FCSC

First Capital Securities Corporation Limited

LANKA SECURITIES

First Capital Securities Corp Ltd.

First Capital Investments Ltd.

First Capital Equities Ltd.

First Capital Mutual Fund.

Annual Reports 2023

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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

<u>Board of Directors</u>

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the Shareholders of First Capital Securities Corporation Limited ("the Company" or "FCSC") will be held on Monday, 27 November 2023 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 2022;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2023 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 2024 and to fix their remuneration;

4 Special Business:

To circulate the annual audited financial statements to the members of the Company through QR enabled code and weblink in compliance of S.R.O 389(I)/2023 dated 21st March 2023, in this regard to pass the following special resolutions with or without modifications;

RESOLVED THAT the Company be and is hereby authorized to circulate its annual audited financial statements to the members of the Company through QR enabled code and weblink, in accordance with S.R.O 389(I)/2023 dated 21 March 2023 issued by SECP and the practice of circulation of the annual audited financial statements through CD/DVD/USB may be discontinued."

RESOLVED FURTHER THAT the Chief Executive/any Director/Company Secretary of the Company be and is hereby authorized to do all acts, deeds, things or actions as may be necessary, incidental or consequential to give effect to this resolution."

By order of the Board

Sajjad
Sajjad Ahmad
Company Secretary

Lahore:
06 November 2023

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Notes:-

1) The Members Register will remain closed from 20 November 2023 to 27 November 2023 (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 19 November 2023 will be treated in time for the purpose of Annual General Meeting.

2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company 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, for the purpose of any other agenda item classified as Special Business subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or E-Voting, in accordance with the requirements and procedure contained in the aforesaid Regulations.

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, in compliance with Circular 04, of 2021 dated 15.02.2021, the shareholders of the Company can opt to attend the meeting through Video/Webex/Zoom or other electronic means. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2023 and who are interested to attend meeting through Video Link/Zoom are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 48 hours before the meeting;

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

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

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

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

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

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opened 10 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) The Company Circulate Annual Audited Accounts through CD/DVD and Email (in case email address has been provided). Further, the Company shall send the complete hard copy in case request has been made to the Company by a member;

10) Members are requested to notify any change in their registered address immediately;

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

This statement sets out the material facts pertaining to the special business as to be transacted at the Annual General Meeting of the Company to be held on 28 October 2023.

CIRCULATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS TO MEMBERS THROUGH QR ENABLED CODE AND WEBLINK

Securities and Exchange Commission of Pakistan ("SECP') through its S.R.O 389(I)/2023 dated 21 March 2023 has allowed the listed companies to circulate annual balance sheet, profit and loss account, auditor's report and Directors Report etc. ("annual audited financial statements") to its members through QR enabled code and weblink subject to the approval of shareholders, therefore the Board of Directors has approved to make the compliance. Therefore, the practice of circulation of annual audited financial statements through CD/DVD/USB may be discontinued.

Further, it is proposed by the Board that the authority be given to Chief Executive/Director/the Company Secretary of the Company to do all acts, deeds, things or actions as may be necessary, incidental or consequential to give effect to this resolution.

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ (''کمپنی'' یا ''FCSC'') کے شیئر ہولڈرز کا تیسواں (30واں) سالانہ اجلاس عام مؤرخہ 27 نومبر 2023ء بروز پیر دن 11:30 بجے کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 1-B-96، ایم ایم عالم روڈ، گلبرگ-III، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 28 اکتوبر 2022ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2023ء 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، انہیں زیر غور لانا اور اپنانا۔
3. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔
4. **خصوصی امور**

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مؤرخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کی پیروی میں کمپنی اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بذریعہ QR کوڈ اور ویب لنک ارسال کرنا اور اس بابت مندرجہ ذیل خصوصی قرارداد کو منظور کرنا:

''**قرار پایا کہ** سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مؤرخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کی پیروی میں کمپنی اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بذریعہ QR کوڈ اور ویب لنک ارسال کرنے اور CD / DVD / USB کے ذریعے ترسیل کو ختم کرنے کے لئے کمپنی کو یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے۔''

''**مزید قرار پایا کہ** کمپنی کے چیف ایگزیکٹو/ کمپنی سیکریٹری کو مذکور سرمایہ داری مکمل کرنے بشمول لازمی اندراج وغیرہ کی بابت تمام کاروباری وقانونی تقاضے پورے کرنے کا بھی مجاز ٹھہرایا جاتا ہے۔''

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور

06 نومبر 2023ء

مندرجات:

1) اراکین کا رجسٹر 20 نومبر 2023ء تا 27 نومبر 2023ء (بشمول دونوں ایام) بند رہے گا۔ 19 نومبر 2023ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرار 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 کرسکتا 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، B/1-96، 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) قواعد 2018ء کی پیروی میں اور خصوصی قرارداد پر مشتمل ایجنڈا آئٹمز کے لئے کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 کی روشنی میں اراکین کو بذریعہ پوسٹل بیلٹ یا ای ووٹنگ اپنا حق رائے دہی استعمال کرنے کا مجاز ٹھہرایا جاتا ہے جو مذکورہ بالا ضوابط میں درج اصولوں اور طریقہ کار کے عین مطابق ہوگا۔

5) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد کل اداشدہ سرمایہ حصص کے حامل شیئر ہولڈرز ویڈیو لنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کی درخواست دے سکتے ہیں۔

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

مزید یہ کہ، مؤرخہ 15.02.2021 کے سرکلر نمبر 04/2021 کی تعمیل میں کمپنی کے شیئر ہولڈرز ویڈیو/ ویب ایکس/ زوم یا دیگر برقی ذرائع سے اجلاس میں شرکت کرنے کا انتخاب کرسکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2023ء کو کاروباری اوقات کار 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 اڑتالیس (48) گھنٹے قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی گذارش کی جاتی ہے۔

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

وٹس ایپ نمبر: 0303-4444800 ؛ 0302-8440935

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

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

خواہش مند شیئر ہولڈرز سے مذکورہ بالا معلومات کی وصولی پر کمپنی اُن 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 مناسب مقام سے لاگ ان کر کے شرکت کر سکتے ہیں۔

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

(6 کمپنی کے خودمختار شیئر رجسٹرار کا پتا: **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 بینی فیشل 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 پراکسیز کے تقرر کے لئے، CDC کا فرد واحد بینی فیشل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہیے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پراکسی فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

9) کمپنی نے (ای میل ایڈریس کی فراہمی سے مشروط) سالانہ پڑتال شدہ کھاتے بذریعہ CD / DVD اور ای میل ارسال کردیئے ہیں۔ مزید یہ کہ، کمپنی کسی رکن کی درخواست وصول ہونے پر مکمل کاغذی نقل بھی ارسال کرے گی۔

10) اراکین سے گذارش کی جاتی ہے کہ اپنے رجسٹرڈ پتا میں تبدیلی سے متعلق فوراً آگاہ کریں۔

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

اعلامیہ ہذا 27 نومبر 2023ء کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں زیرِغور لائے جانے والے خصوصی امور کی بابت مادی حقائق پر مشتمل ہے۔

اراکین کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی ترسیل بذریعہ QR کوڈ اور ویب لنک

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (''SECP'') نے اپنے مؤرخہ 21 مارچ 2023ء کے مراسلہ نمبر SRO389(I)/2023 کے ذریعے لسٹڈ کمپنیوں کو سالانہ بیلنس شیٹ، نفع ونقصان اکاؤنٹ، آڈیٹرز و ڈائریکٹرز کی رپورٹ وغیرہ (''سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس'') بذریعہ QR کوڈ اور ویب لنک اپنے اراکین کو ارسال کرنے کی اجازت دی ہے جو شیئر ہولڈرز کی منظوری سے مشروط ہے۔ لہٰذا بورڈ آف ڈائریکٹرز نے اس کی تعمیل کی منظوری دی ہے۔ لہٰذا سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی ترسیل بذریعہ CD / DVD / USB کا عمل منسوخ کیا جائے گا۔

مزید یہ کہ بورڈ نے تجویز کیا ہے کہ چیف ایگزیکٹو/ ڈائریکٹر/ کمپنی سیکریٹری کو مجاز ٹھہرایا جائے کہ وہ اس قرارداد کو مؤثر کرنے کے لئے تمام ضروری یا واقعاتی عمل، اقدامات اور معاہدے کریں۔

First Capital Securities Corporation Limited

Chairman's Review Report

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 Report for the year ended June 30, 2023,

- 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
03 November 2023

Shehrbano Taseer
Chairman

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

چیئرمین کا تجزیہ

بورڈ کی مجموعی کارکردگی اور کمپنیز ایکٹ 2017ء کے سیکشن 192 کے تحت کمپنی کے مقاصد حاصل کرنے کے لئے بورڈ کے کردار پر چیئرمین کی جائزہ رپورٹ حسب ذیل ہے:

کوڈ آف کارپوریٹ گورننس کی تعمیل میں میڈیا ٹائمز لمیٹڈ (''کمپنی'') کے بورڈ آف ڈائریکٹرز (''بورڈ'') کا سالانہ جائزہ عمل میں لایا گیا۔ اس جائزے کا مقصد یہ یقینی بنانا تھا کہ بورڈ کی مجموعی کارکردگی اور تاثیر کا تعین کیا جا سکے اور کمپنی کے طے شدہ مقاصد کے تناظر میں توقعات کے برعکس بنچ مارک کیا جا سکے۔ جن شعبوں میں بہتری درکار ہے ان کو باقاعدہ زیرغور لایا گیا اور ایکشن پلان وضع کئے گئے:

میں30 جون 2023ء کواختتام پذیر سال کے لئے سالانہ جائزہ ازراہِ مسرت پیش کرتی ہوں۔

- فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ (FCSC) کے بورڈ آف ڈائریکٹرز (''بورڈ'') نے کمپنی کے شیئر ہولڈرز کے بہترین مفاد میں انتہائی دلجمعی سے اپنے فرائض سرانجام دیئے ہیں اور موثر انداز میں کمپنی کے امور کو بینچ کیا ہے۔
- FCSC کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ وہ بشمول خودمختار ڈائریکٹرز مختلف شعبوں سے وسیع تجربہ لے کر آئے ہیں۔ بورڈ کے تمام اراکین اپنی ذمہ داریوں سے بخوبی آگاہ ہیں اور انہیں انتہائی دلجمعی سے سرانجام دے رہی ہیں۔
- بورڈ اور اس کی کمیٹیوں میں ضابطہ کے مطابق نان ایگزیکٹو اور خودمختار ڈائریکٹرز کی مناسب نمائندگی موجود ہے اور بورڈ اور اس کی کمیٹیوں کے اراکین کے پاس معقول مہارت، تجربہ اور علم موجود ہے تاکہ وہ کمپنی کے امور خوش اسلوبی سے سرانجام دے سکیں۔
- بورڈ کو اورئ ن ٹ ی شن کورسز پیش کئے جاتے ہیں تاکہ وہ اپنے فرائض مؤثر انداز میں سرانجام دے سکیں اور ان میں سے ایک ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت پہلے ہی سرٹیفکیشن حاصل کر لی ہے اور بقیہ ڈائریکٹرز ضابطہ کے قابلیت اور تجربہ کے معیار پر پورا اترتے ہیں۔
- بورڈ نے آڈٹ اور ہیومن ریسورس اینڈ ریموزیشن کمیٹی تشکیل دی ہے اور ان کے متعلقہ کام کے طریقہ کار کو منظور کیا ہے اور معقول وسائل تفویض کئے ہیں تاکہ کمیٹیاں اپنی ذمہ داریاں دلجمعی سے سرانجام دے سکیں۔

- بورڈ نے یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹیوں کے اجلاس ضروری کورم کے تحت منعقد کئے جائیں اور تمام فیصلے بورڈ قرارداد کے تحت کئے جائیں اور تمام اجلاسوں کی کارروائی (بشمول کمیٹی اجلاس) کو مناسب انداز میں ریکارڈ اور محفوظ کیا جائے۔
- بورڈ اسٹریٹ جک پلاننگ عمل، انٹر پرائز رسک مینجمنٹ سسٹم، پالیسی ڈیویلپمنٹ اور مالیاتی ڈھانچے، نگرانی اور منظوری میں فعال کردار ادا کرتا ہے۔ سال بھر میں تمام خصوصی معاملات کو بورڈ اور اس کی کمیٹیوں کے روبرو پیش کیا گیا تا کہ کاروباری فیصلہ سازی کے عمل کو مضبوط اور مربوط کیا جاسکے۔
- بورڈ نے یقینی بنایا ہے کہ انٹرنل کنٹرول کا معقول نظام قائم رہے اور سیلف اسیسمنٹ میکنزم اور/یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کا باقاعدگی سے جائزہ لیا جاسکے۔
- بورڈ نے ڈائریکٹرز رپورٹ تحریر و منظور کی ہے اور یقینی بنایا ہے کہ ڈائریکٹرز رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی اسٹیٹمنٹس میں شائع کی جائے اور ڈائریکٹرز رپورٹ کے مندرجات مروجہ قوانین وضوابط کے عین مطابق ہوں۔
- بورڈ نے تفویض کردہ اختیارات کی روشنی میں کمپنی پر لاگو متعلقہ قوانین وضوابط کے عین مطابق استعمال کیا ہے۔ اور بورڈ نے تمام مروجہ قوانین وضوابط کو بطور ڈائریکٹرز عمل کے تحت تعمیل کو ترجیح دی ہے جب کہ وہ اپنے اختیارات اور فیصلہ سازی کو معقول انداز میں بروئے کار لاتے ہیں۔
- بورڈ نے چیف ایگزیکٹو اور دیگر اہم ایگزیکٹو بشمول چیف فنانشیل آفیسر، کمپنی سیکریٹری اور سربراہ انٹرنل آڈٹ کی بھرتی، جائزے اور معاوضے کو یقینی بنایا ہے۔
- بورڈ نے یقینی بنایا ہے کہ اراکین کو مناسب معلومات بروقت فراہم کی جائیں اور بورڈ اراکین اجلاسوں کے درمیان پیش رفت سے آگاہ رہ سکیں۔

میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، مینجمنٹ اور عملے کی حوصلہ افزائی کرنا اور ان کا شکریہ ادا کرنا چاہتا ہوں جنھوں نے انتہائی مشکل آپریٹنگ حالات میں مسلسل سپورٹ کی۔ میں مستقبل میں کمپنی کامیابی کے لئے پرامید ہوں۔

شہربانو تاثیر
چیئرپرسن

لاہور
03 اکتوبر، 2023ء

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 2023.

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 2023 ("FY23") are summarized as follows:

	30 June 2023	30 June 2022
	Rupees	**Rupees**
Revenue	**246,654,970**	414,035,040
Operating expenses	**10,733,173**	12,199,466
Finance and other costs	**312,574,798**	305,873,664
Profit / (loss) after taxation	**(72,905,025)**	92,927,243
Earnings/(loss) per share (basic & diluted)	**(0.23)**	0.29

During the period under review, the Company has reported loss after tax of Rs. 72.905 million EPS: (0.23) as compared to profit of Rs. 92.927 million EPS: 0.29 during the same period last year. The Company has generated gross revenue of Rs. 246.654 during the period under review as compared to Rs. 414.035 in the same period last year. Finance cost increased to Rs. 312.574 million from Rs. 305.874 million.

During the year company reported loss before tax amounting Rs. 64.652 Million, but still the accumulated losses of the company stood at Rs. 1,224.898 Million as at June 30, 2023 (2022: 1,153.151 Million). Moreover, the current liabilities of the Company exceed its current assets by Rs. 1,735.063 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 17.19 million in FY23 as compared to profit of Rs. 78.14 million during the same period last year. During the year discontinuation of operations loss of the FCEL is recorded at Rs 0.89 million during the period under review as compared to loss of Rs. 1.46 million in previous year. Further, the Un-realized loss on re-measurement of investment is recorded at Rs. 17.07 million.

During the current year, FCEL occurred a loss of Rs. 18.08 Million (2022: Rs. 79.60 Million) after recognizing unrealized loss on investments amounting Rs. 17.07 Million (2021: gain Rs. 77.01 Million), moreover the accumulated losses of the company stand at Rs. 1,078.59 Million as at June 30, 2023 (2022: 1060.51 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 508.04 Million (2022: Rs. 495.49 Million).

