

FIRST CAPITAL SECURITIES CORPORATION LIMITED

FINANCIAL STATEMENTS AS AT JUNE 30, 2018

STATEMENT OF FINANCIAL POSITION

STATEMENT OF PROFIT OR LOSS

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO THE FINANCIAL STATEMENTS

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	150,936,338	147,356,780
Investment properties	7	1,547,590,000	163,092,400
Long term investments	8	1,734,926,701	1,873,748,445
Long term deposits	9	37,500	37,500
		<u>3,433,490,539</u>	<u>2,184,235,125</u>
CURRENT ASSETS			
Trade debts - unsecured, considered good	10	1,964,909	2,673,997
Loans, advances, prepayments and other receivables	11	126,004,120	68,524,173
Short term investments	12	31,079,421	69,421,355
Advance tax	13	6,956,366	31,009,439
Cash and bank balances	14	3,081,554	1,159,924
		<u>169,086,370</u>	<u>172,788,888</u>
CURRENT LIABILITIES			
Trade and other payables	15	436,794,542	32,231,722
NET CURRENT ASSETS		<u>(267,708,172)</u>	<u>140,557,166</u>
		<u>3,165,782,367</u>	<u>2,324,792,291</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits payable	16	11,238,402	10,367,949
Long term payable	17	1,105,113,041	890,400
		<u>1,116,351,443</u>	<u>11,258,349</u>
Contingencies and commitments	18		
		<u>2,049,430,924</u>	<u>2,313,533,942</u>
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (2017: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up capital	19	3,166,101,120	3,166,101,120
Reserves		2,715,886	63,823,326
Retained earnings		(1,119,386,082)	(916,390,504)
		<u>2,049,430,924</u>	<u>2,313,533,942</u>

The annexed notes 1 to 34 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, 2018

	Note	2018 Rupees	2017 Rupees
Revenue			
Money market services	20	10,783,757	12,691,913
Dividend income	21	89,420	514,212
Investment property rentals		320,000	384,000
(Loss)/Gain on disposal of short term investments	12	(7,507,695)	4,750,270
Loss on disposal of investment properties	7	(46,029,400)	-
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	12	(23,595,424)	10,198,763
Change in fair value of investment properties	7	(1,622,000)	(77,600)
		(67,561,342)	28,461,558
Expenses			
Impairment loss on 'available-for- sale' investments	22	(77,714,304)	(1,940,523,843)
Operating and administrative expenses	23	(63,742,988)	(43,595,798)
Operating loss		(209,018,634)	(1,955,658,083)
Other income	24	12,129,108	16,936,377
Finance cost	25	(5,133,556)	(27,787)
Loss before taxation		(202,023,082)	(1,938,749,493)
Taxation	26	(1,617,449)	(1,124,512)
Loss after taxation		(203,640,531)	(1,939,874,005)
(Loss)/earnings per share			
- basic and diluted	27	(0.64)	(6.13)

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive Officer

Chief Executive Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
Loss after taxation	(203,640,531)	(1,939,874,005)
Other comprehensive (loss)/income for the year:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of post retirement benefit obligation	644,953	(9,701)
<i>Items that may subsequently reclassified to profit or loss:</i>		
Change in fair value of available-for-sale financial assets	(61,107,440)	63,823,326
Other comprehensive (loss)/income for the year - net of tax	(60,462,487)	63,813,625
Total comprehensive loss for the year - net of tax	(264,103,018)	(1,876,060,380)

The annexed notes 1 to 34 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, 2018

