination to be continue on behalf of LSL) then postponed in view of emergency and to be called on November 22, 2022.
- 23.1.20** During the year 2016 via case No. HCC/31/16/MR plaintiff named HNB filed a suit against Lanka Securities Private Limited in the Commercial High Court of Colombo for the recovery of amount Rs LKR 11,000,000 (Rs. 6,160,000). Next trial date to be fixed when court resume sittings as at this time it is closed due to covid restrictions. Evidence of LSL was to be led on June 23, 2022 but the hearing date postponed to October 13, 2022.
- 23.1.21** During the year 2018 via case No. 1/42/2018 plaintiff named Buddhika Suraj Wickramaratna on account of an industrial dispute filed a suit against Lanka Securities Private Limited in 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. The applicant evidence are being observed by the court. the next hearing date to be advised by Labour tribunal.

23.1.22 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. Adequate provision have been made in the financial statements.

23.1.23 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. the next hearing date has to be decided by when tribunal resuming hearing(now closed due to covid restriction).

23.1.24 During the year 2019, via case No. CA/Writ/326/2019 plaintiff Court of Appeals filed a suit against Lanka Securities Private Limited in the local court . Next hearing of this case is fixed on September 24 ,2022 Meanwhile CSE is to explore feasibility of accommodating this application as an arbitration application.

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

	Note	2022 Rupees	2022 Rupees
23.2 Commitments			
Commitments include amounts in respect of:			
Capital expenditure	23.2.1	12,195,000	12,195,000
		12,195,000	12,195,000

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

2022	2021		2022	2021
-----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	2022		2021	
		Percentage of holding	Number of shares	Percentage of holding	Number of shares
Amethyst Limited	24.1.1	22.75%	72,034,306	22.75%	72,034,306
Sisley Group	24.1.2	9.92%	31,395,000	9.92%	31,395,000

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

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

	Note	2022 Rupees	2021 Rupees
25 Operating revenue			
Revenue from construction contracts		621,211,947	557,858,597
Brokerage income		430,397,729	354,808,358
Money market income		-	1,252,344
Gain on sale of investments		2,595,478	2,339,238
Investment advisory fee from FCMF and open fund management		12,299	2,840,930
		<u>1,054,217,453</u>	<u>919,099,467</u>
Sales tax		(357,997)	(535,927)
		<u>1,053,859,456</u>	<u>918,563,540</u>
26 Direct costs			
Salaries and benefits		44,376,486	4,747,694
Electricity and fuel consumed		49,693,521	107,300
Rent, rates and taxes		-	803,890
Postage and communication		858,834	28,714
Travelling expenses		-	-
Entertainment		771,317	2,025
Repair and maintenance		19,011,655	5,330
Other construction expenses		365,696,457	278,540,262
Miscellaneous		17,100,362	13,267,915
		<u>497,508,632</u>	<u>297,503,130</u>
27 Unrealized gain/(loss) on re-measurement of 'investments at fair value through profit or loss'	Note	2022 Rupees	2021 Rupees
Long term investments	10.1	(13,063,952)	13,420,831
Short term investments	16.2	(97,737,216)	111,219,753
		<u>(110,801,168)</u>	<u>124,640,584</u>
28 Operating and administrative expenses	Note	2022 Rupees	2021 Rupees
Salaries, wages and benefits		224,990,098	162,764,176
Stock exchange charges		4,592,560	5,600
Rent, rates and taxes		1,802,560	2,524,857
Telephone and fax		299,176	3,323,787
Utilities		238,925	2,846,875
Insurance		-	1,611,591
Printing and stationery		149,248	591,812
Travelling and conveyance		3,292,535	9,035,479
Repairs and maintenance		6,665,531	3,507,388
Postage and courier		3,000	317,715
Vehicle running		5,836,238	1,440,015
Entertainment		5,588,395	3,298,704
Legal and professional charges		11,565,513	7,253,152
Security Expense		750,000	-
Advertisement		9,440,890	5,617,136
Provision for doubtful debts		1,140,119	3,593,480
Bad debt written off		152,450	1,143,540
Fees and subscriptions		-	1,493,027
Auditors' remuneration	28.1	2,804,936	3,237,231
Amortization of right to use asset	6.3	6,310,203	5,531,557
Amortization of intangible assets		250,009	250,009
Depreciation	6.1	3,688,396	2,604,739
Miscellaneous		9,907,626	11,680,796
		<u>299,468,408</u>	<u>233,672,666</u>
Related to discontinued operations		1,461,410	747,415
Related to continuing operations		298,006,998	232,925,251