Lanka Securities (Private) Limited ("LSL")

LSL has reported profit after tax of LKR 114.38 million during the period under review as compared of LKR 243.84 million during the same period last year. Earnings per share for the year is recorded at LKR 4.64 as compared to LKR 9.88 in the preceding year.

First Capital Investments Limited ("FCIL")

FCIL has posted loss after taxation of Rs. 0.408 million during the Financial Year 2023 ("FY-23") as compared to loss after taxation of Rs. 14.425 million during the Financial Year 2022 ("FY-22"). Loss per share during the period under review is recorded at Rs. 0.02 as compared to loss per share of Rs. 0.69 during the same period last year. The Loss per share of the FCIL is mainly on the back of equity market performance that stated negative return during the period under review.

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

EGWV posted a loss of Rs.100.542 as compare to profit of Rs.28.881 for the corresponding period last year. During the financial year ending 30th June 2023 (FY-2023), the sales of the EGWV decreased by 46.49%. The Company recorded the net sales of Rs. 332.419 million as compared to Rs. 621.212 million during last year, with the decrease of Rs.288.792 million. Such decrease in company's revenue is primarily attributable to decrease in construction works. However Operating Profit was impacted by higher input & energy cost due to Rupee devaluation and global increase in the prices of commodities.

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 2023.

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, 2023, board of directors does not recommend any pay out/ dividend for the year.

(Loss)/Earnings per share

Loss per share (basic and diluted) for the year ended June 30, 2023 Rs. (0.23) as compared to earnings per share Rs. (0.29) for the last year.

Delay in Election of Directors

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

Corporate and Financial Reporting Framework:

- The financial statements together with the notes drawn up by the management present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.

- Proper books of accounts have been maintained by the company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment, except for changes referred in Note – 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 – 28 to financial statements.
- Information about loans and other debt instruments in which the Company is in default or likely to default are disclosed in Note – 31 to the financial statements.

Code of Corporate Governance;

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

Composition of Board

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

Names	**Designation**
Shehrbano Taseer	Chairman
Aamna Taseer	CEO
Shehryar Ali Taseer	Non-Executive Director
Shahbaz Ali Taseer	Non-Executive Director
Umair Fakhar Alam	Independent Director
Naeem Akhtar	Non-Executive Director
Mustafa Mujeeb Ch	Independent 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 Shehrbano Taseer (Member)
Mr. Naeem Akhtar (Member)

Human Resource and Remuneration (HR&R) Committee	Mr. Umair Fakhar Alam (Chairman) Mrs. Aamna Taseer (Member) Miss Shehrbano 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**	
	2023	2022	**2023**	2022
	----------- 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, 2024, 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

Aamna Taseer
CEO/Director

Lahore
03 November 2023

Director

فرسٹ کیپٹل سیکیورٹیز کارپوریشن لمیٹڈ

ڈائریکٹرز کی رپورٹ

فرسٹ کیپٹل سیکیورٹیز کارپوریشن ﷺ (''کمپنی'' یا ''FCSC'') کے بورڈ آف ڈائریکٹرز کی جانب سے ہم مالیاتی سال 2023ء کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

آپریشنل نتائج

کمپنی کی مرکزی کاروباری سرگرمیوں میں ایکویٹی انویسٹمنٹ اور منی مارکیٹ آپریشنز شامل ہیں۔ کمپنی کے مالیاتی نتائج برائے مالیاتی سال 2023(''FY23'') کا خلاصہ حسب ذیل ہے:

	30 جون 2023ء	30 جون 2021ء
	روپے	روپے
آمدنی	**246,654,970**	414,035,040
آپریٹنگ اخراجات	**10,733,173**	12,199,466
مالیاتی لاگت ودیگر	**312,574,798**	305,873,661
نفع/(نقصان) علاوہ ٹیکسیشن	**(72,905,025)**	92,927,243
فی حصص آمدنی/(خسارہ) بنیادی وڈائیلیوٹڈ	**(0.23)**	0.29

زیر جائزہ مدت کے دوران کمپنی نے گذشتہ برس کی اسی مدت کے دوران 92.927 ملین روپے نفع (فی حصص آمدنی: 0.29 روپے) کے مقابلے میں 72.905 ملین روپے (فی حصص آمدنی: 0.23- روپے) خسارہ علاوہ ٹیکس رپورٹ کیا۔ کمپنی نے گذشتہ برس میں 414.035 ملین روپے خسارے کے مقابلے میں زیر جائزہ مدت کے دوران 246.654 ملین روپے کی آمدنی حاصل کی۔ قرض پر لاگت بھی 305.874 ملین روپے سے بڑھ کر 312.574 ملین روپے ہوگئی۔

مذکورہ سال کے دوران کمپنی نے 64.652 ملین روپے خسارہ بمعہ ٹیکس رپورٹ کیا لیکن 30 جون 2023ء کو کمپنی کا مجموعی خسارہ 1,224.898 ملین روپے ہے (2022: 1,153.151 ملین روپے)۔ مزید برآں، کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 1,735.063 ملین روپے سے تجاوز کر 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۔ اس طرح سے کمپنی کے آپریشنز میں غیر یقینی کے بادل چھائے ہوئے ہیں جو کمپنی کے عمومی کاروباری امور کے دوران رائض 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 رینٹل 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 کی بنیاد ہ 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 ردوبدل شامل نہیں ہے، جس کی وجہ سے ظاہر ہو کہ کمپنی کاروبار جاری رکھنے کی صلاحیت نہیں رکھتی۔

اہم انویسٹمنٹس کی کارکردگی

فرسٹ کیپٹل ایکویٹیز ﷺ (''FCEL'')

کمپنی نے فعال آپریشنز سے گذشتہ برس میں 78.14 ملین روپے منافع کی نسبت کی نسبت مالیاتی سال 2023ء کے دوران 17.19 ملین روپے خسارہ علاوہ ٹیکس رپورٹ کیا۔ آپریشنز غیر فعال ہونے پر مذکورہ سال کے دوران کمپنی نے گذشتہ برس کی اسی مدت میں 1.46 ملین روپے خسارے کے مقابلہ میں زیر جائزہ مدت کے دوران 0.89 ملین روپے خسارہ ریکارڈ کیا۔ مزید یہ کہ، سرمایہ داری کے دوبارہ تعین پر غیر وصول شدہ آمدنی 17.07 ملین روپے رہی۔

رواں برس کے دوران 17.07 ملین روپے (2022: 77.01 ملین روپے آمدنی) کی سرمایہ داری پر غیر موصول شدہ نقصان کے بعد FCEL نے 18.08 ملین روپے (2022: 79.60 ملین روپے) خسارہ برداشت کیا۔ مزید برآں 30 جون 2023ء تک کمپنی کو 1,078.59 ملین روپے (2022: 1060.51 ملین روپے) مجموعی خسارہ برداشت کرنا پڑا اور رپورٹنگ کی تاریخ کو حالیہ واجبات کمپنی کے حالیہ اثاثہ جات سے 508.04 ملین روپے (2022: 495.49 ملین روپے) سے تجاوز کر چکے ہیں۔

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

LSL نے گذشتہ برس کی اسی مدت کے دوران 243.84 ملین لنکن روپے کی نسبت 114.38 ملین لنکن روپے نفع علاوہ ٹیکس درج کیا۔ فی حصص آمدنی گذشتہ برس میں 9.88 لنکن روپے کے مقابلے میں زیر جائزہ سال کے دوران 4.64 لنکن روپے ریکارڈ ہوئی۔

فرسٹ کیپٹل انویسٹمنٹس لمیٹڈ (''FCIL'')

FCIL نے مالیاتی سال 2022ء (''FY-22'') کے دوران 14.425 ملین روپے خسارہ علاوہ ٹیکسیشن کے مقابلے میں مالیاتی سال 2023ء (''FY-23'') کے دوران 0.408 ملین روپے خسارہ علاوہ ٹیکسیشن درج کیا۔ گذشتہ برس کی اسی مدت کے دوران 0.69 روپے فی حصص خسارے کے مقابلے میں زیر جائزہ مدت کے دوران فی حصص خسارہ 0.02 روپے رہا۔ FCIL کا خسارہ فی حصص ایکویٹی مارکیٹ کی کارکردگی پر منحصر ہے جس نے زیر جائزہ مدت کے دوران منفی ریٹرن درج کئے۔

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

گذشتہ برس کی اسی مدت میں 28.881 ملین روپے منافع کے مقابلہ میں EGWV نے 100.542 ملین روپے خسارہ درج کیا۔ 30 جون 2023ء کو اختتام پذیر مالیاتی سال (''FY-2023'') کے دوران EGWV کی فروخت میں 46.49 فی صد کی واقع ہوئی۔ کمپنی نے گذشتہ برس کے دوران 621.212 ملین روپے کے مقابلہ میں 332.419 ملین روپے نیٹ سیلز ریکارڈ کی جو 288.792 ملین روپے کم ہے۔ کمپنی کی آمدنی میں یہ کمی ابتدائی طور پر تعمیراتی سرگرمیوں میں عدم دلچسپی سے منسوب کی جاتی ہے۔ البتہ آپریٹنگ منافع روپے کی قدر میں کمی اور اشیائے ضروریہ کی قیمتوں میں عالمی سطح پر اضافے کے باعث بلند پیداواری لاگت اور توانائی کی قیمتوں سے اثر انداز ہوا ہے۔

کاروباری وسماجی ذمہ داری

کمپنی کے لئے کام کرنے والے افراد، کام کی جگہ کے گردونواح 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 وسماجی ماحول فراہم کرنے کے لئے کوشاں ہے اس طرح یہ صحت افزا اور پیشہ ورانہ ماحول میں مکمل ہم آہنگی میں کام کرنے میں مدد گار ثابت ہوتا ہے۔

داخلی نظم وضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی نظم وضبط کے سسٹم کے نفاذ اور سالانہ موثر نظر ثانی کے لئے ذمہ دار ہیں تا کہ 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 2023ء 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 تا کہ داخلی نظم وضبط 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۔ پس رسک مینجمنٹ کے ذریعے خطروں سے نبرد آزما ہونے کے لئے مؤثر 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 وضبط کے ذریعے قابل قبول سطح پر ضبط نہیں کیا جا سکتا۔ 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 لہٰذا اس کی سرگرمیاں ماحول پر بہت کم اثر انداز ہوتی ہیں۔ کمپنی کاغذ کے استعمال کو کم کرنے کی پالیسی پر عمل پیرا ہے۔ اور ملازمین، تمام شعبہ جات اور کلائینٹس کو کثرت سے بذریعہ ای میل اس کی یاددہانی کرائی جاتی ہے۔

اہم مالیاتی اشاریے

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

شیئر ہولڈرز کے پے آؤٹس

30 جون 2023ء کو اختتام پذیر سال کے دوران کمپنی کے کیش فلو کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے امسال کوئی پے آؤٹ/ منافع منقسمہ تجویز نہیں کیا ہے۔

فی حصص آمدنی/(خسارہ)

30 جون 2023ء کو اختتام پذیر سال کے لئے فی حصص خسارہ (بیسک اور ڈائیلیوٹڈ) گذشتہ برس کے لئے (0.29) فی حصص خسارے کے مقابلے میں (0.23) روپے رہا۔

ڈائریکٹرز کے انتخاب میں تاخیر

ڈائریکٹرز کی میعاد 26 ستمبر 2012ء کو ختم ہوگئی۔ اگلے بورڈ نے ڈائریکٹرز کے انتخاب میں ⅓ یعنی مسٹر سلمان تاثیر مرحوم کے حصص کی عدم تقسیم کے باعث ڈائریکٹرز کے انتخابات کی تاریخ کا فیصلہ تاحال نہیں ہو سکا۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ نوٹس اور مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، 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۔ ماسوائے 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-28 میں بیان کی گئی ہیں۔
- قرضوں اور دیگر انسٹرومنٹس کی تفصیلات جن میں کمپنی نادہندہ ہے یا نادہندہ ہونے والی ہے کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ 31 میں بیان کی گئی ہیں۔

کوڈ آف کارپوریٹ گورننس

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

بورڈ کی ترکیب

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

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

ڈائریکٹرز کی کل تعداد	07
(a مرد:	05
(b خاتون:	02

ترکیب:

خودمختار ڈائریکٹرز	02
دیگر نان ایگزیکٹو ڈائریکٹرز	04
ایگزیکٹو ڈائریکٹرز	01
خاتون ڈائریکٹرز	02

بورڈ کمیٹیاں

آڈٹ کمیٹی	مسٹر عمیر فخر عالم (چیئرمین)
	مس شہر بانو تاثیر (رکن)
	مسٹر نعیم اختر (رکن)
ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HR&R)	مسٹر عمیر فخر عالم (چیئرمین)
	مسز آمنہ تاثیر (رکن)
	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:

ڈائریکٹرز

	چیف ایگزیکٹو آفیسر		ایگزیکٹو ڈائریکٹر	
	2023ء	2022ء	2023ء	2022ء
	............روپے............			
انتظامی معاوضہ	2,400,000	2,400,000	صفر	صفر

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 باہمی طے شدہ فیس پر 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017ء کے سیکشن 227(2)(f) کے تحت اور لسٹنگ ضوابط کی پیروی میں شیئر ہولڈنگ کا پیٹرن 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 شکرگزار ہیں۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی کے لئے بھی تہہ دل سے شکرگزار 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: 03 نومبر 2023ء

آمنہ تاثیر
چیف ایگزیکٹو آفیسر/ ڈائریکٹر

ڈائریکٹر

FORM 34

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

1. CUIN (Registration Numb **0032345**

2. Name of the Company **FIRST CAPITAL SECURITIES CORPORATION LIMITED**

3. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

4 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
381	1	100	11,553
611	101	500	204,254
501	501	1,000	414,534
1178	1,001	5,000	3,139,203
547	5,001	10,000	4,152,624
154	10,001	15,000	1,995,362
139	15,001	20,000	2,556,003
66	20,001	25,000	1,552,286
79	25,001	30,000	2,265,951
36	30,001	35,000	1,188,598
30	35,001	40,000	1,157,825
26	40,001	45,000	1,112,095
45	45,001	50,000	2,209,763
27	50,001	55,000	1,419,780
26	55,001	60,000	1,519,025
19	60,001	65,000	1,193,550
15	65,001	70,000	1,024,000
17	70,001	75,000	1,254,868
11	75,001	80,000	866,800
6	80,001	85,000	500,500
7	85,001	90,000	625,500
9	90,001	95,000	844,884
31	95,001	100,000	3,086,500
8	100,001	105,000	815,510
3	105,001	110,000	323,500
3	110,001	115,000	338,000
5	115,001	120,000	591,258
3	120,001	125,000	375,000
4	125,001	130,000	515,500
3	130,001	135,000	397,500
3	135,001	140,000	417,000
2	140,001	145,000	281,550
5	145,001	150,000	748,000
2	150,001	155,000	309,000
7	155,001	160,000	1,114,371
3	160,001	165,000	488,417
1	165,001	170,000	170,000
2	170,001	175,000	344,500
1	175,001	180,000	175,500
3	180,001	185,000	550,000
2	185,001	190,000	377,000
1	190,001	195,000	192,500
6	195,001	200,000	1,199,000
4	200,001	205,000	815,960
3	205,001	210,000	621,000
1	220,001	225,000	223,500
2	225,001	230,000	454,000