	2018	2017
	Rupees	Rupees
Cash flows from operating activities		
(Loss) before taxation	(202,023,082)	(1,938,749,493)
<i>Adjustments for:</i>		
Finance cost	5,133,556	27,787
Dividend income	(89,420)	(514,212)
Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss'	23,595,424	(10,198,763)
Change in value of investment properties	1,622,000	77,600
Impairment loss on 'available-for-sale' investments	77,714,304	1,940,523,843
Liabilities written back	(665,209)	(5,035,732)
Gain on sale of property, plant and equipment	-	(331,641)
Depreciation	17,814,705	17,901,474
Interest income	(25,940)	(58,909)
Loss on disposal of investment property	46,029,400	-
Provision for staff retirement benefits	1,634,999	1,562,501
	172,763,819	1,943,953,948
Profit before working capital changes	(29,259,263)	5,204,455
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets:</i>		
Trade debts	709,088	281,178
Loans, advances, prepayments and other receivables	13,365,473	(6,361,427)
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	405,228,029	4,362,658
	419,302,590	(1,717,591)
Cash generated from operations	390,043,327	3,486,864
<i>Increase in non-current liabilities:</i>		
Staff retirement benefits paid	(119,593)	(441,940)
Finance cost paid	(20,515)	(27,787)
Taxes paid/adjusted-net	22,435,624	(1,130,399)
	22,295,516	(1,600,126)
Net cash inflow from operating activities	412,338,843	1,886,738
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,085,250)	-
Purchase of capital work in progress	(25,334,248)	-
Proceed from sale of capital work in progress	5,025,235	514,212
Purchase of investment property	(1,540,000,000)	-
Sale proceed for disposal of investment property	37,095,000	-
Proceeds from disposal of property, plant and equipment	-	755,000
Proceeds from disposal of investments	14,746,510	5,056,912
Long term deposits	-	1,085,250
Interest received	25,940	58,909
	(1,509,526,813)	7,470,283
Net cash used in investing activities		
Cash flows from financing activities		
Loan acquired during the year	1,100,000,000	-
Repayment of long term loan	(890,400)	(8,946,666)
Net cash generated from financing activities	1,099,109,600	(8,946,666)
Net increase/(decrease) in cash and cash equivalents	1,921,630	410,355
Cash and cash equivalents at the beginning of the year	1,159,924	749,569
Cash and cash equivalents at the end of the year	3,081,554	1,159,924

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Share Capital	Revenue reserve		Total
		Fair value reserve	Retained earnings	
----- Rupees -----				
Balance as at July 01, 2016	3,166,101,120	-	1,023,493,202	4,189,594,322
Loss for the year	-	-	(1,939,874,005)	(1,939,874,005)
Other comprehensive income for the year - net of tax	-	63,823,326	(9,701)	63,813,625
Total comprehensive loss for the year - net of tax	-	63,823,326	(1,939,883,706)	(1,876,060,380)
Balance as at June 30, 2017	3,166,101,120	63,823,326	(916,390,504)	2,313,533,942
Loss for the year	-	-	(203,640,531)	(203,640,531)
Other comprehensive loss for the year - net of tax	-	(61,107,440)	644,953	(60,462,487)
Total comprehensive loss for the year - net of tax	-	(61,107,440)	(202,995,578)	(264,103,018)
Balance as at June 30, 2018	3,166,101,120	2,715,886	(1,119,386,082)	2,049,430,924

The annexed notes 1 to 34 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, 2018

1 Legal status and nature of business

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

Geographical location and location of other offices are as under:

Lahore-Head Office

2nd Floor Pace Shopping Mall, Fortress
 Stadium Lahore Cantt, Lahore

Karachi-Corporate Office

4th Floor, Block B,C,D Lakson Square
 Building No,01 Sarwar Shaheed Road Karachi

2 Basis of preparation

2.1 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 %	
			2018	2017
First Capital Investments Limited (FCIL)	Pakistan	Providing asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.	78.86	78.86
Lanka Securities (Private) Limited (LSL)	Sri Lanka	Sale / purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	51.00	51.00
World Press (Private) Limited (WPL)	Pakistan	Carrying on the business of printing, publishing, packaging, advertisement and specialized directory business, stationers and dealing in all allied products.	65.00	65.00
First Capital Equities Limited (FCEL)	Pakistan	Sale / purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	73.23	73.23
Ever Green Water Valley (Private) Limited	Pakistan	Installation and manufacturing of water purification plants, RO systems, water softness system and other related activities. The company is also engaged in construction activities.	100.00	100.00
Falcon Commodities (Private) Limited (FCL)	Pakistan	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited.	100.00	100.00
First Construction Limited	Pakistan	A construction company.	100.00	100.00
Ozer Investments Limited (OIL)	Sri Lanka	OIL has not yet started its commercial activity however main objects are providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage.	100.00	100.00