28.1 Auditors' remuneration

	Parent company	Subsidiary companies	Total 2022	Total 2021
-----Rupees-----				
Annual audit	500,000	1,264,936	1,764,936	2,135,481
Consolidated accounts	500,000	-	500,000	500,000
Half yearly review	200,000	287,000	487,000	478,750
Out of pocket expenses	50,500	2,500	53,000	123,000
	1,250,500	1,554,436	2,804,936	3,237,231

	Note	2022 Rupees	2021 Rupees
29 Other income			
Income from financial assets			
Income on deposit accounts		3,780,373	1,615,849
Interest from staff loans		15,985	33,876
Income on term deposits		25,052,426	11,028,673
Dividend income		-	6,093,273
Income from other than financial assets			
Gain on sale of property, plant and equipment		14,801,727	-
Provision for penalty written back		-	33,330,684
Impact of discounting on deferred rental		-	66,271,548
Interest income on delayed payments		31,896,443	30,107,306
Loss on disposal of subsidiary			(10,852)
Miscellaneous		2,356,774	237,718
		77,903,728	148,708,075
30 Finance costs			
Mark-up on borrowings		287,415,576	288,587,213
Mark-up on short term borrowings		1,830,092	-
Exchange Loss		1,133,936	
Impact of unwinding		62,017,791	
Finance charges on assets subject to finance lease		421,783	1,242,394
Bank charges and commission		4,819,534	549,400
		357,638,712	290,379,007
31 Taxation			
Current		102,790,683	76,662,639
Deferred		7,501,080	(5,000,175)
		110,291,763	71,662,464

31.1 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.

32 Discontinued operations

Last 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	2022 Rupees	2021 Rupees
Operating and administrative expenses		1,461,410	747,415
Taxation		-	-
Loss after taxation from discontinued operations		<u>1,461,410</u>	<u>747,415</u>
32.1 Cash flows from/(used in) discontinued operations			
Net cash used in operating activities		(1,461,410)	(747,415)
Net cash from investing activities		-	-
Net cash flow for the year		<u>(1,461,410)</u>	<u>(747,415)</u>
33 Earning/(loss) per share - basic and diluted			
Net profit/(loss) for the year from continued operations attributable to shareholder of the parent company	Rupees	<u>143,864,229</u>	<u>170,780,579</u>
Net profit/(loss) for the year from discontinued operations attributable to shareholder of the parent company	Rupees	<u>(1,070,191)</u>	<u>(547,332)</u>
Weighted average number of ordinary shares as at 30 June	Numbers	<u>316,610,112</u>	<u>316,610,112</u>
Earning/(loss) per share - basic and diluted--continued operations	Rupees	<u>0.4544</u>	<u>0.54</u>
Earning/(loss) per share - basic and diluted -- discontinued operations	Rupees	<u>(0.0034)</u>	<u>(0.0017)</u>

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

34 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	2022	2021
			Value of transactions made during the year	Value of transactions made during the year
			-----Rupees-----	
Bank of Ceylon	Associated	Share transaction	396,163,997	1,208,841,728
		Brokerage income	3,029,119	6,950,847
		Interest income	9,579,844	8,426,019
		Investment in Repo	15,354,136	2,576,847
		Investment in fixed deposit	181,920,525	163,323,685
Merchant Bank of Sri Lanka	Associated company	Share transaction	319,495,273	125,253,432
		Brokerage income	2,014,793	708,006
Pace Pakistan Limited	Associated company (share holding 5.11%)	Purchase of property	-	-
		Service Charges	-	671,760
		Payment on behalf of group	63,977,539	50,779,169
		Payments made	7,888,457	
		Sale of goods and services provided	56,089,082	125,766,760
		Payments against Purchase of property	424,982,521	-
First Capital Mutual Fund	Associate (shareholding 63.42%)	Asset management fee	2,595,478	2,837,461
		Other Receivable	113,671	122,991
		Payment received	6,470,203	4,664,162
		Investment in units	1,000,000	10,000,000
		Redemption of units	900,000	19,300,000
Pace Barka Properties Limited	Associate (shareholding 17.95%)	Sale of goods and services	472,019,690	369,716,433
		Property against sale of goods and services		86,842,500
		Payment on behalf of group	506,687,285	280,425,259
		Property adjusted against payable		134,897,621
Media Times Limited	Associate (shareholding 33.08%)	Purchase of goods and services	-	753,124