3	235,001	240,000	714,000
2	240,001	245,000	484,000
3	245,001	250,000	747,000
2	250,001	255,000	505,500
1	255,001	260,000	260,000
1	260,001	265,000	261,000
1	295,001	300,000	300,000
4	300,001	305,000	1,211,500
1	305,001	310,000	308,000
1	320,001	325,000	325,000
2	325,001	330,000	658,500
1	335,001	340,000	338,500
1	340,001	345,000	344,000
1	345,001	350,000	348,000
1	355,001	360,000	358,500
1	365,001	370,000	367,484
2	370,001	375,000	747,289
1	375,001	380,000	377,500
1	385,001	390,000	390,000
6	395,001	400,000	2,396,500
1	400,001	405,000	400,500
3	405,001	410,000	1,223,500
1	410,001	415,000	410,500
2	415,001	420,000	840,000
1	420,001	425,000	422,500
1	430,001	435,000	432,540
1	445,001	450,000	450,000
1	455,001	460,000	460,000
1	460,001	465,000	461,500
1	490,001	495,000	495,000
2	495,001	500,000	998,000
1	500,001	505,000	502,000
2	515,001	520,000	1,040,000
1	525,001	530,000	528,650
1	545,001	550,000	550,000
1	555,001	560,000	556,000
1	575,001	580,000	576,500
1	590,001	595,000	591,000
1	635,001	640,000	637,000
1	640,001	645,000	642,000
1	670,001	675,000	675,000
1	685,001	690,000	690,000
2	695,001	700,000	1,395,750
1	775,001	780,000	780,000
1	820,001	825,000	820,500
4	895,001	900,000	3,591,969
1	910,001	915,000	914,500
1	945,001	950,000	946,391
1	960,001	965,000	961,636
1	975,001	980,000	976,000
1	1,000,001	1,005,000	1,000,500
1	1,015,001	1,020,000	1,020,000
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	1,195,001	1,200,000	1,196,000
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
8	1,795,001	1,800,000	14,379,856
1	1,835,001	1,840,000	1,838,500
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	3,270,001	3,275,000	3,275,000
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	5,285,001	5,290,000	5,288,000
1	5,395,001	5,400,000	5,400,000
1	6,135,001	6,140,000	6,139,500
1	7,175,001	7,180,000	7,177,978
1	8,270,001	8,275,000	8,272,928
1	9,030,001	9,035,000	9,032,000
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
4151			**316,610,112**

5	Categories of shareholders		Shares held	Percentage
5.1(a)	**Directors, CEO and their Spouse and Minor Children**			
	Aamna Taseer		7,177,978	2.2671
	Shahbaz Ali Taseer		700	0.0002
	Mr. Shehryar Ali Taseer		2,390,632	0.7551
	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 c	Directors spouse & minor children		-	-
	Mr. Salmaan Taseer (Late)		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		11,332,144	3.5792
5.5	Insurance		8,272,928	2.6130
5.6	Modarabas		-	-
5.6.1	Mutual Funds		4,402	0.0014
5.7	**Share holders holding 10% or more voting intrest**			
a)	a) Mr. Sulmaan Taseer (Late)	(Refer 5.1 c)	-	-
b)	b) Amythest Limited	(Refer 5.2 a)	-	-
5.8	General Public			
	a) Foreign		21,089,348	6.6610
	b) Local		108,103,313	34.1440
	b) Foreign Companies/Orginzations/Individual / (repatriable bases)			-
		(Refer 5.2 a)		
		(Refer 5.2 b)		
5.9	Others			
	a) Joint Stock Companies		14,444,447	4.5622
	b) Pension fund Provident Fund etc.		367,484	0.1161
	c) Others		574,980	0.1816
			316,610,112	100.0000

KEY FINANCIAL DATA FOR LAST 7 YEARS

FINANCIAL DATA **Rupees in Thousands**

	2023	2022	2021	2020	2019	2018	2017
Operating revenue	246,654	414,035	364,608	(148,516)	(250,343)	(67,561)	28,461
Operating expenses	(10,733)	(12,199)	(9.330)	(48,786)	(45,660)	63,742	43,595
Operating profit/ (loss)	235,921	401,835	355,278	(197,303)	(296,004)	(209,018)	(1,955,658)
Other revenue	12,000	13,390	111,102	11,524	12,245	12,129	16,936
Financial Expenses	(312,574)	(305,873)	(263,739)	(242,768)	(175,324)	(5,133,556)	(27,787)
Taxation	(8,252)	(17,125)	4,788	2,025	34,871	(1,617)	(1,124)
Profit / Loss after Taxation	(72,905)	92,227	207,429	(426,521)	(424,210)	(203,640)	(1,939,874)

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED
FOR THE YEAR ENDED JUNE 30 2023

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

1.	The total number of directors are seven as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of board is as follows:	
(i)	Independent Directors (*)	02
(ii)	Other Non-Executive Directors	04
(iii)	Executive Directors	01
(iv)	Female Directors	02
	(*) The Board of Directors are of the view that the expertise and experience of 02 Independent Directors are sufficient to perform their relevant role & responsibilities required under the provision of Code of Corporate Governance and law, therefore rounding up is not needed	
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The Board have 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)	Shahbaz Ali Taseer (during the year) Aamna Taseer Shehryar Ali Taseer Shehrbano 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 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	Explanation for non-compliance with regulation 19 is below: The Company is in process of complying with requirement of Regulation 19 of Listed Companies Code of Corporate Governance Regulations 2019.	

For and on behalf of the Board

Shehbano Taseer
Chairman
Lahore
03 November 2023

njmi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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

REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 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, 2023** 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 to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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

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

We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2023.**

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

Nasir Javaid Maqsood Imran

Date: October 27 2023
Lahore
UDIN: CR202310122v0ybSh2oc

Nasir Javaid Maqsood Imran
Chartered Accountants
Muhammad Maqsood

njmi

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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Independent Auditor's report to the members of First Capital Securities Corporation Limited

Report on the Audit of the 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, 2023, 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, 2023, 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 Loss after tax amounting to Rs. 72.91 Million, but still the accumulated losses of the company stand at Rs. 1224.90 Million as of June 30, 2023 (2022: 1,153.1 Million). Moreover, the current liabilities of the Company exceed its current assets by Rs. 1,735.06 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.

NJMI

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.	**Valuation of long-term investments** 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. 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.	We performed following key audit procedures to address the assessed risk: ▪ Assessed competence, capability, and objectivity of management's expert and discussed with management appropriateness of assumptions and methodologies used; ▪ We involved our valuation experts to assess the appropriateness of the methodologies and assumptions used in respect of revaluation; and ▪ Assessed the appropriateness of the related disclosures in the Company's financial statements.
2.	**Investment property valuation** 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 We identified investment property as a key audit matter because it has a material impact on financial statements.	We performed following key audit procedures to address the assessed risk: ▪ Obtained independent valuer's report and took an understanding of the scope of 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 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;

N.S.M/

A member firm of CPAAI

- 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 Muhammad Maqsood.

NSMY

Date: November, 03, 2023

Lahore

UDIN: AR202310122mZtWdVhL0

Nasir Javaid Maqsood Imran

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	141,113,083	143,423,338
Investment properties	7	3,026,342,900	2,685,278,881
Long term investments	8	1,638,426,553	1,713,194,347
Long term deposits	9	37,500	37,500
		4,805,920,036	4,541,934,066
CURRENT ASSETS			
Trade debts - unsecured, considered good	10	-	-
Loans, advances, prepayments and other receivables	11	48,976,354	38,322,992
Short term investments	12	24,166,325	32,834,322
Advance tax	13	7,957,517	7,894,825
Cash and bank balances	14	204,991	14,947,715
		81,305,187	93,999,854
CURRENT LIABILITIES			
Trade and other payables	15	74,323,674	71,615,173
Current portion of long term loan	16	681,818,182	390,909,090
Current portion of accrued markup	17	1,060,226,781	705,753,915
		1,816,368,637	1,168,278,179
		3,070,856,586	3,467,655,741
NON-CURRENT LIABILITIES			
Long Term Loan	16	1,096,241,818	1,387,150,910
Accrued Markup	17	-	41,927,982
Staff retirement benefits payable	19	2,657,518	3,125,943
Deferred tax liability	18	30,753,840	22,501,180
		1,129,653,176	1,454,706,015
Contingencies and commitments	20	-	-
NET ASSETS		1,941,203,410	2,012,949,726
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		(1,224,897,711)	(1,153,151,394)
		1,941,203,410	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 PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		Rupees	
Revenue			
Money market services	22	-	-
Dividend Income	22	-	65,142,246
Unrealized gain/(loss) on re-measurement of investments at fair value through profit or loss'	24	(83,435,791)	(151,150,862)
Change in fair value of investment properties	7	330,090,761	500,043,656
		246,654,970	414,035,040
Expenses			
Operating and administrative expenses	25	(10,733,173)	(12,199,466)
Operating Profit		235,921,797	401,835,574
Other income	26	12,000,635	13,390,433
Finance cost	27	(312,574,798)	(305,873,661)
Loss before taxation		(64,652,365)	109,352,346
Taxation	28	(8,252,660)	(17,125,103)
Loss after taxation		(72,905,025)	92,227,243
Earning per share			
- basic and diluted	29	(0.23)	0.29

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, 2023

	2023	2022
	Rupees	
Profit/(Loss) after taxation	**(72,905,025)**	92,227,243
Other comprehensive income for the year:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post retirement benefit obligation - net of tax	**1,158,709**	233,647
Items that may subsequently reclassified to profit or loss:	**-**	-
Other comprehensive income for the year - net of tax	**1,158,709**	233,647
Total comprehensive Income for the year - net of tax	**(71,746,316)**	92,460,890

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, 2023

	2023 Rupees	2022 Rupees
Cash flows from operating activities		
Loss before taxation	(64,652,365)	109,352,346
Adjustments for:		
Finance cost	312,574,798	305,873,661
Unrealized loss on re-measurement of investments at 'fair value through profit or loss'	83,435,791	151,150,862
Impact of discounting	-	-
Exchange loss	-	982,090
Provision for penalty written back	-	-
Change in value of investment properties	(330,090,761)	(500,043,656)
Provision for doubtful debt	-	503,784
Advances written off	-	152,450
Depreciation	2,310,255	406,825
Dividend Income	-	(65,142,246)
Interest income	(417,955)	(1,990,433)
Provision for staff retirement benefits	861,482	1,066,169
	68,673,610	(107,040,494)
Loss before working capital changes	4,021,244	2,311,852
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets:		
Trade debts	-	-
Loans, advances, prepayments and other receivables	(10,653,362)	(5,296,044)
(Decrease)/increase in current liabilities:		
Trade and other payables	2,537,304	(3,608,722)
	(8,116,058)	(8,904,766)
Cash used in operations	(4,094,814)	(6,592,914)
Increase in non-current liabilities:		
Finance cost paid	(29,914)	(998,336)
Taxes paid/adjusted-net	(62,693)	(353,288)
	(92,607)	(1,351,624)
Net cash used in operating activities	(4,187,421)	(7,944,538)
Cash flows from investing activities		
Purchase of Vehicle	-	(11,087,000)
Purchase of investment property	(10,973,258)	(32,616,561)
Dividend received	-	64,524,987
Interest received	417,955	1,990,433
Net cash generated from investing activities	(10,555,303)	22,811,859
Cash flows from financing activities		
Loan obtained during the year	-	-
Net cash generated from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(14,742,724)	14,867,321
Cash and cash equivalents at the beginning of the year	14,947,715	80,394
Cash and cash equivalents at the end of the year	204,991	14,947,715

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
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Revenue reserve/Accumulated Reserves Retained earnings	Total
	---------------------- Rupees ----------------------		
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**
Balance as at July 01, 2022	**3,166,101,120**	**(1,153,151,394)**	**2,012,949,726**
Profit for the year	-	(72,905,025)	(72,905,025)
Other comprehensive income for the year - net of tax	-	1,158,709	1,158,709
Total comprehensive profit for the year - net of tax	-	(71,746,316)	(71,746,316)
Balance as at 30 June 2023	**3,166,101,120**	**(1,224,897,711)**	**1,941,203,409**

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 Loss before tax amounting Rs. 64.652 Million, but still the accumulated losses of the company stand at Rs. 1224.90 Million as at June 30, 2023 (2022: 1,153.1 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 1,735.06 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 musharaka agreement. The management is confident that this will be done on favourable terms.

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

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 % 2023	Effective holding % 2022
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

Company	Country of Incorporation	Nature of business	2023	2022
- 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 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.

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 Note 7.

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

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

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

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

Non-Financial Assets

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

5.11 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.

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

	Note	2023 Rupees	2022 Rupees
Operating fixed assets	6.1	8,687,977	10,998
Capital work in progress (CWIP)	6.2	132,425,106	132,425
		141,113,083	143,423

6.1 Operating fixed assets

	Leasehold improvements	Computers	Office equipments	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
				(Rupees)			
COST							
Balance as at 1 July 2021	470,315	720,622	2,061,090	154,000	88,250,000	6,405,230	98,061,
Additions during the year	-	-	-	-	-	11,087,000	11,087,
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,**
Balance as at 1 July 2022	470,315	720,622	2,061,090	154,000	88,250,000	17,492,230	109,148,
Additions during the year	-	-	-	-	-		
Disposals during the year	-	-	-	-	-	-	
Balance as at 30 June 2023	**470,315**	**720,622**	**2,061,090**	**154,000**	**88,250,000**	**17,492,230**	**109,148,**
DEPRECIATION							
Balance as at 1 July 2021	470,315	720,622	2,047,489	154,000	88,250,000	6,100,774	97,743,
Charge for the year	-		4,992	-	-	401,833	406,
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,**
Balance as at 1 July 2022	470,315	720,622	2,052,481	154,000	88,250,000	6,502,607	98,150,
Charge for the year	-		5,450	-	-	2,304,805	2,310,
Disposals during the year	-	-	-	-	-	-	
Balance as at 30 June 2023	**470,315**	**720,622**	**2,057,931**	**154,000**	**88,250,000**	**8,807,412**	**100,460,**
Book value as at 30 June 2022	**-**	**-**	**8,609**	**-**	**-**	**10,989,623**	**10,998,**
Book value as at 30 June 2023	**-**	**-**	**3,159**	**-**	**-**	**8,684,818**	**8,687,**

Mary

Annual depreciation rate %	10%	33%	10%	10%	20%	20%

6.1.1 Assets with cost of Rs. 98,006,757 (2022: Rs. 96,921,507) are carried at nil book value.

6.1.2 Vehicles amounting Rs. 11.087 million which has been registered in the name of Evergreen Water Valley (Pvt). Limited (Related party). However, the Company has complete contro possession of said Vehicle.

6.2 Capital work in progress (CWIP)

	Note	2023 Rupees	2022 Rupees
Opening balance		132,425,106	132,425,
Additions during the year		-	
Disposals during the year		-	
Closing balance	6.2.1	132,425,106	132,425

6.2.1 This represents advance against purchase of property in Plot # 27 Block H, Pace Tower Gulberg II, Lahore and 131- A Amjad Chauhdry Road, Guldasht Town, Pace Circle, Lahore amounting 107,090,858 (2022: Rs 107,090,858) and Rs. 25,334,248 (2022: Rs 25,334,248) respectively. Construction work on these properties is in progress as at 30 June 2023.

This includes of Rs. 25,334,248 (2022: Rs 25,334,248) paid for purchase of leasehold property.

6.2.2 The Company does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this amounting Rs. 70.13 million (2022: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2022: Rs. 36.95 million) is held in the name of Mr. Liaquat Al CWIP amounting Rs. 25.33 million (2022: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited. The title of these property will be transferred on completion.

7 Investment properties

Opening balance		2,685,278,881	2,152,618,664
Addition during the year		10,973,258	205,023,814
Disposal during the year		-	(172,407,253)
Fair value adjustment		330,090,761	500,043,656
Closing balance	7.1	3,026,342,900	2,685,278,881

Break of investment property is as follows:

Owned properties		296,189,300	285,232,561
Leased properties -- right to use		2,730,153,600	2,400,046,320
	7.3	3,026,342,900	2,685,278,881

7.1 Investment property amounting Rs. 2,730 Million (2022: 2,400 Million) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

The Company does not hold the title of investment property amounting Rs. 3,026 Million (2022: Rs. 2,685 Million), title of property amounting Rs. 2,770.15 Million, Rs 212.6 Million and Rs. 43.6 Million is held in the name of Pace (Pakistan) Limited, First Capital Equities Limited and Capital Heights (Pvt.) Limited respectively. The transfer of this property is in process as at year end. However, the Company has complete control and possession of said property.