Associates

- Pace Barka Properties Limited,	Pakistan	A real estate services company	17.95	17.95
- Pace Super Mall (Private) Limited	Pakistan	A real estate services company	0.07	0.07
- Media Times Limited,	Pakistan	A media company	25.31	25.31
- Pace (Pakistan) Limited	Pakistan	A real estate services company	2.38	2.69

2.2 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.

2.3 Basis of measurement

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

2.4 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 5.4
c)	Provisions and contingencies	Note 5.13 & Note 18
d)	Valuation of investment properties	Note 5.5
e)	Staff retirement benefits	Note 5.14
f)	Provision for taxation	Note 5.16

3 Summary of significant transactions and events that have affected the Company's financial position and performance during the year

- a) Due to first time application of financial reporting requirements under the Companies Act, 2017 (the Act) including disclosures and presentation requirements of the fourth schedule of the Act, some of the amounts reported for the previous period have been reclassified as disclosed in relevant area in these financial statements.
- b) The company have made substantial sale and purchase of investment property and entered into a diminishing musharaka agreement during the year as disclosed in Note:7 and Note:17 respectively.
- c) Other significant transactions and events have been adequately disclosed in the financial statements. For a detailed performance review, refer to the Directors' report.

4 Initial application of new standards, interpretations or amendments to existing standards

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

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

IAS 7 - Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The other new standards, amendments/improvements to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 01, 2018
IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
IFRS 16 - Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 -Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The following interpretations issued by the IASB have not yet adopted by SECP:

IFRIC 4 – Determining whether an arrangement contains lease

IFRIC 12 – Service concession arrangements

5 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

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

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

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

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30 2018 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 5.4).

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 Operating leases

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

5.4 Impairment

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognized in the profit or loss account. Individually significant financial assets are tested for impairment on individual basis. An impairment loss in respect of available-for-sale financial assets is calculated by the reference to its current fair value. Any cumulative loss in respect of an available-for-sale financial assets recognised previously in equity is transferred to profit or loss.

Impairment losses are reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

5.5 Investment properties

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

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 5.15.

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

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

5.6 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year.

Financial instruments carried in statement of financial position include long term deposits, short term investments, long term investments, trade debts, loans, advances, and other receivables, cash and bank balances, accrued finance cost, long term payable and trade and other payables.

All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.7 Investments

Investment in equity instruments of subsidiaries and associates

Investment in subsidiaries and associates are classified as available-for-sale, for the purpose of measurement in the Company's separate financial statements.

Investments at fair value through profit or loss

These include investments classified as held for trading or upon initial recognition are designated by the Company at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in profit or loss. Fair value of investments is their quoted bid price at the statement of financial position date. Transaction costs are charged to profit or loss currently.

Investments available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available-for-sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist which are stated at cost less identified impairment) with any resulting gains and losses which are charged to statement of comprehensive income, until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to profit or loss. The fair values of quoted investments are based on current prices. Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each reporting period. Impairment loss, if any, is charged to profit or loss currently.

The Company assesses at each statement of financial position date whether there is an objective evidence that an investment or a group of investments is impaired. If any such evidence exists for available for sale investments, the cumulative loss is removed from equity and recognised in the profit or loss account. Impairment losses recognized in the profit or loss account on equity instruments are not reversed through profit or loss..

5.8 Trade debts

Trade debts are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debts are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

5.9 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.