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

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

	2022 Rupees	2021 Rupees
35 Cash generated from operations		
Profit/(Loss) before taxation	316,107,994	328,189,974
<i>Adjustments for:</i>		
Depreciation	4,792,186	2,604,739
Amortization of right of use	5,437,024	5,531,557
Finance cost	352,733,909	290,379,007
Loss/(Gain) on re-measurement of short term investments	110,801,168	(124,640,584)
Loss/(gain) on re-measurement of investment properties	(505,586,769)	-
Capital gain on sale of investments		(2,339,238)
Loss on disposal of subsidiary		10,852
Return on Deposit Accounts	(2,104)	
Gain on disposal of property, plant and equipment	(14,799,916)	-
Provision for doubtful debts and bad debts written off	1,140,119	3,593,480
Share received from Mufap	(265,000)	-
Share of loss from investments accounted for using equity method	55,825,039	42,167,422
Dividend income	-	(6,093,273)
Retirement benefits	10,952,677	6,683,173
Interest income	(58,957,098)	(42,785,704)
Bad debts written off	152,450	1,143,540
Amortization of intangible assets	250,009	250,009
Capital gain realized	(12,299)	-
Penalty written back	-	(33,330,684)
Impact of discounting	-	(66,271,548)
	(37,538,605)	76,902,748
Loss before working capital changes	278,569,389	405,092,722
Effect on cash flow due to working capital changes:		
Decrease/(increase) in:		
Inventories	-	968,643
Trade debts	332,935,566	(35,410,472)
Loans and advances	84,672,528	138,574,651
Prepayments	(33,882)	(71,241)
	417,574,212	104,061,581
(Decrease)/increase in:		
Trade and other payables	(193,571,816)	(330,081,483)
	(193,571,816)	(330,081,483)
	224,002,396	(226,019,902)
	502,571,785	179,072,820

36 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.

36.1 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.

36.1.1 Exposure to credit risk

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

	Note	2022 Rupees	2021 Rupees
Long term deposits and advances		4,197,255	36,579,471
Trade debts - net	36.1.2	274,064,257	608,139,942
Loans and advances		290,668,891	366,683,418
Bank balances	36.1.2	66,148,298	49,652,761
		<u>635,078,701</u>	<u>1,061,055,592</u>

36.1.2 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	Note	2022 Rupees	2021 Rupees
Trade debts as at balance sheet date are classified as follows:			
Foreign		66,070,592	410,819,879
Domestic		207,993,665	197,320,063
		<u>274,064,257</u>	<u>608,139,942</u>

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

	Note	2022	2021
		-----Rs.-----	
Neither past due not impaired		66,270,792	411,447,260
Past due 1 - 60 days		391,766	468,369
Past due 61 - 120 days		-	-
Above 120 days		207,401,699	196,224,313
		<u>274,064,257</u>	<u>608,139,942</u>

Bank balances

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

Foreign		10,014,497	8,790,164
Domestic		56,133,801	40,862,597
		<u>66,148,298</u>	<u>49,652,761</u>

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

	Rating		Rating agency
	Short term	Long term	
Faysal Bank Limited	A-1+	AA	PACRA
Bank Al Falah Limited	A-1 +	AA+	PACRA
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 +	AAA	PACRA
Silk Bank Limited	A-2	A-	VIS
United Bank Limited	A-1 +	AAA	VIS
Askari Bank Limited	A-1 +	AA+	PACRA
Albaraka Islamic Bank Limited	A+	A-1	VIS
Arif Habib Bank Limited	A1+	AA-	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
Dubai Islamic Bank Limited	A-1 +	AA	VIS
JS Bank Limited	A-1 +	AA-	PACRA
Bank of Ceylon	NA	AA -(lka)	Fitch Ratings
MBSL Bank	NA	[SL]BBB+	ICRA (Lanka)