7.2 Fair value of investment properties is determined by independent professional valuers. Latest valuation of these properties was carried out on June 30, 2023 by approved independent valuers present on panel of Pakistan Bankers Association, K.G Traders Pvt. Limited and Fairwater Property Valuers & Surveyors Pvt. Limited. The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

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

	Fair value measurements at 30 June 2023 using significant other observable inputs (Level 2)
Recurring fair value measurements	Rupees
Investment properties	3,026,342,900

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)
Recurring fair value measurements	Rupees
Investment properties	2,685,278,881

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2023 or 2022.

Valuation techniques used to derive level 2 fair values:

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

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

Particulars	Area				
Shop situated at Pace Shopping Mall, Mouza Dhola Zari G.T. Road, Gujranwala	196	7,590,100	7,590,000	6,831,090	6,831,000
Plot-D situated Near Rangers Headquarters Lahore Cantt	87444	2,730,153,600	2,400,046,320	2,457,138,240	2,160,041,688
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	6926	43,590,000	32,618,747	39,231,000	29,356,872
79 Shops Second & Third Floor Pace Shopping Mall, Grand Turk Road, Near Service Industries, Gujrat	9009	205,009,200	205,023,814	184,508,280	184,521,433
		3,026,342,900	2,685,278,881	2,723,708,610	2,416,750,993

7.4 The direct expense relating to investment properties were Rs. 65,000 (2022: Rs. 65,000).

8 Long term investments

Investment in related parties			
Subsidiary companies - Unquoted	8.1	532,139,243	522,657,493
Associated companies - Unquoted	8.2	840,756,374	894,268,113
Associated company - Quoted	8.3	72,423,632	90,076,892
Subsidiary company - Quoted	8.4	193,107,304	206,191,848
		1,638,426,553	1,713,194,347

8.1 Subsidiary companies - unquoted - at fair value

	Note	Shares 2023	Shares 2022	2023	2022	Percentage of holding 2023	Percentage of holding 2022
		Number		Rupees		%	
First Capital Investments Limited		**16,561,634**	16,561,634	**185,699,758**	**196,983,237**	**78.86%**	78.86%
Lanka Securities (Private) Limited	8.1.2	**12,583,886**	12,583,886	**271,607,446**	**143,468,538**	**51.00%**	51.00%
Falcon Commodities (Private) Limited		**3,150,000**	3,150,000	-	-	**100.00%**	100.00%
Evergreen Water valley (Private) Limited		**715,400**	715,400	**74,832,039**	**182,205,717**	**100.00%**	100.00%
Ozer Investments Limited		**1,000**	1,000	-	-	**100.00%**	100.00%
First Construction Limited		**20,000**	20,000	-	-	**100.00%**	100.00%
				532,139,243	522,657,493		

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 Srilanka subscribing 3,564,900 ordinary shares of LSPL @ 2.29/ PKR-each. Subsequently during the financial year 2007-2008 the company made a further investment of 626,429 US Dollars (38,059,842 PKR) subscribing 3,564,900 ordinary shares 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 2023	Shares 2022	2023	2022	Percentage of holding 2023	Percentage of holding 2022
		Number		Rupees		%	
Pace Barka Properties Limited		**54,790,561**	54,790,561	**840,643,874**	894,155,613	**17.95%**	17.95%
Pace Super Mall Private Limited		**11,250**	11,250	**112,500**	112,500	**0.07%**	0.07%
	8.2.1			**840,756,374**	894,268,113		

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 2023	Shares 2022	Market value 2023	Market value 2022	Market value per share 2023	Market value per share 2022	Percentage of holding 2023	Percentage of holding 2022
		Number		Rupees		Rupees		%	
Media Times Limited	8.3.1	**45,264,770**	45,264,770	**72,423,632**	90,076,892	1.60	1.99	**25.31%**	25.31%

8.3.1 Change in value of investment amounts of Rs. 17,653,260 (2022: Rs. 88,266,302) 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 2023	Shares 2022	Market value 2023	Market value 2022	Market value per share 2023	Market value per share 2022	Percentage of holding 2023	Percentage of holding 2022
		Number		Rupees		Rupees		%	
First Capital Equities Limited (FCEL)	8.4.1	**103,494,200**	103,494,200	**193,107,304**	206,191,848	**1.87**	1.99	**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.

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		-	-
Prepaid Insurance expense		-	156,540
Advances for purchae of property		-	-
Dividend receivables		-	-
Due from related parties - unsecured, considered good	11.1	48,976,354	38,166,452
		48,976,354	38,322,992

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	48,577,254	37,767,352
		48,976,354	38,166,452

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 (2022: 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	-	1,900,000
Past due 1 - 60 days	-	1,900,000
Past due 61 - 120 days	48,976,354	34,366,452
Above 120 days		
	48,976,354	38,166,452

12 Short term investments			
Investments - at fair value through profit or loss	12.1	24,166,325	32,834,322
		24,166,325	32,834,322
12.1 Investments - at fair value through profit or loss			
Carrying value at 1 July:			
Related parties		27,167,998	58,445,666
Others		5,666,324	16,781,895
		32,834,322	75,227,561
Unrealized (loss)/gain on remeasurement of investments during the year		(8,667,997)	(42,393,239)
		24,166,325	32,834,322
Fair value of short term investments at 30 June:			
Related parties	12.2	19,519,222	27,167,998
Others	12.3	4,647,103	5,666,324
		24,166,325	32,834,322

9	**Long term deposits**		37,500	37,500
	Other deposits			
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		-	-
	Prepaid insurance expense		-	156,540
	Advances for purchae of property		-	-
	Dividend receivables		-	-
	Due from related parties - unsecured, considered good	11.1	48,976,354	38,166,452
			48,976,354	38,322,992
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	48,577,254	37,767,352
			48,976,354	38,166,452

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 (2022: 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	-	1,900,000
Past due 1 - 60 days	-	1,900,000
Past due 61 - 120 days	48,976,354	34,366,452
Above 120 days	48,976,354	38,166,452

12	**Short term investments**			
	Investments - at fair value through profit or loss	12.1	24,166,325	32,834,322
			24,166,325	32,834,322
12.1	**Investments - at fair value through profit or loss**			
	Carrying value at 1 July:			
	Related parties		27,167,998	58,445,666
	Others		5,666,324	16,781,895
			32,834,322	75,227,561
	Unrealized (loss)/gain on remeasurement of investments during the year		(8,667,997)	(42,393,239)
			24,166,325	32,834,322
	Fair value of short term investments at 30 June:			
	Related parties	12.2	19,519,222	27,167,998
	Others	12.3	4,647,103	5,666,324
			24,166,325	32,834,322

13 Advance tax

Advance tax		7,957,517	7,894,825

14 Cash and bank balances

Cash in hand		-	-
Cash at bank			
- current accounts		-	4,416
- deposit accounts	14.1	204,991	14,943,299
		204,991	14,947,715
		204,991	14,947,715

14.1 The deposit accounts carry mark-up at rates range upto 13% to 17% (2022: upto 10.25%) per annum.

15 Trade and other payables--unsecured

Creditors		11,738,129	10,967,038
Accrued liabilities		17,465,521	16,259,375
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	22,190,476	22,019,278
Withholding income tax payable		5,867,525	5,207,459
Sales tax payable		244,082	244,082
Provision for Taxation		9,624,023	9,624,023
Other liabilities		26,135	126,135
		74,323,674	71,615,173

15.1 This represent Rs. 6,681,123 (2022: 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.

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		(681,818,182)	(390,909,090)
Non current portion of loan		1,096,241,818	1,387,150,910

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 Musharaka 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 ended June 30, 2022, the company has renegotiated the terms in regards to the repayment of loan and rate of interest with WTL services (Pvt.) Limited after which previously allowed 12 months grace period have been extended to 3 years resulting interest to be payable on demand after lapse of 3 years grace period starting from July 31, 2020. Moreover the rate interest have been modified from 24% per annum to Kibor plus 5%.

17 Accrued Markup

Rental payable against diminishing musharka	17.1	982,277,261	705,753,915
Interest payable against long term loan from non-financial institutions	17.2	77,949,520	41,927,982
		1,060,226,781	747,681,897
Less Current portion of Accrued Markup		(1,060,226,781)	(705,753,915)
Non current portion of loan		-	41,927,982

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:

Deferred rental	17.1.1	982,277,261	710,007,672
Less: Impact of discounting	17.1.2		(4,253,757)
		982,277,261	705,753,915

17.1.1 Reconciliation of deferred rental

Opening balance	710,007,672	469,527,672
Add: Charged during the year	272,269,589	240,480,000
Less: Paid during the year	-	
	982,277,261	710,007,672

17.1.2 Reconciliation of discounting

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

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:

Opening balance	41,927,982	39,550,448
Add: Charged during the year	36,021,538	2,377,534
Less: Paid during the year	-	-
	77,949,520	41,927,982

18 Deferred tax liability

Deferred tax liability	18.1	30,753,840	22,501,180

18.1 Tax on deductible temporary differences

Tax on taxable temporary differences

Revaluation gain on investment property	(30,753,840)	(22,501,180)
	(30,753,840)	(22,501,180)
Deferred tax asset/(liability)	(30,753,840)	(22,501,180)

18.2 Movement of tax asset / (liability) - net

Opening balance	(22,501,180)	(15,000,100)
Charged to profit or loss	(8,252,660)	(7,501,080)
Charged to OCI	-	-
	(30,753,840)	(22,501,180)

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:

Deductible temporary differences	24,847,994	25,145,221
Tax losses --net	542,938,459	203,062,485
Unrecognized deferred tax asset	164,658,071	66,180,235

19 Staff retirement benefits payable

Gratuity	19.1	2,657,518	3,125,943
		2,657,518	3,125,943

19.1 Movement in net obligation

Statement of financial position liability at 01 July		3,125,943	2,293,421
Expense chargeable to Profit or Loss account	19.3	861,482	1,066,169
Remeasurements chargeable in other comprehensive income	19.4	(1,158,709)	(233,647)
Benefit payable transferred to short term liability		(171,198)	-
Statement of financial position liability at 30 June		2,657,518	3,125,943

19.2 Movement in present value of defined benefit obligation is as follows:

Present value of defined benefit obligation at 1 July	3,125,943	2,293,421
Current service cost	458,636	389,459
Past Service Cost (Credit)	-	447,368
Interest cost on defined benefit obligation	402,846	229,342
Benefits payable transferred to short term liability	(171,198)	-
Actuarial loss/(gains) from changes in demographic assumptions		50,862
Actuarial loss/(gains) from changes in financial assumptions	(1,158,709)	3,844
Actuarial loss/(gains) due to Experience adjustments	-	(288,353)
Present value of defined benefit obligation at 30 June	2,657,518	3,125,943

19.3 Amount charged to profit or loss

Current service cost	458,636	389,459
Past Service Cost (Credit)	-	447,368
Interest cost	402,846	229,342
Total amount chargeable to profit or loss	861,482	1,066,169

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	(1,158,709)	3,844
Actuarial loss/(gains) due to Experience adjustments		(288,353)
	(1,158,709)	(233,647)

19.5 Historical information for gratuity plan

Present value of defined benefit obligation	2,657,518	3,125,943	2,293,421	4,606,376	6,427,923
Gain/(loss) on actuarial experience adjustments on plan liability	(1,158,709)	(288,353)	(236,728)	(1,618,290)	(558,184)

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:

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:

Discount rate used for profit or loss charge	13.25%	10.00%
Discount rate used for year-end obligation	16.25%	13.25%
Expected rate of salary increase in future years		
Salary increase FY 2021	N/A	N/A
Salary increase FY 2022	15.25%	12.25%
Salary increase FY 2023	15.25%	12.25%
Salary increase FY 2024	15.25%	12.25%
Salary increase FY 2025	15.25%	12.25%
Salary increase FY 2026	15.25%	12.25%
Salary increase FY 2027 and onward	15.25%	12.25%
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 2023-2024 is Rs 658,841 which includes Rs 410,344 in respect of current service cost, Rs. 248,497 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. Aamna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honourable High Court of Sindh. The legal counsel is confident of success of the case in company's favour.

20.7 Commitments in respect of capital expenditure

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

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:

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

Money market income		
- local currency	-	-
- foreign currency	-	-
	-	-
Less: Sales tax	-	-
	-	-

23 Dividend income

Others	23.1	-	65,142,246
		-	65,142,246

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	(8,667,997)	(42,393,239)
Unrealized gain/(loss) on remeasurement of long term investments	8	(74,767,794)	(108,757,623)
		(83,435,791)	(151,150,862)

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25 Operating and administrative expenses

Salaries, wages and other benefits	25.1	5,371,761	5,585,848
Rent, rates and taxes		6,000	100,000
Postage, telephone and stationary			3,000
Utilities		-	30,000
Insurance		156,540	
Printing and stationery		-	31,805
Travelling and conveyance		-	-
Repairs and maintenance		9,500	639,700
Vehicle running expenses			1,000
Advances written off			152,450
Provision for doubtful debts			503,784
Entertainment		96,000	105,000
Legal and professional		1,583,117	3,254,459
Auditors' remuneration	25.2	1,200,000	1,250,500
Depreciation	6.1	2,310,255	406,825
Others			135,095
		10,733,173	12,199,466

25.1 Salaries, wages and other benefits includes Rs. 861,481 (2022: Rs. 1,066,169) in respect of gratuity expense for the year.

25.2 Auditors' remuneration

Annual audit fee	750,000	500,000
Fee for audit of consolidated financial statements	225,000	500,000
Half yearly review	225,000	200,000
Out of pocket expenses	-	50,500
	1,200,000	1,250,500

26 Other income

Income from financial assets			
Income on treasury bills /saving accounts		417,955	1,990,433
Income from non-financial assets			
Rental income of plant and machinery	26.1	11,400,000	11,400,000
Gain on sale of subsidiary		-	-
Impact of discounting on deferred rental	17.1	-	-
Provision for penalty written back	17.3	-	-
Miscellaneous income		182,680	-
		12,000,635	13,390,433

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

27 Finance cost

Bank charges and commission		29,914	16,246
Impact of Unwinding on rentals		4,253,757	62,017,791
Exchange loss		-	982,090
Markup/Rental on long term financing	17.1 & 17.2	308,291,127	242,857,534
		312,574,798	305,873,661

28 Taxation

Current tax			
For the year	28.1	-	9,624,023
Deferred tax expense/(income)	18	8,252,660	7,501,080
		8,252,660	17,125,103

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

Profit for the year	Rupees	(72,905,025)	92,227,243
Weighted average number of ordinary shares	Numbers	316,610,112	316,610,112
Earning per share - basic	Rupees	(0.23)	0.29

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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:

Average number of employees during the year	4	5
Total number of employees as at 30 June	3	5

31 Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk

31.1 Credit risk

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

31.1.1 Exposure to credit risk

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

Long term deposits	9	37,500	37,500
Trade debts	10	-	-
Other receivables	11	48,976,354	38,322,992
Bank balances	14	204,991	14,947,715
		49,218,845	53,308,207

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:

Faysal Bank Limited	A-1+	AA	PACRA	6,150	6,150
Allied Bank Limited	A-1+	AAA	PACRA	14,906,740	14,906,740
Bank Islami	A-1	AA-	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	14,947,715

Trade debts

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

Neither past due nor impaired	10	-	-
Past due		503,784	503,784
		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:

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.