5.10 Trade and other payables

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

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

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

5.12 Interest bearing borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

5.13 Provisions

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

5.14 Staff retirement benefits

Defined benefit plan

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

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

Accumulating compensated absences

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

The un-utilized earned leave of employees and executives can be accumulated up to a maximum of 40 days and 60 days respectively and can be utilized at any time subject to the approval. Earned leaves in excess of afore mentioned days shall lapse. An employee will be entitled to encash the accumulated earned leaves at the time of leaving Company's service. The earned leave encashment is made on last drawn gross salary.

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

5.15 Revenue recognition

Capital gains or losses on sale of investments are recognised in the year in which they arise.

Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided.

Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.

Dividend income is recognized when the right to receive the dividend is established i.e. at the time of closure of share transfer book of the Company declaring the dividend.

Return on securities other than shares is recognized as and when it is due on time proportion basis.

Mark-up/interest income is recognized on accrual basis.

Rental income from investment properties is credited to profit or loss on accrual basis.

5.16 Taxation

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

Current

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

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

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

5.17 Related Party transactions

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

5.18 Functional and presentation currency

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

5.19 Foreign currency

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

5.20 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.

6 Property, plant and equipment

Operating fixed assets

Capital work in progress (CWIP)

Note	2018	2017
	Rupees	Rupees
6.1	18,511,232	35,240,687
6.2	132,425,106	112,116,093
	<u>150,936,338</u>	<u>147,356,780</u>

6.1 Operating fixed assets

COST	Leasehold improvements	Computers	Office equipment	Furniture & fixtures	Plant, machinery and equipment	Vehicles	Total
	(Rupees)						
Balance as at 1 July 2016	470,315	720,622	2,061,090	154,000	88,250,000	7,839,480	99,495,507
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(1,119,500)	(1,119,500)
Balance as at 30 June 2017	470,315	720,622	2,061,090	154,000	88,250,000	6,719,980	98,376,007
Balance as at 1 July 2017	470,315	720,622	2,061,090	154,000	88,250,000	6,719,980	98,376,007
Additions during the year	-	-	-	-	-	1,085,250	1,085,250
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2018	470,315	720,622	2,061,090	154,000	88,250,000	7,805,230	99,461,257
DEPRECIATION							
Balance as at 1 July 2016	470,315	661,436	1,967,853	144,197	35,445,068	7,241,118	45,929,987
Charge for the year	-	43,149	27,273	6,049	17,650,000	175,003	17,901,474
Disposals during the year	-	-	-	-	-	(696,141)	(696,141)
Balance as at 30 June 2017	470,315	704,585	1,995,126	150,246	53,095,068	6,719,980	63,135,320
Balance as at 1 July 2017	470,315	704,585	1,995,126	150,246	53,095,068	6,719,980	63,135,320
Charge for the year	-	16,037	15,789	3,244	17,650,000	129,635	17,814,705
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2018	470,315	720,622	2,010,915	153,490	70,745,068	6,849,615	80,950,025
Book value as at 30 June 2017	-	16,037	65,964	3,754	35,154,932	-	35,240,687
Book value as at 30 June 2018	-	-	50,175	510	17,504,932	955,615	18,511,232
Annual depreciation rate %	10%	33%	10%	10%	20%	20%	

6.1.1 Assets with cost of Rs 9,945,108 (2017 : Rs 9,822,129) are carried at nil book value.

6.2 Capital work in progress (CWIP)

		2018	2017
	Note	Rupees	Rupees
Opening balance			
Additions during the year		112,116,093	112,116,093
Disposals during the year	6.2.2	25,334,248	-
Closing balance	6.2.2	(5,025,235)	
	6.2.1	132,425,106	112,116,093

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 107,090,858 (2017: Rs 107,090,858) and Rs. 25,334,248 (2017: Rs 5,025,235) respectively. Construction work on these properties is in progress as at 30 June 2018.

6.2.2 During the year properties have been purchased from Pace Barka Properties Limited amounting Rs. 25,334,248 against the settlement of receivable balance and exchange of property.