36.1.3 Counterparties without external credit ratings

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

	Note	2022 Rupees	2021 Rupees
Long term deposits and advances		4,197,255	36,579,471
Trade debts - net		274,064,257	608,139,942
Loans and advances		290,668,891	366,683,418
		568,930,403	1,011,402,831

36.1.4 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

36.2 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:

Financial liabilities	2022				
	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
Long term loan	2,962,336,086	2,962,336,086	1,438,821,540	1,523,514,546	-
Short term borrowings	-	-	-	-	-
Trade and other payables	472,820,339	472,820,339	472,820,339	-	-
Accrued markup	889,562,897	893,816,654	851,888,672	41,927,982	-
	4,324,719,322	4,328,973,079	2,763,530,551	1,565,442,528	-

	2021				
	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	2,962,336,086	2,962,336,086	267,590,909	2,694,745,177	-
Short term borrowings	14,833,987	14,833,987	14,833,987	-	-
Trade and other payables	666,392,155	666,392,155	666,392,155	-	-
Accrued markup	540,129,529	606,401,077	377,047,626	229,353,451	-
	4,183,691,757	4,249,963,305	1,325,864,677	2,924,098,628	-

36.3 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

36.3.1 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:

	2022 Rupees	2021 Rupees
Foreign debtors	66,070,592	410,819,879
Foreign currency bank accounts	10,014,497	8,790,164
Foreign creditor and other payables	156,162,431	368,226,699
Net exposure	(80,077,342)	51,383,344

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
LKR to PKR	0.669	0.835	0.560	0.777

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.

	2022 Rupees	2021 Rupees
Net effect on profit or loss	(8,007,734)	5,138,334
	(8,007,734)	5,138,334

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.

36.3.2 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:

	2022	2021	2022	2021
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial liabilities				
Long term loans	up to 6m Kibor+5%	up to 24	2,962,336,086	2,962,336,086
			2,962,336,086	2,962,336,086

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 2021.

	Profit or loss	
	100 bps Increase	100 bps Decrease
As at 30 June 2022		
	Rupees	
Cash flow sensitivity - Variable rate financial liabilities	29,623,361	(29,623,361)
As at 30 June 2021		
Cash flow sensitivity - Variable rate financial liabilities	29,623,361	(29,623,361)

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

36.3.3 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 2022 and 2021 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-----					
2022					
Investments					
Investments at fair value through profit or loss	138,609,678	10% increase	152,470,646	-	13,860,968
		10% decrease	124,748,710	-	(13,860,968)
	<u>138,609,678</u>				
2021					
Investments					
Investments at fair value through profit or loss	249,033,547	10% increase	273,936,902	-	24,903,355
		10% decrease	224,130,192	-	(24,903,355)
	<u>249,033,547</u>				

36.3.4 Fair value of financial instruments

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

a) Fair values versus carrying amounts

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

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
-----Rupees-----				
Financial assets				
Long term investments	11,328,264	11,328,264	24,127,216	24,127,216
Long term deposits and advances - considered good	4,197,255	4,197,255	36,579,471	36,579,471
Trade debts	274,064,257	274,064,257	608,139,942	608,139,942
Loans, advances and other receivables	290,668,891	290,668,891	366,683,418	366,683,418
Short term investments	532,798,992	532,798,992	533,452,966	533,452,966
Cash and bank balances	66,321,188	66,321,188	50,837,074	50,837,074
	<u>1,179,378,847</u>	<u>1,179,378,847</u>	<u>1,620,698,884</u>	<u>1,620,698,884</u>

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities	-----Rupees-----			
Long term loan	2,962,336,086	2,962,336,086	2,962,336,086	2,962,336,086
Accrued markup	889,562,897	889,562,897	540,129,529	540,129,529
Trade and other payables	472,820,339	472,820,339	666,392,155	666,392,155
	4,324,719,322	4,324,719,322	4,168,857,770	4,168,857,770

b) Valuation of financial instruments

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

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

Level 2: Valuation techniques based on observable inputs.