Loan and advances			
Related parties	11	48,976,354	38,166,452
Employees		-	156,540
		48,976,354	38,322,992

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 2023:

Financial liabilities					
Loan payable	1,778,060,000	1,778,060,000	681,818,182	1,096,241,818	-
Rental payable	1,060,226,781	1,060,226,781	1,060,226,781	-	-
Trade and other payables	74,323,674	74,323,674	74,323,674	-	-
	2,912,610,455	2,912,610,455	1,816,368,637	-	-

The following are the contractual maturities of financial liabilities as on June 30 2022:

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	1,429,078,892	-

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:

Financial assets	204,991	14,943,299
Financial liabilities	1,778,060,000	1,778,060,000
	1,778,264,991	1,793,003,299

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 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

Investments

Long term investments	265,530,936	10% increase	292,084,029	-	26,553,094
		10% decrease	238,977,842	-	(26,553,094)
Short term investments	24,166,325	10% increase	26,582,958	-	2,416,633
		10% decrease	21,749,693	-	(2,416,633)
	289,697,261				

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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)
	329,103,062				

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

Long term investments				
Quoted investments	72,423,632	-	193,107,304	265,530,936
Unquoted investments	-	-	1,372,895,617	1,372,895,617
Investment properties	-	3,026,342,900	-	3,026,342,900
Short term investments	24,166,325	-	-	24,166,325
Long term investments				
Quoted investments	90,076,892	-	206,191,848	296,268,740
Un Quoted investments	-	-	1,416,925,606	1,416,925,606
Investment properties	-	2,685,278,881	-	2,685,278,881
Short term investments	32,834,322	-	-	32,834,322

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**

Financial Assets

Long term investments	-	1,638,426,553	-	1,638,426,553
Long term deposits	37,500	-	-	37,500
Short term investments	-	24,166,325	-	24,166,325
Advances, deposits, prepayments and other receivables	48,976,354	-	-	48,976,354
Cash and bank balances	204,991	-	-	204,991
	49,218,845	1,662,592,878	-	1,711,814,722

Financial Liabilities

Trade and other payables-Unsecured		74,323,674	-	74,323,674
Long Term Payable		1,096,241,818	-	1,096,241,818
Mark up payable		1,060,226,781		1,060,226,781
		2,230,792,273	-	2,230,792,273

Financial Assets

Long term investments	-	1,713,194,347	-	1,713,194,347
Long term deposits	37,500	-	-	37,500
Trade debts	-	-	-	-
Short term investments	-	32,834,322	-	32,834,322
Advances, deposits, prepayments and other receivables	38,322,992	-	-	38,322,992
Cash and bank balances	14,947,715	-	-	14,947,715
	53,308,207	1,746,028,669	-	1,799,336,876

Financial Liabilities

Trade and other payables-Unsecured		71,615,173	-	71,615,173
Long term payable		1,387,150,910	-	1,387,150,910
Mark up payable		705,753,916	-	705,753,916
		2,164,519,999	-	2,164,519,999

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32 Transactions with related parties

Related parties comprise of entities over which the Directors are able to exercise significant influence. Related parties include entities with common Directors, shareholders, subsidiary undertakings, associated companies, Directors and key management personnel. Details of transactions with related parties, other than remun 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	2023 Value of transactions made during the year	2022 Value of transac made during year
			---Rupees---	
Evergreen Water Valley (Private) Limited	Subsidiary(100% owned)	Rental income earned	11,400,000	11,400
		Rental receivable adjusted against vehicle	-	6,242
Pace (Pakistan) Limited	Common Directorship	Investment property exchanged	-	172,407
		Investment property purchase	-	32,616
Lanka Securities (Pvt.) Limited	Subsidiary(51% owned)	Dividend Income	-	65,142
		Dividend received	-	64,160
First Capital Mutual Fund	Associate (6.09% owned)	Dividend Income		
		Dividend received	-	364

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, Dire
and Executives of the company is as follows:

	Chief executive		Executive and non executive directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	2,400,000	2,400,000	-	-	1,505,280	
Medical Expenses Reimbursed	-	-	-	-	-	
Provision for gratuity	706,414	632,938	-	-	77,530	
	3,106,414	3,032,938	-	-	1,582,810	
Number of persons	1	1	6	6	1	

33.1 The Company has also provided executives with company maintained cars. No fees were paid to any director for attending board and 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 03-11- 2023 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, 2023.

37 **General**

The figures have been rounded off to the nearest Rupee.

Chief Executive Officer	Chief Financial Officer	Director

PLOT NO. 27, BLOCK "H" M.M ALAM ROAD
EXTENSION, GULBERG II, LAHORE.
Tel: +92-42-35754821-22
Email: nasirgulzar@njmi.net

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, 2023, 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, 2023, 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.

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
1.	**Investment property valuation** As stated in Note 8 of the accompanying consolidated financial statements, has recognized a substantial amount of fair value gain during the year We identified investment property as a key audit matter because it has a material impact on consolidated financial statements.	We performed following key audit procedures to address the assessed risk: ▪ Obtained independent valuer's report and took an understanding of the scope of 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.
2.	**Recoverability of Trade Debts** At year-end, the group's gross trade debtors were Rs. 898.7 Million against which allowances for doubtful debts amounting to Rs. 286 Million were recorded for details refer to note 14 of the financial statements. 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.	We performed following key audit procedures to address the assessed risk: ▪ 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	We performed following key audit procedures to address the assessed risk:
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.	▪ 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 Muhammad Maqsood.

Nasir Javaid Maqsood Imran

Date: November, 03, 2023

Lahore

UDIN:
AR2023101222cEJGnRfs

Nasir Javaid Maqsood Imran

Chartered Accountants

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Non-current assets			
Property, plant and equipment	6	285,878,615	274,887,340
Intangible assets	7	2,500,000	2,562,501
Investment properties	8	4,374,314,700	4,106,031,794
Investments accounted for using the equity method	9	493,674,430	542,751,346
Long term investments	10	8,267,752	11,328,264
Long term deposits and advances - considered good	11	14,257,827	4,197,255
		5,178,893,324	4,941,758,500
Current assets			
Stock in trade	13	290,053,500	290,053,500
Trade debts	14	612,770,504	274,064,257
Loans, advances and other receivables	15	337,987,306	290,668,891
Prepayments		1,200,278	1,052,233
Short term investments	16	753,434,240	532,798,992
Cash and bank balances	17	41,939,201	66,321,188
		2,037,385,029	1,454,959,061
Current liabilities			
Trade and other payables	18	752,088,622	472,820,339
Short term borrowings		5,560,342	-
Current portion of lease liability	21	-	299,917
Current portion of long term loans	19	1,784,276,086	1,438,821,540
Current portion of accrued markup	20	1,271,336,370	847,634,915
Provision for taxation		144,344,899	121,848,383
		3,957,606,319	2,881,425,094
Net current assets/(liability)		(1,920,221,290)	(1,426,466,033)
		3,258,672,034	3,515,292,467
Non-current liabilities			
Deferred tax liability	12	31,117,755	22,468,065
Staff retirement benefits	22	26,500,552	32,612,167
Long term loans	19	1,178,060,000	1,523,514,546
Accrued markup	20	-	41,927,982
		1,235,678,307	1,620,522,760
Contingencies and commitments	23	-	-
		2,022,993,727	1,894,769,707
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital:			
320,000,000 (2022: 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		88,371,681	(14,086,757)
Reserves capitalized		480,054,923	480,054,923
Retained earnings		(2,138,806,578)	(2,027,065,797)
Equity attributable to owners of the Parent Company		1,595,721,146	1,605,003,489
Non-controlling interests (NCI)		427,272,581	289,766,218
		2,022,993,727	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 PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CONTINUED OPERATIONS			
Operating revenue	25	569,849,870	1,053,859,456
Direct costs	26	(335,742,736)	(497,508,632)
Gross profit		234,107,134	556,350,824
Unrealized gain/(loss) on re-measurement of 'investments at fair value through profit or loss'	27	(22,206,139)	(110,801,168)
Fair value gain on investment properties		330,860,860	505,586,769
Operating and administrative expenses	28	(246,439,799)	(298,006,998)
Operating profit		296,322,056	653,129,427
Other income	29	133,881,531	77,903,728
Finance costs	30	(385,172,039)	(357,638,712)
		(251,290,508)	(279,734,984)
Share of loss from investments accounted for using the equity method - net of tax	9.1	(52,963,629)	(55,825,039)
Loss before taxation		(7,932,081)	317,569,404
Taxation	31	(72,016,512)	(110,291,763)
Loss after taxation		(79,948,593)	207,277,641
DISCONTINUED OPERATION			
Loss after taxation from discontinued operation	32	(886,297)	(1,461,410)
Loss after taxation for the year		(80,834,890)	205,816,231
Basic and diluted loss per share-- from continued operation	33	(0.3721)	0.4957
Basic and diluted loss per share-- from discontinued operation	33	(0.0020)	(0.0034)
Profit attributable to:			
- Owners of the Parent Company		(118,449,948)	142,794,038
- Non-controlling interests		37,615,058	63,022,193
Loss for the year		(80,834,890)	205,816,231

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, 2023

	Note	2023 Rupees	2022 Rupees
Loss after taxation		(80,834,890)	205,816,231
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	4,273,298	1,992,416
Items that may be subsequently reclassified to profit and loss:			
Share of other comprehensive loss of investments accounted for using the equity method - net of tax	9.2	(137,318)	184,234,313
Exchange differences on translation of foreign operations recognized as:			
- Exchange translation reserve		102,458,438	(42,705,401)
- Non-controlling interests		98,440,461	(41,030,679)
Other comprehensive Gain for the year		200,898,899	(83,736,080)
Total comprehensive Income for the year		124,199,989	308,306,880
Total comprehensive income attributable to :			
- Owners of the Parent Company		(13,306,374)	285,246,417
- Non-controlling interests		137,506,363	23,060,463
		124,199,989	308,306,880

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Attributable to owners of the Parent Company						
		Capital Reserve		Revenue Reserve			
	Share Capital	Exchange Translation Reserve	Reserve Capitalized	Retained Earnings	Total	Non-controlling Interests	Total Equity
	------------------------------------			Rupees	------------------------------------		
Balance at 01 July 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 loss	-	(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**
Total comprehensive income for the year							
Loss for the year	-	-	-	(118,449,948)	(118,449,948)	37,615,058	(80,834,89
Other comprehensive income	-	102,458,438	-	2,685,136	105,143,574	99,891,305	205,034,87
Share of reserve on incremental depreciation - net of tax from associate	-	-	-	4,024,031	4,024,031	-	4,024,03
Total comprehensive income for the year	-	**102,458,438**	-	**(111,740,781)**	**(9,282,343)**	**137,506,363**	**128,224,02**
Balance at 30 June 2023	**3,166,101,120**	**88,371,681**	**480,054,923**	**(2,138,806,578)**	**1,595,721,146**	**427,272,581**	**2,022,993,72**

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, 2023

	Note	2023 Rupees	2022 Rupees
Cash flows from operating activities			
Cash used in operations	35	(243,503,940)	502,571,785
Finance costs paid		(3,398,566)	(2,878,759)
Taxes paid		(41,267,336)	(64,992,414)
Net cash used in operating activities		(288,169,842)	434,700,612
Cash flows from investing activities			
Purchase of property plant and equipment		(16,657,819)	(12,876,787)
Proceeds from sale of property, plant and equipment		11,626,263	2,305,071
Purchase of investment property		(10,973,258)	(854,318,216)
Proceeds from sale of investment property		80,894,000	608,054,454
Dividend received		-	3,689,549
Payment of Lease Rentals		-	(6,989,244)
Interest received		-	58,957,098
Investment in associate -- FCMF			(1,000,000)
Increase/(Decrease) from investments - net			(96,970,943)
Long term deposits		(10,060,572)	32,382,216
Proceeds from short term investment		2,500,000	900,000
Net cash generated from investing activities		57,328,614	(265,866,802)
Cash flows from financing activities			
Dividend paid to non-controlling interest		-	(54,779,629)
Bank overdraft facility		5,560,342	(14,833,987)
Net cash generated from/(used in) financing activities		5,560,342	(69,613,616)
Net decrease in cash and cash equivalents		(225,280,886)	99,220,194
Impact of exchange translation		200,898,899	(83,736,080)
Cash and cash equivalents at the beginning of the year		66,321,188	50,837,074
Cash and cash equivalents at the end of the year	17	41,939,201	66,321,188

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, 2023

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

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 the Parent Company incurred Loss before tax amounting Rs. 64.652 Million, and the accumulated losses of the Parent Company stand at Rs. 1224.90 Million as at June 30, 2023 (2022: 1,153.1 Million). Moreover current liabilities of the Company exceeds its current assets by Rs. 1,735.06 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 musharaka agreement. The management is confident that this will be done on favourable terms.

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

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. 18.08 Million (2022: profit of Rs. 79.60 Million) after recognizing unrealized loss on investments amounting Rs. 17.07 Million (2022: loss of Rs. 77.01 Million), moreover the accumulated losses of the company stand at Rs. 1,078.6 Million as at June 30, 2023 (2022: Rs. 1,060.5 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 508.1 Million (2022: Rs. 495.4 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 (2022: Rs. Nil) against administrative expenses of Rs. 59,000 (2022: 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, 2023 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 2023 and the audited financial statements of the subsidiary companies for the year ended June 30, 2023 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

There are certain amendments to the accounting and reporting standards which became applicable to the Company on July 1, 2022. However, these amendments do not have any significant impact on the Company's financial statements.

-Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.

-Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements

-Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases

-Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 2023 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 2023. 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'.

- 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.

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

- 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.

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

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

3.4 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

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

4 Basis of measurement

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

4.1 Critical accounting estimates and judgments

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

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

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

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 financer under comparable terms and conditions.

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

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

b) Associates

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

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to 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 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 5.10.

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 following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognized at a point in time. For sale of properties under construction, the Group's performance for contracts creates an asset that the customer controls as the asset is created and its performance does not create an asset with alternative use to the Group and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Accordingly, revenue for these contracts is recognized over time.
The Group measures it's progress towards satisfaction of performance obligation using an input method by reference to the cost incurred relative to the total expected inputs to the completion of the properties. The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation.
Contract expenses are 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 equity.

5.24 Borrowing costs

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

5.25 Proposed dividend and appropriations to reserves

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

5.26 Segment reporting

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

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

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

6 Property, plant and equipment

	Note	**2023 Rupees**	2022 Rupees
Operating fixed assets	6.1	**26,832,309**	14,405,377
Capital work-in-progress	6.2	**255,230,106**	255,230,106
Right of use assets	6.3	**3,816,200**	5,251,857
		285,878,615	274,887,340

6.1.1 Depreciation for the year has been allocated as follows:

	Note	2023	2022
Direct costs	26	**-**	-
Operating and administrative expenses	28	**5,360,550**	3,688,396
		5,360,550	3,688,396

6.1 **Operating fixed assets**

	Owned assets							
	Construction equipment	**Leasehold improvements**	**Plant and machinery**	**Computers**	**Office equipment**	**Furniture and fixture**	**Vehicles**	**Total**
	-Rupees-							
Cost								
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
Balance at 01 July 2022	**1,241,388**	**470,315**	**88,250,000**	**34,843,482**	**17,938,132**	**26,567,754**	**38,880,072**	208,191,143
Additions during the year	**-**	**-**	**-**	**311,252**	**1,032,575**	**313,992**	**15,000,000**	16,657,819
Disposals during the year	**-**	**-**	**-**	**(115,707)**	**-**	**-**	**(3,830,850)**	(3,946,557)
Exchange differences	**-**	**-**	**-**	**10,278,343**	**1,687,926**	**1,740,200**	**5,149,870**	18,856,339
Balance at 30 June 2023	**1,241,388**	**470,315**	**88,250,000**	**45,317,370**	**20,658,633**	**28,621,946**	**55,199,092**	**239,758,744**
Accumulated depreciation								
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
Balance at 01 July 2022	**886,088**	**470,315**	**88,250,000**	**33,287,247**	**17,128,273**	**25,945,895**	**27,817,948**	193,785,766
Depreciation for the year	**-**	**-**	**-**	**1,471,240**	**323,780**	**188,224**	**3,377,306**	5,360,550
Depreciation on disposals	**-**	**-**	**-**	**(115,707)**	**-**	**-**	**(3,830,850)**	(3,946,557)
Exchange differences	**-**	**-**	**-**	**9,592,607**	**1,482,011**	**1,502,188**	**5,149,870**	17,726,676
Balance at 30 June 2023	**886,088**	**470,315**	**88,250,000**	**44,235,387**	**18,934,064**	**27,636,307**	**32,514,274**	**212,926,435**
Carrying value								
As at 30 June 2022	355,300	-	-	1,556,235	809,859	621,859	11,062,124	14,405,377
As at 30 June 2023	**355,300**	**-**	**-**	**1,081,983**	**1,724,569**	**985,639**	**22,684,818**	**26,832,309**
Rate of depreciation (%)	20	10	7.5 to 20	33 to 50	10 to 12.5	10 to 50	20 to 25	

		Note	2023 Rupees	2022 Rupees
6.2	**Capital work-in-progress**			
	Opening balance		**255,230,106**	255,230,106
	Additions during the year		**-**	-
	Disposals during the year		**-**	-
	Closing balance	6.2.1	**255,230,106**	255,230,106