6.2.3 The Company does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2017: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2017 Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.33 million (2017: Rs. Nil) is held in the name of Pace Barka Properties Limited. The title of these properties will be transferred on completion. However, the Company has complete control and possession of said property.

7 Investment properties

		2018	2017
	Note	Rupees	Rupees
Opening balance		163,092,400	163,170,000
Additions during the year	30	1,540,000,000	-
Disposals during the year		(153,880,400)	
Fair value adjustment	7.3	(1,622,000)	(77,600)
Closing balance		1,547,590,000	163,092,400

7.1 Investment property amounting Rs. 1,500 Million (2017: NIL) 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. 1,547 Million (Rs. 26.39 Million), title of property amounting Rs. 1,541 Million and Rs 6.46 Million is held in the name of Pace (Pakistan) Limited and First Capital Equities 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 The direct expense relating to investment property are Rs. 20,000 (2017 : 32,000)

7.3 Fair value of investment properties is determined by an independent professional valuer. Latest valuation of these properties was carried out on June 30, 2018 by an approved independent valuer present on panel of Pakistan Bankers Association, M/s Negotiators. The table below analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

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

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

The following table presents the Company's investment properties that are measured at fair value at June 30, 2017:

Fair value
measurements at 30
June 2017 using
significant other
observable inputs
(Level 2)
Rupees

Recurring fair value measurements

Investment properties 163,092,400

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2017 or 2018.

Valuation techniques used to derive level 2 fair values:

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

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

- Various shops situated at Pace Shopping Mall, Mouza Dhola Zari G.T. Road, Gujranwala, having area of 196 Sqft (2017: 4181 sqft) and force sale value of Rs. 5,821,200 (2017: Rs. 146,783,160).

- Plot-D situated Near Rangers Headquarters Lahore Cantt, having area of 87444 Sqft (2017: NIL) and force sale value of Rs. 1,351,009,800 (2017: NIL).

- Various shops measuring 4000 sqft (2017: NIL) situated at 5th Floor, Pace Shopping Mall, Model Town Link Road, Lahore and force sale value of Rs. 36,000,000 (2017: Rs. Nil).

7.5 Disposals of Investment properties

	Revalued Amount	Book Value	Sale price	Gain / (Loss)	Mode of disposal	Particulars of the purchaser
	Rupees					
Shops at Pace Shopping Mall, Fortress Lahore	7,524,000	7,524,000	15,105,000	7,581,000	Negotiation	Syed Muhammad Salman Zaidi
	6,256,800	6,256,800	12,561,000	6,304,200		
	3,405,600	3,405,600	6,837,000	3,431,400		
Shops at Pace Shopping Mall, Gujranwala	45,264,000	45,264,000	24,288,000	(20,976,000)		
	61,500,000	61,500,000	33,000,000	(28,500,000)		
	29,930,000	29,930,000	16,060,000	(13,870,000)		
Total	153,880,400	153,880,400	107,851,000	(46,029,400)		

8	Long term investments - available-for-sale	Note	2018	2017
			Rupees	Rupees
Investment in related parties				
	Subsidiary companies - Unquoted	8.1	239,954,259	255,572,043
	Associated companies - Unquoted	8.2	547,313,110	547,313,110
	Associated company - Quoted	8.3	78,308,052	139,415,492
	Subsidiary company - Quoted	8.4	869,351,280	931,447,800
			1,734,926,701	1,873,748,445

	Note	Shares		Cost		Percentage of holding	
		2018	2017	2018	2017	2018	2017
		Number		Rupees		%	
8.1	Subsidiary companies - unquoted - at cost						
First Capital Investments Limited		16,561,634	16,561,634	156,051,450	156,051,450	78.86%	78.86%
Lanka Securities (Private) Limited	8.1.2	9,166,886	9,166,886	46,229,683	46,229,683	51.00%	51.00%
World Press (Private) Limited	8.1.1	1,949,041	1,949,041	6,073,126	19,490,410	65.00%	65.00%
Falcon Commodities (Private) Limited	8.1.1	3,150,000	3,150,000	5,150,000	7,150,500	100.00%	100.00%
Evergreen Water valley (Private) Limited		715,400	715,400	26,450,000	26,450,000	100.00%	100.00%
Ozer Investments Limited		1,000	1,000	-	-	100.00%	100.00%
First Construction Limited	8.1.1	20,000	20,000	-	200,000	100.00%	100.00%
				239,954,259	255,572,043		

8.1.1 During the year investment in World Press (Private) Limited, Falcon Commodities (Pvt.) Limited and First Construction Limited are impaired and impairment is charged to Statement of Profit or Loss.