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

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

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

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

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

30 June 2022	Level 1	Level 2	Level 3	Total
	Rupees			
Equity securities				
Long term investments	11,328,264			11,328,264
Short term investments	127,281,414	-	-	127,281,414
	138,609,678	-	-	138,609,678
 30 June 2021				
Equity securities				
Long term investments	24,127,216	-	-	24,127,216
Short term investments	224,906,331	-	-	224,906,331
	249,033,547	-	-	249,033,547

36.3.5 Operational risk

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

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

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

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

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

36.4 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 2022 and at 30 June 2021 were as follows:

	2022	2021
	Rupees	Rupees
Total debt	2,962,336,086	2,962,336,086
Total equity and debt	4,857,105,793	4,601,760,925
Debt-to-equity ratio	60.99%	64.37%

The decrease in the debt-to-equity ratio in 2022 resulted primarily due to increase in fair value of investment property during the year.

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

37 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	
	2022	2021	2022	2021	2022	2021
	-----Rupees-----					
Short Term Employee Benefits						
Managerial remuneration	2,400,000	2,400,000	-	-	38,321,659	9,381,708
Reimbursable expenses	-	-	-	-	-	136,880
Medical	-	-	-	-	72,522	-
House rent	-	-	-	-	-	-
Post Employment Benefits						
Provision for gratuity	632,938	-	-	-	5,778,191	5,038,173
	3,032,938	2,400,000	-	-	44,172,372	14,556,761
Number of persons	1	1	6	6	9	5

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.

38 Number of employees

The average and total number of employees are as follows:

Holding Company

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

	2022	2021
Average number of employees during the year	5	7
Total number of employees as at 30 June	5	4

Subsidiary Companies

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

Average number of employees during the year	85	76
Total number of employees as at 30 June	93	86

39 Operating segments

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

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

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

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

Type of segments and nature of business

1 Financial services

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

2 Investment advisory services

Investment advisory services to open end mutual funds.

3 Real estate

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

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

40 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.

40.1 Information about reportable segments

	Financial Services		Investment advisory services		Printing and publishing		Real Estate		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	-----Rupees-----									
External revenues	430,397,729	355,916,627	2,249,780	4,788,316	-	-	621,211,947	557,858,597	1,053,859,456	918,563,540
Direct cost	(10,330,148)	(13,248,537)	-	-	-	-	(487,178,484)	(284,254,593)	(497,508,632)	(297,503,130)
Operating expenses	(265,968,110)	(203,941,812)	(13,080,045)	(14,250,462)	-	-	(20,420,253)	(15,480,392)	(299,468,408)	(233,672,666)
Other income	60,355,301	141,575,310	15,812,916	5,742,941	-	-	1,735,511	1,389,824	77,903,728	148,708,075
Finance cost	(313,023,992)	(274,751,966)	(5,776)	(5,999)	-	-	(44,608,944)	(15,621,042)	(357,638,712)	(290,379,007)
Gain on investment properties	500,043,656	-	-	-	-	-	5,543,113	-	505,586,769	-
Unrealized gain / (loss) on re-measurement of short investment	(42,393,239)	50,721,365	(19,335,156)	16,888,170	-	-	(49,072,773)	57,031,049	(110,801,168)	124,640,584
Share of loss from investments accounted for using the equity method	(55,825,039)	(42,167,422)	-	-	-	-	-	-	(55,825,039)	(42,167,422)
Profit / (loss) before taxation	303,256,158	14,103,565	(14,358,281)	13,162,966	-	-	27,210,117	300,923,443	316,107,994	328,189,974
Taxation expense for the year	(71,632,276)	(30,475,588)	(67,124)	(908,561)	-	-	(38,592,363)	(40,278,315)	(110,291,763)	(71,662,464)
Profit / (loss) after taxation	231,623,882	(16,372,023)	(14,425,405)	12,254,405	-	-	(11,382,246)	260,645,128	205,816,231	256,527,510
Other information										
Segment assets	3,914,599,286	3,536,058,679	212,815,034	225,447,218	-	-	2,269,303,241	2,191,149,187	6,396,717,561	5,952,655,084
Segment liabilities	2,815,224,578	2,724,822,894	11,770,104	9,233,338	-	-	1,674,953,172	1,579,174,013	4,501,947,854	4,313,230,245
Depreciation	3,086,811	1,963,281	126,872	119,995	-	-	474,713	521,463	3,688,396	2,604,739
Capital expenditure	1,203,487	5,350,314	-	125,000	-	-	-	-	1,203,487	5,475,314