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 229.89 Million (2022: Rs 229.89 Million) and Rs. 25.33 Million (2022: Rs 25.33 Million) respectively. Construction work on these properties is in progress as at 30 June 2023. This includes Rs. 25.33 Million (2022: 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 (2022: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2022: Rs. 36.95 million) is held in the name of Mr. Liaquat Ali, , CWIP of Rs. 44.6 Million (2022: Rs. 44.6 million) is held in the name of Wireless and Cable (Pvt.) Limited and CWIP amounting Rs. 25.33 million (2022: 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	2023 Rupees	2022 Rupees
6.3	**Right of use assets -- Leasehold Building**			
	Cost			
	Cost of ROU		**23,549,945**	23,549,945
	Accumulated depreciation			
	Opening balance		**18,298,088**	12,861,064
	Charge during the year		**1,905,111**	6,310,203
	Exchange gain/(loss)		**(469,454)**	(873,179)
	Closing balance		**19,733,745**	18,298,088
	Net book value		**3,816,200**	**5,251,857**

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

		Note	2023 Rupees	2022 Rupees
7	**Intangible assets**			
	Membership cards		**2,500,000**	2,500,000
	Asset management license		**-**	62,501
	Total	**7.1**	**2,500,000**	**2,562,501**

7.1 Movement in the intangible assets is as follows:

Cost of Intangible Assets	**3,250,047**	3,250,047
Opening Balance - Accumulated amortization	**687,546**	437,537
Add: Amortization for the year	**62,501**	250,009
Amortization of license expired during the year	**-**	-
Closing Balance - Accumulated amortization	**750,047**	**687,546**
Closing balance	**2,500,000**	**2,562,501**

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

7.3 Group has no internally generated intangible assets.

		Note	2023 Rupees	2022 Rupees
8	**Investment properties**			
	Opening balance		**4,106,031,794**	3,354,181,263
	Acquisition during the year		**10,973,258**	854,318,216
	Disposal during the year	**8.4 & 8.7**	**(73,551,212)**	(608,054,454)
	Fair value adjustment		**330,860,860**	505,586,769
	Closing balance	**8.1& 8.2**	**4,374,314,700**	**4,106,031,794**

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 6,926 sqft (2022; 5,436 sqft) amounting to Rs. 43.5 Million (2022: Rs. 32.6 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. 864.8 Million (2022: 1037.3 Million) having area of 37,285 sqft (2022: 37,285 sqft).

- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2022: 87444 sqft) and market value of Rs. 2,730 Million (2022: Rs. 2,400 Million), title of this property is in name of Pace Pakistan Limited--related party which is mortgaged against the loan facility and title will be transferred after property is released by bank although group have complete control and possession of property.

- Shops situated at 5th Floor Pace Shopping Mall Model Town Link Road Lahore, measuring 4000 sqft (2022: 15354 sqft) having fair value amounting Rs. 40 Million (2022: 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 4,050 Sqft (2022: 4,050 Sqft) and market value of Rs. 12.75 Million (2022: 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 (2022:7,920 Sqft) and market value of Rs. 76.5 Million (2022: 74.8 Million).

- Property situated at F-49 Block 8, KDA Scheme # 5, Clifton Karachi having area of 18,000 Sqft (2022: 18,000) and market value of Rs. 434 Million (2022: 435.6).

8.2 These includes properties amounting to Rs. 824.8 Million (2022: Rs. 824.7 Million) that are under mortgage by banks against the borrowings. In addition to above Investment property amounting Rs. 2,730 Million (2022: 2,400 Million) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

8.3 The direct expense relating to investment properties were Rs. 240,000 (2022: Rs. 100,000)

8.4 The fair value of investment property is based on valuation that was carried out by K.G Traders Pvt. Limited and Fairwater Property Valuers & Surveyors Pvt. Limited., independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2023.

8.5 The table below analyze the non-financial assets carried at fair value, by valuation method. The different levels of fair value also have been defined below;

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

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

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

The following table presents the Group's investment properties that are measured at fair value at 30 June 2023.

	Fair value measurements at 30 June 2023 using significant other observable inputs (Level 2)
Recurring fair value measurements	**Rupees**
Investment properties	**4,374,314,700**
	4,374,314,700

The following table presents the Group's investment properties that are measured at fair value at 30 June 2022.

	Fair value measurements at 30 June 2022 using significant other observable inputs (Level 2)
	Rupees
Recurring fair value measurements	
Investment properties	3,354,181,263
	3,354,181,263

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2023 or 2022.

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 Area Sq. Ft	June 2023 Rupees	Forced sale value Area Sq. Ft	June 2022 Rupees
Various shops,	Grand Trunk Road, Pace Gujrat, Gujrat	35921	761,008,680	26912	720,625,500
Various Shops	Mouza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1560	24,169,410	1560	28,446,300
Plot-D	Near Rangers Headquarters Lahore Cantt	87444	2,457,138,240	87444	1,710,002,398
5th Floor	Pace Mall Model town Link Road Lahore	4000	36,000,000	15354	102,186,090
Various apartments	Plot No. 523, Khana Kak, Service Road West near Sohan Interchange, Islamabad	6926	39,231,000	70667	379,344,599
House	Pace Woodlands Lahore	4050	11,475,000	2250	10,800,000
House	5th Zamzam Street, Phase V, DHA Karachi	7920	58,481,037	7920	67,358,250
House	F-49 Block 8, KDA Scheme # 5, Clifton Karachi	18000	390,600,000	-	-
		165821	**3,778,103,367**	**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 value/Revalued amount	Sales price	Gain/Loss
		Rupees		
Pace Pakistan Limited	Negotiation	**73,551,212**	**73,551,212**	**-**
		73,551,212	**73,551,212**	**-**

	Note	2023 Rupees	2022 Rupees
9 Investment accounted for using the equity method			
Media Times Limited-Quoted			
59,592,270 (2022: 59,592,270) ordinary shares of Rs 10 each			
Equity held: 33.32% (2022:33.32%)			
Investment during the year		**-**	-
Share of loss for the year - net of tax	9.1	**-**	-

These includes 13,893,000 shares (2022: 13,893,000 shares) out of total shares that are pledged with various commercial banks.

	Note	2023 Rupees	2022 Rupees
Pace Super Mall (Private) Limited-Unquoted			
11,250 (2022: 11,250) ordinary shares of Rs 10 each			
Equity held: 0.07% (2022: 0.07%)		**112,500**	112,500
		112,500	112,500
Pace Barka Properties Limited-Unquoted			
54,790,561 (2022: 54,790,561) ordinary shares of Rs 10			
Equity held: 17.95% (2022: 17.95%)		**542,638,846**	412,411,955
Share of loss for the year - net of tax	9.1	**(52,963,629)**	(55,825,039)
Share of other comprehensive income for the year	9.2	**(137,318)**	184,234,313
Share of other reserves for the year	9.3	**4,024,031**	1,817,617
		493,561,930	542,638,846
Total investments accounted for using equity method		**493,674,430**	542,751,346

9.1 Share of loss from associates.

	2023	2022
Media Times Limited	**-**	-
Pace Barka Properties Limited	**(52,963,629)**	(55,825,039)
	(52,963,629)	(55,825,039)

9.2 Share of other comprehensive income from associates

	2023	2022
Media Times Limited	**-**	-
Pace Barka Properties Limited	**(137,318)**	184,234,313
	(137,318)	184,234,313

9.3 Share of other reserve from associates

	2023	2022
Media Times Limited	**-**	-
Pace Barka Properties Limited	**4,024,031**	1,817,617
	4,024,031	1,817,617

9.4 Refer note 41.5 for summarized financial information for associates accounted for using equity method.

		Note	2023 Rupees	2022 Rupees
10	**Long term investments**			
	Pakistan Stock Exchange Limited	10.1	**8,002,752**	11,063,264
	Mutual Funds Association of Pakistan	10.2	**265,000**	265,000
			8,267,752	11,328,264

10.1 Movement of long term Investments

	Note	**2023** Number of shares	2022 Number of shares	**2023** Rupees	2022 Rupees
Opening balance		**1,081,453**	1,081,453	**11,063,264**	24,127,216
Addition		**-**	-	**-**	-
Deletion		**-**	-	**-**	-
Closing		**1,081,453**	1,081,453	**11,063,264**	24,127,216
Remeasurement of carrying value of shares	10.1.1	**1,081,453**	1,081,453	**8,002,752**	11,063,264
Unrealized (loss)/gain charged to P&L				**(3,060,512)**	**(13,063,952)**
Sale proceeds from the disposal				**-**	-
Carrying value of shares sold during the year				**-**	-
Capital gain realized				**-**	-

10.1.1 Shares having value of Rs. 8,002,752/- (2022: Rs. 11,060,615/-) 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	**2023** Number of shares	2022 Number of shares	**2023** Rupees	2022 Rupees
Opening balance					
Addition		**26,500**	-	**265,000**	265,000
Deletion		**-**	-	**-**	-
Closing		**26,500**	-	**265,000**	265,000
Remeasurement of carrying value of shares	10.2.1	**26,500**		**265,000**	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	2023 Rupees	2022 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		**904,888**	559,755
	- Retention money	11.1	**13,215,439**	3,500,000
			14,257,827	4,197,255

11.1 This represents money retained by Pace Barka Properties Limited (Associate Company) at 5% of contract work on account of interim payment certificates (IPCs) raised regarding work done on the Pace Circle Project. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 13.22 Million (2022: Rs. 51.98 Million).

12 Deferred tax

	Note	2023 Rupees	2022 Rupees
This comprises of the following:			
Deferred tax liability in respect of gain on investment property		**30,753,840**	22,501,180
Deferred tax asset in respect of others		**363,915**	(33,115)
Deferred tax liability	12.2	**31,117,755**	22,468,065

12.1 The Group has a unrecognized deferred tax asset amounting to Rs. 281.24 Million (2022: Rs. 182.7 Million) arising on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However as sufficient taxable profits may not be available in foreseeable future, to recognize this defer tax asset in consolidated financial statement.

12.2 This includes deferred tax asset relating to Lanka Securities (Private) Limited subsidiary Company. The same falls under the regulation of different tax authority.

12.3 Increase in deferred tax liability is due to increase in taxable temporary differences of parent company.

13 Stock in trade

	Note	**2023** Rupees	2022 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	2023 Rupees	2022 Rupees
Money market receivables:			
Unsecured - considered good		**-**	-
Receivables against purchase of shares by clients:			
Unsecured - considered good		**207,412,256**	199,861,630
Unsecured - considered doubtful		**272,720,612**	272,355,195
		480,132,868	472,216,825
Receivable against professional services rendered :			
Related Parties - unsecured, considered good	14.1	**8,652,186**	8,132,035
Others:			
Unsecured - considered good		**396,706,074**	66,070,592
Unsecured - considered doubtful		**13,297,359**	5,373,355
		410,003,433	71,443,947
		898,788,475	551,792,807
Less: provision for doubtful debts	14.2	**(286,017,971)**	(277,728,550)
		612,770,504	274,064,257

14.1 This includes asset management fee amounting to Rs. 3,884,171 (2022: Rs. 3,908,617) 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. 4,768,015 (2022 : Rs.4,223,418). Maximum aggregate balance is Rs. 4,768,105 (2022:21,530,228).

14.2 Provision for doubtful debts

	Note	**2023** Rupees	2022 Rupees
Opening balance		**277,728,550**	276,588,431
Charge for the year	28	**8,289,421**	1,140,119
Closing balance		**286,017,971**	**277,728,550**

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. 869,201 (2022: Rs. Nil) and Rs. 7.4 million (2022: Rs. 636,335) respectively.

	Note	2023 Rupees	2022 Rupees
15 Loans, advances and other receivables			
Considered good			
Advances to employees:			
- Executives	14.1	**2,786,137**	1,005,073
- Others		**22,346,449**	10,856,141
		25,132,586	**11,861,214**
Unsecured - considered good			
Due from associated companies	15.2	**144,171,941**	210,208,844
Stock exchanges	15.3	**4,300,000**	4,300,000
Advance to supplier	15.4	**50,227,748**	50,558,715
Other		**114,155,031**	13,740,118
		337,987,306	**290,668,891**

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 957,080 (2022: Rs 1,200,080) maximum aggregate balance on month end basis is Rs. 1,200,080 (2022: Rs 1,200,080). This includes receivable from First Capital Mutual Fund amounting Rs. 3,884,171 (2022: Rs. 3,908,617) against dividend and expense sharing. This also includes Rs. 143.2 Million (2022: Rs. 205.1 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/ (2022: Rs. 4,300,000/-) deposited with PSX against requirement of Base Minimum Capital.

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

15.5 This also includes 80.9 million (2022: Rs. Nil) receivable from Pace Pakistan Limited -- Related party against sale of investment property no collateral is available against this and maximum aggregate balance during the year is Rs. 80.9 Million (2022: Rs. 178.71 Million) calculated on month end basis.

	Note	2023 Rupees	2022 Rupees
16 Short term investments			
Term deposits	16.1	**647,858,878**	405,517,578
Investments at fair value through profit or loss	16.2	**105,575,362**	127,281,414
		753,434,240	532,798,992

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. 640.6 Million (2022: Rs. 403 Million) whereas the interest receivable against these deposit is Rs. 7.2 Million (2022: Rs. 2.5 Million) . The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 647.8 Million (2022: Rs. 405.5 Million).

	Note	2023 Rupees	2022 Rupees
16.2 Investments at fair value through profit or loss			
Carrying value at 30 June:			
- Related parties	16.2.1	**113,942,793**	199,039,331
- Others	16.2.2	**10,778,196**	25,979,299
		124,720,989	225,018,630
Unrealized (loss)/gain on remeasurement of investments during the year		**(19,145,627)**	(97,737,216)
		105,575,362	127,281,414
Fair value of investments at fair value through profit or loss at 30 June comprises of:			
- Related parties	16.2.1	**96,185,152**	116,503,218
- Others	16.2.2	**9,390,210**	10,778,196
		105,575,362	127,281,414

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

	Note	Shares/Units		Carrying value		Fair value		Percentage holding	
		2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
		--------Number--------		--------Rupees--------		--------Rupees--------		**%**	%
Real estate investment and services									
Pace (Pakistan) Limited - associated company		14,638,176	14,638,176	**44,207,292**	105,687,631	**28,690,825**	44,207,292	**5.25%**	5.25%
Mutual funds									
First Capital Mutual Fund Limited - associate		11,438,142	11,431,440	**69,735,501**	93,351,700	**67,494,327**	72,295,926	**75%**	74%
				113,942,793	199,039,331	**96,185,152**	116,503,218		

16.2.2 Investments at fair value through profit and loss - others

	Note	Shares		Carrying value		Fair value	
		2023	2022	**2023**	2022	2023	2022
	Note	--------Number--------		--------Rupees--------		--------Rupees--------	
Insurance							
Shaheen Insurance Company Limited		**849,329**	849,329	**2,887,719**	2,573,467	**2,547,987**	2,887,719
PICIC Insurance Limited		**32,000**	32,000	**27,200**	22,720	**18,560**	27,200
Investment Banks							
Arif Habib Limited		**120**	120	**5,327**	3,904	**3,202**	5,327
Cement							
Pioneer Cement Limited		**11,000**	11,000	**663,630**	693,440	**952,930**	663,630
D.G Khan Cement Limited		**-**	-	**-**	-	**-**	-
Service Industry							
Pakistan Service Industry		**80**	80	**123,200**	79,200	**62,000**	123,200
Telecommunication							
Worldcall Telecom Limited	16.2.4	**5,138,707**	5,138,707	**6,834,480**	4,470,675	**5,601,191**	6,834,480
Pakistan Telecommunication Limited		**34,000**	34,000	**236,640**	301,920	**204,340**	236,640
	16.2.3			**10,778,196**	8,145,326	**9,390,210**	10,778,196

16.2.3 Shares having market value of Rs. 32,771,566/- (2022:37,354,890/-) are pledged as security against long term loans.