8.1.2 During the financial year 2000-2001, the Company has made an investment of 148,575 US Dollars (8,170,141 PKR) in Lanka Securities (Pvt.) Limited (LSPL), subsidiary of the Company, incorporated and domiciled in Sri Lanka subscribing 3,564,900 ordinary shares of LSPL @ 2.29/ PKR-each. Subsequently during the financial year 2007-2008 the company made a further investment of 626,429 US Dollars (38,059,842 PKR) subscribing 3,564,900 ordinary shares. The company have received return amounting 1,477,781 US Dollars (122,396,661 PKR) to date from LSPL.

8.2 Associated companies - unquoted - at cost

	Note	Shares		Cost		Percentage of holding	
		2018	2017	2018	2017	2018	2017
		Number		Rupees		%	
Pace Barka Properties Limited		54,790,561	54,790,561	547,200,610	547,200,610	17.95%	17.95%
Pace Super Mall Private Limited		11,250	11,250	112,500	112,500	0.07%	0.07%
	8.2.1			547,313,110	547,313,110		

8.2.1 The Company's investment in Pace Barka Properties Limited and Pace Super Mall Private Limited is less than 20% but they are considered to be 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.

8.3 Associated company - quoted - at fair value

	Note	Shares		Market value		Market value per share		Percentage of holding	
		2018	2017	2018	2017	2018	2017	2018	2017
		Number		Rupees		Rupees		%	
Media Times Limited	8.3.1 & 8.3.2	45,264,770	45,264,770	78,308,052	139,415,492	1.73	3.08	25.31%	25.31%

8.3.1 Increase/(decrease) in value of investment amounts of Rs. (61,107,440) (2017: Rs 63,823,326) represents change in value of investment during the year.

8.3.2 This includes NIL (2017: 1,790,000) shares having carrying value Rs. NIL (2017: 5,513,200) are pledged with bank.

8.4 Subsidiary companies - at fair value

	Note	Shares		Market value		Market value per share		Percentage of holding	
		2018	2017	2018	2017	2018	2017	2018	2017
		Number		Rupees		Rupees		%	
First Capital Equities Limited	8.4.1	103,494,200	103,494,200	869,351,280	931,447,800	8.40	9.00	73.23%	73.23%

8.4.1 Decrease in value of investment amounts to Rs. 62,096,520 (2017: 1,940,516,250) represents provision for diminution in value of investment charged for the year due to decrease in market value per share at the end of the year.

8.5 All investee companies incorporated in Pakistan except for Lanka Securities (Pvt.) Ltd. and Ozer Investments Ltd. which are incorporated in Sri Lanka. Shares of all investee companies are fully paid-up ordinary shares, having a face value of Rs. 10 per share except for Evergreen Water Valley (Pvt.) Limited, Lanka Securities (Pvt.) Ltd and Ozer Investments Ltd. where face value of share is Rs.100, 7.59 and 7.59 respectively.

8.6 Investments in subsidiaries and associates have been made in accordance with the requirements of Companies Act, 2017.