	2022	2021
	Rupees	Rupees
40.2 Reconciliation of assets		
Assets		
Total assets of reportable segments	5,853,966,215	5,540,130,629
Investments accounted for using the equity method	542,751,346	412,524,455
Consolidated total assets	<u>6,396,717,561</u>	<u>5,952,655,084</u>

40.3 Geographical information

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

	2022	2021
	Rupees	Rupees
40.3.1 Revenue		
Pakistan	623,461,727	563,755,182
Sri Lanka	430,397,729	354,808,358
	<u>1,053,859,456</u>	<u>918,563,540</u>
40.3.2 Non-current assets		
Pakistan	4,937,726,285	4,082,208,589
Sri Lanka	4,032,215	20,261,244
	<u>4,941,758,500</u>	<u>4,102,469,833</u>

40.4 Revenue on the basis of major products and services

Money market income		1,108,269
(Loss) / gain on sale of investments	2,237,481	2,339,238
Investment advisory fee from FCMF	12,299	2,449,078
Brokerage income	430,397,729	354,808,358
Revenue against construction contracts	621,211,947	557,858,597
	<u>1,053,859,456</u>	<u>918,563,540</u>

41 Interests in other entities

41.1 Material subsidiaries

The Group's principal subsidiaries as at June 30, 2022 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
		2022	2021	2022	2021	
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.
Falcon Commodities (Private) Limited	Pakistan	100%	100%	0%	0%	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited
Ozer Investments Limited	Sri Lanka	100%	100%	0%	0%	Providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage
First Capital Equities Limited	Pakistan	73.23%	73.23%	26.77%	26.77%	To acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings.
Evergreen Water Valley (Private) Limited	Pakistan	100%	100%	0%	0%	Installation and manufacturing of water purification plants and construction activities
First Construct Limited	Pakistan	100%	100%	0%	0%	Construction company

41.2 Non-controlling interests

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

	First Capital Investments Limited		Lanka Securities (Private) Limited		First Capital Equities Limited	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Summarized balance sheet						
Current assets	95,085,301	107,656,037	488,208,870	738,598,436	520,714,719	573,445,994
Current liabilities	14,353,253	13,799,032	198,612,245	419,500,501	1,016,203,344	1,014,619,336
Current net assets / (liabilities)	80,732,048	93,857,005	289,596,625	319,097,935	(495,488,625)	(441,173,342)
Non-current assets	127,433,064	127,722,544	4,065,330	21,057,048	848,332,346	873,619,017
Non-current liabilities	7,120,183	5,365,669	932,790	9,335,479	-	-
Non-current net assets/(liabilities)	120,312,881	122,356,875	3,132,540	11,721,569	848,332,346	873,619,017
Net assets	201,044,929	216,213,880	292,729,165	330,819,504	352,843,721	432,445,675
Accumulated non-controlling interests	42,500,898	45,707,614	143,437,291	162,101,557	94,456,264	115,765,707
Summarized statement of comprehensive income						
Revenue (continued & discontinued operation) Net of unrealized gain/loss	(17,030,947)	21,852,166	430,397,729	354,808,358	(77,011,398)	94,569,099
Profit/(loss) for the year after tax	(14,425,404)	12,254,405	163,065,302	142,099,089	(79,601,954)	90,130,228
Other comprehensive income/(loss)	(743,547)	272,504	2,502,316	(3,650,941)	-	-
Total comprehensive income/(loss)	(15,168,951)	12,526,909	165,567,618	138,448,148	(79,601,954)	90,130,228
Profit/(loss) allocated to NCI	(3,049,530)	2,590,581	79,901,998	69,628,554	(21,309,443)	24,127,862
Other comprehensive income/(loss) allocated to NCI	(157,186)	57,607	1,226,135	(1,788,961)	-	-
Dividends paid to NCI	-	-	-	-	-	-
Summarized cash flows						
Cash flows from operating activities	(6,642,001)	(9,622,165)	143,822,369	143,822,369	(50,039)	(28,061)
Cash flows from investing activities	5,526,445	10,582,454	(141,809,810)	(141,809,810)	-	-
Cash flows from financing activities	-	-	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(1,115,556)	960,289	2,012,559	2,012,559	(50,039)	(28,061)