16.2.4 This includes 4,220,677 (2022: 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	2023 Rupees	2022 Rupees
17	**Cash and bank balances**			
	Cash in hand		**164,907**	172,890
	Cash at bank:			
	- Current accounts - local and foreign currency		**221,121**	228,996
	- Saving accounts - local and foreign currency	17.1	**41,553,173**	65,919,302
		17.2	**41,774,294**	**66,148,298**
			41,939,201	**66,321,188**

17.1 The deposit accounts carry mark-up at rates ranging from 13% to 17% (2022: 3.35% to 13.1%) per annum.

17.2 This includes Sri Lankan Rupees amounting to LKR. 682,560 (2022: LKR. 17,927,330).

		Note	2023 Rupees	2022 Rupees
18	**Trade and other payables**			
	Trade creditors		**413,019,077**	132,548,029
	Accrued liabilities	18.1	**153,049,978**	160,090,687
	Payable against purchase of property	18.2	**121,503,463**	121,503,463
	Sales tax		**244,082**	244,082
	Federal excise duty	18.3	**3,713,207**	3,713,207
	Security deposit of shopkeepers		**486,660**	486,660
	Withholding tax		**22,880,392**	21,948,126
	Other liabilities	18.4	**37,191,763**	32,286,085
			752,088,622	**472,820,339**

18.1 This includes payable amounting Rs 1,702,548 (2022: 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 (2022: 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	2023 Rupees	2022 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 (2022: 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 (2022: Rs. 211,363) payable to First Capital Mutual Fund a fund managed by FCIL a subsidiary company and Rs. Nill (2022: Rs. 1,537,950 to Pace Pakistan Limited.

19	Long term loans	Note	2023 Rupees	2022 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		**(1,784,276,086)**	(1,438,821,540)
	Non-Current portion		**1,178,060,000**	1,523,514,546

19.1 This represents balance payable against two diminishing musharka facilities obtained from Silk Bank Limited (Emaan 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 Musharka 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% (2022: 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 favorable terms. Based on ongoing negotiations Bank agreed to grant extension to the FCEL for repayment of loan till December 31, 2024.

This also includes loan facilities obtained by Evergreen Water Valley Private Limited--subsidiary company against two facilities amounting Rs. 65 Million (2022: Rs. 65 Million) and Rs. 300 Million (2022: 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	2023 Rupees	2022 Rupees
	Rental payable against diminishing musharka--secured	20.1	**982,277,261**	705,753,915
	Markup payable against long term loan from financial institutions--secured	20.2	**211,109,589**	141,881,000
	Markup payable against long term loan from non-financial institutions--unsecured	20.3	**77,949,520**	41,927,982
			1,271,336,370	889,562,897
	Current portion		**(1,271,336,370)**	(847,634,915)
	Non Current portion		**-**	41,927,982

20.1 The rental payable against the diminishing musharka agreement with Silk Bank Limited (Emaan 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:

		Note	2023 Rupees	2022 Rupees
	Deferred rental	20.1.1	**982,277,261**	710,007,672
	Less: Impact of discounting	20.1.2	**-**	(4,253,757)
			982,277,261	705,753,915
20.1.1	Reconciliation of deferred rental			
	Opening balance		**710,007,672**	469,527,672
	Add: Charged during the year		**272,269,589**	240,480,000
	Less: Paid during the year		**-**	-
			982,277,261	710,007,672
20.1.2	Reconciliation of discounting			
	Opening balance		**4,253,757**	66,271,548
	Add: Discounting impact of deferred rental		**-**	-
	Less: Impact of unwinding		**(4,253,757)**	(62,017,791)
			-	**4,253,757**

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

	Note	2023 Rupees	2022 Rupees
Opening balance		**141,881,000**	97,322,957
Add: Charged during the year		**69,228,589**	44,558,043
		211,109,589	141,881,000

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	2023 Rupees	2022 Rupees
Opening balance		**41,927,982**	39,550,448
Add: Charged during the year		**36,021,538**	2,377,534
Less: Paid during the year		**-**	-
		77,949,520	41,927,982

21 Lease liability

		2023	2022
Present value of minimum lease payments		**-**	299,917
Less: Current portion of lease liabilities		**-**	(299,917)
		-	**-**
Maturity analysis			
Not later than 1 year		**-**	299,917
Later than 1 year		**-**	-
		-	299,917

22 Staff retirement benefits

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

	Note	2023	2022
Present value of defined benefit obligation	**22.1**	**26,500,552**	32,612,167
		26,500,552	32,612,167

22.1 Movement in net obligation

	Note	2023	2022
Opening balance		**32,612,167**	24,442,112
Expense charged to profit or loss account	**22.2**	**3,600,061**	10,952,677
Remeasurements charged in other comprehensive income	**22.3**	**(4,273,298)**	(2,782,622)
Benefits payable transferred to short term liability		**(5,438,378)**	
Closing balance		**26,500,552**	32,612,167

22.2 Charged to profit or loss

		2023	2022
Current service cost		**2,602,741**	9,801,567
Past Service Cost (Credit)		**-**	447,368
Interest cost		**997,320**	703,742
		3,600,061	10,952,677

22.3 Charged to other comprehensive income

		2023	2022
Changes in financial assumptions		**16,754**	58,142
Changes in demographic assumption		**-**	50,862
Experience adjustments		**(4,290,052)**	(2,891,626)
		(4,273,298)	(2,782,622)

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 2023. Significant actuarial assumptions are as follows:

		2023	2022
Discount rate	Per annum	**up to 13.25%**	**up to 10%**
Discount rate used for year-end obligation	Per annum	**up to 16.25%**	**up to 13.25%**
Expected rate of salary increase in future years	Per annum	**up to 15.25%**	**up to 12.25%**

23 Contingencies and commitments

23.1 Contingencies

Parent Company

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

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

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

23.1.2 During financial year 1998-1999, Securities and Exchange Commission of Pakistan ("SECP") raised a demand of Rs. 0.8 Million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in 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. Amina 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 Trail Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities ((Pvt.)) Limited to interfere in the order of the Learned Trail Court passed in 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.

23.11 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. 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 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 2,984,804). Plaintiff has concluded its evidence, now trial is pending for evidence of LSL.

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. 9,953,767). On last date of hearing LSL has deposed its evidence and now the trial is pending for final arguments and judgment.

23.1.21 During the year 2018 via case No. 1/42/2018 plaintiff named Buddhika Suraj Wickramarathna 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	2023 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

2023	2022		2023	2022
-------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
			3,166,101,120	3,166,101,120
316,610,112	316,610,112			

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

	Note	2023		2022	
		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	2023 Rupees	2022 Rupees
25	**Operating revenue**			
	Revenue from construction contracts		**332,419,499**	621,211,947
	Brokerage income		**235,583,578**	430,397,729
	Gain/(Loss) on sale of investments		**(60,425)**	2,595,478
	Investment advisory fee from FCMF and open fund management		**1,907,218**	12,299
			569,849,870	1,054,217,453
	Sales tax		**-**	(357,997)
			569,849,870	1,053,859,456
26	**Direct costs**			
	Salaries and benefits		**29,950,730**	44,376,486
	Electricity and fuel consumed		**10,001,715**	49,693,521
	Postage and communication		**1,361,893**	858,834
	Entertainment		**548,214**	771,317
	Repair and maintenance		**-**	19,011,655
	Other construction expenses		**258,918,273**	365,696,457
	Miscellaneous		**34,961,911**	17,100,362
			335,742,736	497,508,632

27 Unrealized gain/(loss) on re-measurement of 'investments at fair value through profit or loss'

	Note	2023 Rupees	2022 Rupees
Long term investments	10.1	**(3,060,512)**	(13,063,952)
Short term investments	16.2	**(19,145,627)**	(97,737,216)
		(22,206,139)	(110,801,168)

28 Operating and administrative expenses

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits		**181,469,888**	224,990,098
Stock exchange charges		**4,727,829**	4,592,560
Rent, rates and taxes		**1,475,941**	1,802,560
Telephone and fax		**45,070**	299,176
Utilities		**319,884**	238,925
Insurance		**168,830**	-
Printing and stationery		**148,242**	149,248
Travelling and conveyance		**3,122,646**	3,292,535
Repairs and maintenance		**6,035,331**	6,665,531
Postage and courier		**265,357**	3,000
Vehicle running		**6,416,294**	5,836,238
Entertainment		**4,326,941**	5,588,395
Legal and professional charges		**9,966,394**	11,565,513
Security Expense		**-**	750,000
Advertisement		**6,915,320**	9,440,890
Provision for doubtful debts		**8,289,421**	1,140,119
Bad debt written off		**-**	152,450
Auditors' remuneration	**28.1**	**2,893,075**	2,804,936
Amortization of right to use asset	**6.3**	**1,905,111**	6,310,203
Amortization of intangible assets		**62,502**	250,009
Depreciation	**6.1**	**5,360,550**	3,688,396
Miscellaneous		**3,411,470**	9,907,626
		247,326,096	299,468,408
Related to discontinued operations		**886,297**	1,461,410
Related to continuing operations		**246,439,799**	**298,006,998**

28.1 Auditors' remuneration

	Parent company	Subsidiary companies	Total 2023	Total 2022
	---Rupees---			
Annual audit	**750,000**	**1,393,575**	**2,143,575**	2,135,481
Consolidated accounts	**225,000**	**-**	**225,000**	500,000
Half yearly review	**225,000**	**297,000**	**522,000**	478,750
Out of pocket expenses	**-**	**2,500**	**2,500**	123,000
	1,200,000	**1,693,075**	**2,893,075**	3,237,231

29 Other income

	Note	2023 Rupees	2022 Rupees
Income from financial assets			
Income on deposit accounts		**4,304,773**	3,780,373
Interest from staff loans		**22,322**	15,985
Income on term deposits		**88,907,713**	25,052,426
Income from other than financial assets			
Gain on sale of property, plant and equipment		**11,626,263**	14,801,727
Gain on sale of investment property		**7,342,788**	-
Interest income on delayed payments		**18,528,644**	31,896,443
Loss on disposal of subsidiary			
Miscellaneous		**3,149,028**	2,356,774
		133,881,531	77,903,728

	Note	2023 Rupees	2022 Rupees
30 Finance costs			
Mark-up on borrowings		**377,519,716**	287,415,576
Mark-up on short term borrowings		**288**	1,830,092
Exchange Loss		**183,089**	1,133,936
Impact of unwinding		**4,253,757**	62,017,791
Finance charges on assets subject to finance lease		**-**	421,783
Bank charges and commission		**3,215,189**	4,819,534
		385,172,039	357,638,712

31 Taxation

Current	**63,763,852**	102,790,683
Deferred	**8,252,660**	7,501,080
	72,016,512	110,291,763

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

In year 2019 the management of one of the subsidiary company (First Capital Equities Limited) decided to surrender its TREC with Pakistan Stock Exchange and to discontinue stock broker operations due to continuous loss and declining market. The broker operation was not previously classified as a discontinued operation. 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	**2023 Rupees**	2022 Rupees
Operating and administrative expenses		886,297	1,461,410
Taxation		-	-
Loss after taxation from discontinued operations		**886,297**	1,461,410

32.1 Cash flows from/(used in) discontinued operations

Net cash used in operating activities	**(886,297)**	(1,461,410)
Net cash from investing activities	**-**	-
Net cash flow for the year	**(886,297)**	(1,461,410)

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

		2023	2022
Net profit/(loss) for the year from continued operations attributable to shareholder of the parent company	**Rupees**	**(117,800,913)**	156,928,181
Net profit/(loss) for the year from discontinued operations attributable to shareholder of the parent company	**Rupees**	**(649,035)**	(1,070,191)
Weighted average number of ordinary shares as at 30 June	**Numbers**	**316,610,112**	316,610,112
Earning/(loss) per share - basic and diluted--continued operations	**Rupees**	**(0.3721)**	0.4957
Earning/(loss) per share - basic and diluted -- discontinued operations	**Rupees**	**(0.0020)**	(0.0034)

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	**2023** Value of transactions made during the year	2022 Value of transactions made during the year
			---Rupees---	
Bank of Ceylon	Associated	Share transaction	**48,716,814**	**396,163,997**
		Brokerage income	**252,328**	**3,029,119**
		Interest income	**-**	**9,579,844**
		Investment in Repo	**51,355,818**	**15,354,136**
		Investment in fixed deposit	**35,460,271**	**181,920,525**
Merchant Bank of Sri Lanka	Associated company	Share transaction	**149,020,622**	**319,495,273**
		Brokerage income	**611,396**	**2,014,793**
		Investment in fixed deposit	**1,088,450**	**-**
Pace Pakistan Limited	Associated company (share holding 5.11%)	Sale of property	**80,894,000**	**-**
		Payment received	**-**	**-**
		Payment on behalf of group	**8,786,345**	**7,888,457**
		Payments made	**107,891,135**	**56,089,082**
		Sale of goods and services provided	**-**	**424,982,521**
		Payments against Purchase of	**-**	-
First Capital Mutual Fund	Associate (shareholding 63.42%)	Asset management fee	**2,212,373**	**2,595,478**
		Other Receivable	**94,115**	**113,671**
		Payment received	**-**	**6,470,203**
		Investment in units	**-**	**1,000,000**
		Redemption of units	**2,500,000**	**900,000**
Pace Barka Properties Limited	Associate (shareholding 17.95%)	Sale of goods and services	**208,153,797**	**472,019,690**
		Property against sale of goods and services		
		Payment on behalf of group	**197,893,760**	**506,687,285**

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

		2023 Rupees	2022 Rupees
35	**Cash generated from operations**		
	Loss before taxation	**(8,818,378)**	316,107,994
	Adjustments for:		
	Depreciation	**5,360,550**	4,792,186
	Amortization of right of use	**1,905,111**	5,437,024
	Finance cost	**385,172,039**	352,733,909
	Loss/(Gain) on re-measurement of short term investments	**22,206,139**	110,801,168
	Loss/(gain) on re-measurement of investment properties	**(330,860,860)**	(505,586,769)
	Loss/(Gain) on disposal of investment property	**(7,342,788)**	
	Realised (gain)/loss on disposal of investments	**60,425**	
	Return on Deposit Accounts	**-**	(2,104)
	Gain on disposal of property, plant and equipment	**(11,626,263)**	(14,799,916)
	Provision for doubtful debts and bad debts written off	**8,289,421**	1,140,119
	Share received from Mufap		(265,000)
	Share of loss from investments accounted for using equity method	**52,963,629**	55,825,039
	Exchange (Gain)/Loss	**(249,281,682)**	-
	Retirement benefits	**3,600,061**	10,952,677
	Interest income		(58,957,098)
	Bad debts written off	**-**	152,450
	Amortization of intangible assets	**62,501**	250,009
	Capital gain realized		(12,299)
		(119,491,717)	**(37,538,605)**
	Loss before working capital changes	**(128,310,095)**	278,569,389
	Effect on cash flow due to working capital changes:		
	Decrease/(increase) in:		
	Inventories	**-**	-
	Trade debts	**(346,995,668)**	332,935,566
	Loans and advances	**(47,318,415)**	84,672,528
	Prepayments	**(148,045)**	(33,882)
		(394,462,128)	**417,574,212**
	(Decrease)/increase in:		
	Trade and other payables	**279,268,283**	(193,571,816)
		279,268,283	**(193,571,816)**
		(115,193,845)	**224,002,396**
		(243,503,940)	**502,571,785**

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	**2023** **Rupees**	2022 Rupees
Long term deposits and advances		**14,257,827**	4,197,255
Trade debts - net	36.1.2	**612,770,504**	274,064,257
Loans and advances		**337,987,306**	290,668,891
Bank balances	36.1.2	**41,774,294**	66,148,298
		1,006,789,931	635,078,701

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	**2023** **Rupees**	2022 Rupees

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

	2023	2022
Foreign	**396,706,074**	66,070,592
Domestic	**216,064,430**	207,993,665
	612,770,504	274,064,257

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	**2023**	2022
		-----------------Rs.----------------	
Neither past due not impaired		**396,906,274**	66,270,792
Past due 1 - 60 days		**391,766**	391,766
Past due 61 - 120 days		**-**	-
Above 120 days		**207,401,699**	207,401,699
		604,699,739	274,064,257

Bank balances

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

	Note	**2023**	2022
Foreign		**617,640**	10,014,497
Domestic		**41,156,654**	56,133,801
	17	**41,774,294**	66,148,298

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
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	**2023 Rupees**	2022 Rupees
Long term deposits and advances		**14,257,827**	4,197,255
Trade debts - net		**612,770,504**	274,064,257
Loans and advances		**337,987,306**	290,668,891
		965,015,637	568,930,403

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:

	2023				
	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**	**1,784,276,086**	**1,178,060,000**	**-**
Short term borrowings	**5,560,342**	**5,560,342**	**5,560,342**	**-**	**-**
Trade and other payables	**752,088,622**	**752,088,622**	**752,088,622**	**-**	**-**
Accrued markup	**1,271,336,370**	**1,271,336,370**	**1,193,386,850**	**77,949,520**	**-**
	4,991,321,420	**4,991,321,420**	**3,735,311,900**	**1,256,009,520**	**-**

	2022				
	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	1,438,821,540	1,523,514,546	-
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	-

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:

	2023	2022
	Rupees	Rupees
Foreign debtors	**396,706,074**	66,070,592
Foreign currency bank accounts	**617,640**	10,014,497
Foreign creditor and other payables	**460,413,963**	156,162,431
Net exposure	**(63,090,249)**	(80,077,342)

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2023	2022	**2023**	2022
LKR to PKR	**0.732**	0.669	**0.905**	0.560

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.

