



**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

18 October 2022

FCSC /CS/02/10/2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

NOTICE OF RESOLUTION UNDER SECTION 140 (2) OF THE COMPANIES ACT, 2017

Dear Sir/Madam,

Sisley Group Company Limited, being a 9.9% shareholder of First Capital Securities Corporation Limited ("the Company") gave a notice of following resolution, which the Company propose to be considered by the Shareholders of the Company in their upcoming meeting scheduled to be held on Friday, 28 October 2022, for approval with or without modification;


Disposal of 16,561,634 ordinary shares of Rs. 10.00 each (78.86% of total Shareholding) in First Capital Investments Limited, subsidiary of the Company;

"RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make disinvestment upto 16,561,634 ordinary shares of Rs. 10/- each entire shareholding in First Capital Investments Limited, subsidiary of the Company to any prospective buyer in the market on such terms and conditions as may be approved by the Board of Directors.

"RESOLVED FURTHER THAT the Chief Executive officer/any one of the Directors/the Company Secretary of the Company be and is hereby authorized to complete all necessary required corporate, regulatory and legal formalities, including approval of Securities & Exchange Commission of Pakistan"

The supporting statement for above resolution is also attached as Annexure "A".

Yours truly,
For First Capital Securities Corporation Limited


Sajjad Ahmad
Company Secretary

C.C To:-

The Executive Director
Corporate Supervision Department
Company Law Division
Securities & Exchange Commission of Pakistan

The Share Registrar
CorpLink (Pvt.) Limited



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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 First Capital Securities Corporation Limited ("the Company") to be held on 28th October 2022.

Sisley Group Company Limited, being a 9.9% shareholder of the Company gave a notice of resolution under section 140 (2) of the Companies Act, 2017 to authorize CEO of the Company to dispose off the entire shareholding of the Company i.e. 16,561,634 shares having a par value of Rs. 10.00 each (78.86% of the total shareholding) in First Capital Investments Limited ("FCIL"), a subsidiary of the Company to any prospective buyer in the market. The proposed resolution is to be considered by the Shareholders of the Company at their upcoming meeting scheduled to be held on Friday, 28 October 2022, for approval with or without modification. It is also proposed that terms and conditions of sale/disposal shall be approved by the Board of Directors upon recommendation of CEO, in the best interest of the Company.

It is also proposed that at an authorization of Shareholders be obtained for providing an authorization to Chief Executive officer/any Director or the Company Secretary of the Company to complete all necessary corporate, regulatory and legal formalities for the purpose of the disposal of shares in the subsidiary of the Company including approval from Securities and Exchange Commission of Pakistan.

FCIL was incorporated on 27 October 1994 as a Private Limited Company. The principal activity of FCIL is to provide Asset Management Services to First Capital Mutual Fund, an open end Equity Scheme/fund, under a license from Securities & Exchange Commission of Pakistan.

The registered office of FCIL is located at First Capital House, 96-B/1, M.M. Alam Road, Gulberg III, Lahore. The existing Authorized Share Capital of FCIL is Rs.325,000,000/- (Rupees three hundred twenty five million only) divided into 32,500,000 ordinary shares of having a par value of Rs.10/- each. The issued, subscribed and paid up capital is Rs.210,001,440/- divided into 21,000,144 ordinary shares of Rs.10/- each. The company own 78.85% shareholding in FCIL.

The break-up value per share of FCIL is Rs 9.57 per share as per latest Annual Audited Accounts as at 30 June 2022.

An extract of Profit & Loss Account of FCIL for last two years is as under:

Particulars	June 2022 (Rupees)	June 2021 (Rupees)
Operating Profit/(Loss)	(14,358,280)	13,162,966
Net Profit/(Loss) after Tax	67,124	908,561
Earnings/(Loss) per Share – Basic and Diluted	(0.69)	0.58

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The financial position of FCIL for last two years is as under:

Particulars	June 2022 (Rupees)	June 2021 (Rupees)
Non-Current Assets	127,433,064	127,722,544
Current Assets	95,085,301	107,656,037
Total Assets	222,518,365	235,378,581
Total Equity (Share Capital and Reserves)	201,044,929	216,213,880
Non-Current Liabilities	7,120,183	5,365,669
Current Liabilities	14,353,253	13,799,032
Total Liabilities	222,518,365	235,378,581

The sale Consideration of shares of FCIL will be not less than fair value of the shares determined in accordance with law, at the time of sale.

DISCLOSURES UNDER S.R.O 423 (I)/2018 DATED 03 APRIL 2018

Name of Subsidiary	First Capital Investments Limited ("FCIL")
Cost and Book Value of Investment in Subsidiary	Cost is Rs 9.52/- per share and the book value is Rs. 9.57/- per share
Total Market Value of Subsidiary based on the value of Shares of the Subsidiary company	The tentative total market value of subsidiary is around Rs. 249.692 million based on the fair value of Rs. 11.89 determined on 30 June 2022.
In case of listed subsidiary company	Not applicable
In case of non-listed subsidiary value determined by a registered valuer	Rs. 249.692 million based on the fair value of Rs. 11.89 determined on 30 June 2022
Net worth of subsidiary as per latest audited financial statements	Rs 201.044 million
Total consideration for disposal of investment in subsidiary, bases of determination of consideration and its utilization	The sale Consideration for disposal of Investment in subsidiary will be not less than fair value of the shares of subsidiary to be determined in accordance with law. The Company will utilize the sale proceeds to put money in the alternate business plan.
Quantitative and qualitative benefits expected to accrue to the members	The rationale behind the disposal of FCIL is that the operational cost of running the operations of Asset Management Company is increasing day by day and FCIL may not survive with existing revenue streams. Upon disposal of shareholding of subsidiary company, the company will put proceeds in some alternate profitable venture especially in Real Estate sector.

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