41.3 Interests in associates

Set out below are the associates of the group as at 30 June 2022 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares except FCMF, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held and total units in case of mutual fund .

Name of entity		Ownership interest held by the Group		Quoted Fair Value		Carrying Value	
		2022	2021	2022	2021	2022	2021
First Capital Mutual Fund	Pakistan	75.00%	74.00%	-	-	-	-
Media Times Limited	Pakistan	33.32%	33.32%	118,588,617	234,793,544	-	-
Pace Barka Properties Limited	Pakistan	17.95%	17.95%	-	-	542,638,846	412,411,955
Pace Super Mall	Pakistan	0.10%	0.10%	-	-	112,500	112,500
				<u>118,588,617</u>	<u>234,793,544</u>	<u>542,751,346</u>	<u>412,524,455</u>

41.4 Commitments and contingent liabilities in respect of associates

No commitments and contingent liabilities in respect of associates exist as at 30 June 2022.

41.5 Summarized financial information for associates

	First Capital Mutual Fund		Media Times Limited		Pace Barka Properties Limited	
	2022	2021	2022	2021	2022	2021
Summarized balance sheet						
	-----Rs-----Rs'000-----					
Current assets	117,403,573	150,535,669	54,563,313	42,624,243	2,140,359	2,657,607
Current liabilities	20,574,141	25,301,146	826,681,456	782,357,926	922,168	1,534,543
Current net assets / (liabilities)	<u>96,829,432</u>	<u>125,234,523</u>	<u>(772,118,143)</u>	<u>(739,733,683)</u>	<u>1,218,191</u>	<u>1,123,064</u>
Non-current assets	-	-	262,829,863	295,538,258	5,147,306	4,146,191
Non-current liabilities	-	-	535,213,814	514,053,835	985,715	604,845
Non-current net assets	<u>-</u>	<u>-</u>	<u>(272,383,951)</u>	<u>(218,515,577)</u>	<u>4,161,591</u>	<u>3,541,346</u>
Net assets/(liabilities)	<u>96,829,432</u>	<u>125,234,523</u>	<u>(1,044,502,094)</u>	<u>(958,249,260)</u>	<u>5,379,782</u>	<u>4,664,410</u>
Summarized statement of comprehensive income						
Revenue/(loss)	<u>(33,708,124)</u>	<u>42,773,895</u>	<u>150,793,951</u>	<u>120,643,180</u>	<u>674,154</u>	<u>344,394</u>
Profit/(loss) for the year	<u>(28,232,118)</u>	<u>37,731,636</u>	<u>(83,776,769)</u>	<u>(114,476,289)</u>	<u>(311,003)</u>	<u>(234,917)</u>
Other comprehensive (loss)/income	<u>-</u>	<u>-</u>	<u>(2,476,065)</u>	<u>1,058,665</u>	<u>1,026,375</u>	<u>8,472</u>
Total comprehensive income/(loss)	<u>(28,232,118)</u>	<u>37,731,636</u>	<u>(86,252,834)</u>	<u>(113,417,624)</u>	<u>715,372</u>	<u>(226,445)</u>


42 Date of authorization for issue

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

20-7

Chief Executive Officer


Chief Financial Officer


Director



FORM OF PROXY

The Company Secretary
First Capital Securities Corporation Limited
96-B/1, M.M. Alam Road
Gulberg-III
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
2022 at 11:30 a.m. and at any adjournment thereof.

Signed under my/our hands on this _____ day of _____, 2022

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 Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.