	2023	2022
	Rupees	Rupees
Net effect on profit or loss	**(6,309,025)**	(8,007,734)
	(6,309,025)	(8,007,734)

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:

	2023	2022	**2023**	2022
	Effective rate		**Carrying amount**	
	(in Percentage)		**(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 2022.

	Profit or loss	
	100 bps Increase	100 bps Decrease
As at 30 June 2023	**Rupees**	
Cash flow sensitivity - Variable rate financial liabilities	**29,623,361**	(29,623,361)
As at 30 June 2022		
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 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Group's equity investment portfolio.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss) before tax
	--------Rupees--------				
2023					
Investments					
Investments at fair value through	**113,843,114**	**10% increase**	**125,227,425**	-	**11,384,311**
profit or loss		**10% decrease**	**102,458,803**	-	**(11,384,311)**
	113,843,114				
2022					
Investments					
Investments at fair value through	138,609,678	10% increase	152,470,646	-	13,860,968
profit or loss		10% decrease	124,748,710	-	(13,860,968)
	138,609,678				

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:

	2023		2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	--------------------------------------Rupees--------------------------------------			
Financial assets				
Long term investments	**8,267,752**	**8,267,752**	8,267,752	8,267,752
Long term deposits and advances - considered good	**14,257,827**	**14,257,827**	14,257,827	14,257,827
Trade debts	**612,770,504**	**612,770,504**	612,770,504	612,770,504
Loans, advances and other receivables	**337,987,306**	**337,987,306**	337,987,306	337,987,306
Short term investments	**753,434,240**	**753,434,240**	753,434,240	753,434,240
Cash and bank balances	**41,939,201**	**41,939,201**	41,939,201	41,939,201
	1,768,656,830	**1,768,656,830**	1,768,656,830	1,768,656,830

	2023		2022	
	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	**1,271,336,370**	**1,271,336,370**	889,562,897	889,562,897
Trade and other payables	**752,088,622**	**752,088,622**	472,820,339	472,820,339
	4,985,761,078	**4,985,761,078**	4,324,719,322	4,324,719,322

b) Valuation of financial instruments

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

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

Level 2: Valuation techniques based on observable inputs.

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

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

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

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

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

30 June 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities	**Rupees**			
Long term investments	**8,267,752**			**8,267,752**
Short term investments	**105,575,362**	**-**	-	**105,575,362**
	113,843,114	**-**	**-**	**113,843,114**
30 June 2022				
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

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 2023 and at 30 June 2022 were as follows:

	2023	2022
	Rupees	Rupees
Total debt	**2,962,336,086**	2,962,336,086
Total equity and debt	**4,985,329,813**	4,857,105,793
Debt-to-equity ratio	**59.42%**	60.99%

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

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

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	
	2023	2022	**2023**	2022	**2023**	2022
	Rupees					
Short Term Employee Benefits						
Managerial remuneration	**2,400,000**	2,400,000	**-**	-	**16,189,655**	38,321,659
Reimbursable expenses	**-**	-	**-**	-		
Medical	**-**	-	**-**	-	**34,796**	72,522
House rent	**-**	-	**-**	-	**-**	-
Post Employment Benefits						
Provision for gratuity	**706,414**	632,938	**-**	-	**2,711,503**	5,778,191
	3,106,414	3,032,938	**-**	-	**18,935,954**	44,172,372
Number of persons	**1**	1	**6**	6	**7**	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:

	2023	2022
Holding Company		
Average number of employees during the year	**4**	7
Total number of employees as at 30 June	**3**	4
Subsidiary Companies		
Average number of employees during the year	**84**	76
Total number of employees as at 30 June	**84**	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		Real Estate		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rupees							
External revenues	**235,583,578**	430,397,729	**1,846,793**	2,249,780	**332,419,499**	621,211,947	**569,849,870**	1,053,859,456
Direct cost	**(16,898,801)**	(10,330,148)	**-**	-	**(318,843,935)**	(487,178,484)	**(335,742,736)**	(497,508,632)
Operating expenses	**(212,493,512)**	(265,968,110)	**(11,358,333)**	(13,080,045)	**(23,474,251)**	(20,420,253)	**(247,326,096)**	(299,468,408)
Other income	**109,434,974**	60,355,301	**11,216,571**	15,812,916	**13,229,986**	1,735,511	**133,881,531**	77,903,728
Finance cost	**(315,907,518)**	(313,023,992)	**(3,534)**	(5,776)	**(69,260,987)**	(44,608,944)	**(385,172,039)**	(357,638,712)
Gain on investment properties	**330,154,761**	500,043,656	**-**	-	**706,099**	5,543,113	**330,860,860**	505,586,769
Unrealized gain / (loss) on re-measurement of short investment	**(8,667,996)**	(42,393,239)	**(2,052,507)**	(19,335,156)	**(11,485,635)**	(49,072,773)	**(22,206,138)**	(110,801,168)
Share of loss from investments accounted for using the equity method	**(52,963,629)**	(55,825,039)	**-**	-	**-**	-	**(52,963,629)**	(55,825,039)
Profit / (loss) before taxation	**68,241,857**	303,256,158	**(351,010)**	(14,358,281)	**(76,709,224)**	27,210,117	**(8,818,377)**	316,107,994
Taxation expense for the year	**(46,973,080)**	(71,632,276)	**(57,217)**	(67,124)	**(24,986,215)**	(38,592,363)	**(72,016,512)**	(110,291,763)
Profit / (loss) after taxation	**21,268,777**	231,623,882	**(408,227)**	(14,425,405)	**(101,695,439)**	(11,382,246)	**(80,834,889)**	205,816,231
Other information								
Segment assets	**4,776,398,119**	3,914,599,286	**213,329,127**	212,815,034	**2,226,551,107**	2,269,303,241	**7,216,278,353**	6,396,717,561
Segment liabilities	**3,420,214,819**	2,815,224,578	**12,422,126**	11,770,104	**1,760,647,681**	1,674,953,172	**5,193,284,626**	4,501,947,854
Depreciation	**3,848,561**	3,086,811	**1,126,455**	126,872	**385,534**	474,713	**5,360,550**	**3,688,396**
Capital expenditure	**1,657,819**	12,290,487	**15,000,000**	-	**-**	586,300	**16,657,819**	**12,876,787**

	2023 Rupees	2022 Rupees

40.2 Reconciliation of assets

Assets

	2023 Rupees	2022 Rupees
Total assets of reportable segments	**6,722,603,923**	5,853,966,215
Investments accounted for using the equity method	**493,674,430**	542,751,346
Consolidated total assets	**7,216,278,353**	**6,396,717,561**

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.

	2023 Rupees	2022 Rupees

40.3.1 Revenue

	2023 Rupees	2022 Rupees
Pakistan	**334,266,292**	623,461,727
Sri Lanka	**235,583,578**	430,397,729
	569,849,870	1,053,859,456

40.3.2 Non-current assets

	2023 Rupees	2022 Rupees
Pakistan	**5,175,644,557**	4,937,726,285
Sri Lanka	**3,248,767**	4,032,215
	5,178,893,324	4,941,758,500

40.4 Revenue on the basis of major products and services

	2023 Rupees	2022 Rupees
Money market income		
(Loss) / gain on sale of investments	**(60,425)**	2,237,481
Investment advisory fee from FCMF	**1,907,218**	12,299
Brokerage income	**235,583,578**	430,397,729
Revenue against construction contracts	**332,419,499**	621,211,947
	569,849,870	1,053,859,456

41 Interests in other entities

41.1 Material subsidiaries

The Group's principal subsidiaries as at June 30, 2023 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
		2023	2022	2023	2022	
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	
	2023	2022	**2023**	2022	**2023**	2022
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Summarized balance sheet						
Current assets	**81,985,092**	95,085,301	**1,090,968,934**	488,208,870	**508,190,343**	520,714,719
Current liabilities	**19,364,326**	14,353,253	**515,778,021**	198,612,245	**1,016,225,439**	1,016,203,344
Current net assets / (liabilities)	**62,620,766**	80,732,048	**575,190,913**	289,596,625	**(508,035,096)**	(495,488,625)
Non-current assets	**141,066,507**	127,433,064	**5,409,993**	4,065,330	**842,802,057**	848,332,346
Non-current liabilities	**2,780,274**	7,120,183	**363,915**	932,790	**-**	-
Non-current net assets/(liabilities)	**138,286,233**	120,312,881	**5,046,078**	3,132,540	**842,802,057**	848,332,346
Net assets	**200,906,999**	201,044,929	**580,236,991**	292,729,165	**334,766,961**	352,843,721
Accumulated non-controlling interests	**42,471,740**	42,500,898	**284,316,126**	143,437,291	**89,617,115**	94,456,264
Summarized statement of comprehensive income						
Revenue (continued & discontinued operation) Net of unrealized gain/loss	**(127,093)**	(17,030,947)	**235,583,578**	430,397,729	**(77,011,398)**	(77,011,398)
Profit/(loss) for the year after tax	**(408,227)**	(14,425,404)	**83,764,636**	163,065,302	**(79,601,954)**	(79,601,954)
Other comprehensive income/(loss)	**270,297**	(743,547)	**2,844,292**	2,502,316	**-**	-
Total comprehensive income/(loss)	**(137,930)**	(15,168,951)	**86,608,928**	165,567,618	**(79,601,954)**	(79,601,954)
Profit/(loss) allocated to NCI	**(86,299)**	(3,049,530)	**41,044,672**	79,901,998	**(21,309,443)**	(21,309,443)
Other comprehensive income/(loss) allocated to NCI	**57,141**	(157,186)	**1,393,703**	1,226,135	**-**	-
Dividends paid to NCI	**-**	-	**-**	-	**-**	-
Summarized cash flows						
Cash flows from operating activities	**3,850,583**	(6,642,001)	**529,296,697**	143,822,369	**(50,039)**	**(50,039)**
Cash flows from investing activities	**(3,750,025)**	5,526,445	**106,421,264**	(141,809,810)	**-**	-
Cash flows from financing activities	**-**	-	**-**	-	**-**	-
Net (decrease)/increase in cash and cash equivalents	**100,558**	(1,115,556)	**635,717,961**	2,012,559	**(50,039)**	(50,039)

41.3 Interests in associates

Set out below are the associates of the group as at 30 June 2023 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	
		2023	**2022**	**2023**	2022	**2023**	2022
First Capital Mutual Fund	Pakistan	**75.00%**	**74.00%**	**-**	-	**-**	-
Media Times Limited	Pakistan	**33.32%**	**33.32%**	**95,347,632**	118,588,617	**-**	-
Pace Barka Properties Limited	Pakistan	**17.95%**	**17.95%**	**-**	-	**493,561,930**	672,865,737
Pace Super Mall	Pakistan	**0.10%**	**0.10%**	**-**	-	**112,500**	112,500
				95,347,632	118,588,617	**493,674,430**	672,978,237

41.4 Commitments and contingent liabilities in respect of associates

No commitments and contingent liabilities in respect of associates exist as at 30 June 2023.

41.5 Summarized financial information for associates

	First Capital Mutual Fund		Media Times Limited		Pace Barka Properties Limited	
	2023	2022	**2023**	2022	**2023**	2022
Summarized balance sheet						
	----------Rs.----------				----------Rs'000----------	
Current assets	**111,379,611**	117,403,573	**36,264,612**	54,563,313	**2,140,359**	2,140,359
Current liabilities	**20,143,940**	20,574,141	**901,978,348**	826,681,456	**922,168**	922,168
Current net assets / (liabilities)	**91,235,671**	96,829,432	**(865,713,736)**	(772,118,143)	**1,218,191**	1,218,191
Non-current assets	-	-	**231,073,464**	262,829,863	**5,147,306**	5,147,306
Non-current liabilities	-	-	**416,865,306**	535,213,814	**985,715**	985,715
Non-current net assets	**-**	-	**(185,791,842)**	(272,383,951)	**4,161,591**	4,161,591
Net assets/(liabilities)	**91,235,671**	96,829,432	**(1,051,505,578)**	(1,044,502,094)	**5,379,782**	5,379,782
Summarized statement of comprehensive income						
Revenue/(loss)	**(13,759,588)**	(33,708,124)	**110,970,600**	150,793,951	**311,886**	674,154
Profit/(loss) for the year	**(2,342,876)**	(28,232,118)	**(110,540,094)**	(83,776,769)	**(295,062)**	(311,003)
Other comprehensive (loss)/income	**-**	-	**2,693,450**	(2,476,065)	**(765)**	1,026,375
Total comprehensive income/(loss)	**(2,342,876)**	(28,232,118)	**(107,846,644)**	(86,252,834)	**(295,827)**	715,372

42 Date of authorization for issue

These consolidated financial statements were authorized for issue on 03-11-2023 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.

Chief Executive Officer	Chief Financial Officer	Director

FCSC

FORM OF PROXY

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

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

Shares Held: __________________

I/We____ S/o D/o W/o ___________________________________CNIC ________________________being the member(s) of First Capital Securities Corporation Limited hereby appoint Mr./Mrs./Ms./ ____________________________S/o D/o W/o ______________________CNIC _______________________ or failing him / her Mr. / Mrs. Miss ________________________ S/o. D/o. W/o. _____________________________ CNIC __________________________as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting of the Company to be held on 27 November 2023 at 11:30 a.m. and at any adjournment thereof.

Signed under my/our hands on this __________________day of _____________, 2023

Affix Revenue Stamp of
Rupees Fifty

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

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

Notes

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

2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.

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

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

پراکسی فارم

فولیونمبر/CDC اکاؤنٹ نمبر: ______________
ملکیتی حصص: ______________

کمپنی سیکریٹری

فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ

فرسٹ کیپٹل ہاؤس

96-B/1، ایم ایم عالم روڈ،

گلبرگ-III، لاہور

میں/ہم..ولد/ بنت/ زوجہ...شناختی کارڈ نمبر..

بطور رکن (اراکین) فرسٹ کیپٹل سکیورٹیز کارپوریشن لمیٹڈ مسمی/مسماۃ.. ولد/ بنت/ زوجہ ....

شناختی کارڈ نمبر .... یا اس /ان کی عدم حاضری پر مسمی/مسماۃ...

ولد/ بنت/ زوجہ.......................................شناختی کارڈ نمبر.....................................کو مؤرخہ 27 نومبر 2023ء کو دن 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا مابعد نشست میں اپنی جانب سے ووٹ کرنے کے لئے اپنا پراکسی مقرر کرتا/ کرتی / کرتے ہوں/ ہیں۔

مؤرخہ..............................2023ء کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی ریوینیو ٹکٹ چسپاں کریں

____

دستخط رکن

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

مندرجہ ذیل کی موجودگی میں دستخط کئے گئے:

______________________ **دستخط گواہ 1** نام: .... شناختی کارڈ:..	______________________ **دستخط گواہ 2** نام: .... شناختی کارڈ:..

مندرجات:

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

(2) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر 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، لوئر گراؤنڈ فلور، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے۔

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