		2018	2017
	Note	Rupees	Rupees
9 Long term deposits			
Other deposits		37,500	37,500
10 Trade debts-unsecured, considered good			
Money market receivables		1,964,909	2,667,234
Receivable against trade of shares		-	6,763
		1,964,909	2,673,997
11 Loans, advances, prepayments and other receivables			
Loans and advances			
Advances to staff - secured, considered good	11.1	268,700	148,500
Due from related parties - unsecured, considered good	11.2	89,420	48,422,022
		358,120	48,570,522
Short term deposits and prepayments			
Prepayments		-	39,445
Ijarah deposit		-	1,085,250
Advance against purchase of property	11.3	36,195,000	-
		36,195,000	1,124,695
Other receivables			
Receivable against sale of capital work in progress	11.4	18,695,000	18,695,000
Receivable against sale of investment property	11.5	70,756,000	-
Rent receivable		-	133,956
		89,451,000	18,828,956
		126,004,120	68,524,173

11.1 This includes advance amounting Rs. Nil (2017: Rs. Ni) to Executive, Chief Executive Officer and Directors of the Company. Comparative figures have been restated to reflect changes in the definition of executives as per Companies Act, 2017.

		2018	2017
	Note	Rupees	Rupees
11.2 Due from related parties - unsecured, considered good			
Pace Barka Properties Limited	11.2.1	-	21,522,022
Evergreen Water Valley (Private) Limited		-	26,900,000
First Capital Mutual Fund	11.2.3	89,420	-
	11.2.2	89,420	48,422,022

11.2.1 During the year properties have been purchased from Pace Barka Properties Limited amounting Rs. 25,334,248 against the settlement of receivable balance and exchange of property. Remaining amount have been received. Maximum aggregate of the amount receivable was Rs. 21.5 Million during the year.

11.2.2 Age analysis of receivable from related parties is as follows:

	2018	2017
	Rupees	Rupees
Neither past due nor impaired	-	950,000
Past due 1 - 60 days	-	1,900,000
Past due 61 - 120 days	-	1,900,000
Above 120 days	89,420	43,672,022
	89,420	48,422,022

11.2.2.1 During the year property have been purchased from Evergreen Water Valley (Private) Limited amounting Rs. 40,000,000 against the settlement of receivable balance. Remaining amount will be adjusted against futures rentals.

11.2.3 This represents receivable from First Capital Mutual Fund against dividend income, which is maximum aggregate amount receivable during the year.

11.3 The Company entered into an agreement to purchase a property from Mr. Muhammad Siraj ul Huda Khan for Rs. 42,100,760 Out of this Rs. 36,195,000 is paid as an advance and remaining Rs. 5,905,760 is to be paid as per the property purchase agreement. The sale deed is not yet executed. No collateral is available against these advances.

11.4 This amount is receivable from Wireless n Cable (Pvt.) Ltd. against sale of capital work in progress. No collateral is available against this receivable.

11.5 This amount is receivable from Syed Muhammad Salman Zaidi. against sale of investment property. No collateral is available against this receivable.

		2018	2017
	Note	Rupees	Rupees
12 Short term investments			
Investments - at fair value through profit or loss	12.1	31,079,421	69,421,355
		31,079,421	69,421,355
12.1 Investments - at fair value through profit or loss			
Carrying value at 1 July:			
Related parties		41,703,438	50,872,381
Others		12,971,407	8,350,211
		54,674,845	59,222,592
Unrealized (loss)/gain on remeasurement of investments during the year		(23,595,424)	10,198,763
		31,079,421	69,421,355
Fair value of short term investments at 30 June:			
Related parties	12.2	22,854,313	56,449,948
Others	12.3	8,225,108	12,971,407
		31,079,421	69,421,355

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

	Note	Shares/units		Carrying value		Fair value		Percentage of holding	
		2018	2017	2018	2017	2018	2017	2018	2017
		-----Number-----		-----Rupees-----		-----Rupees-----		----- % -----	
a) Real Estate Investment and Services									
Pace (Pakistan) Limited (Associated Company)		6,645,176	7,506,676	41,260,730	46,916,725	22,527,147	52,246,465	2.38%	2.69%
b) Mutual Funds									
First Capital Mutual Fund Limited		35,316	335,316	442,708	3,955,656	327,166	4,203,483	0.32%	0.97%
				<u>41,703,438</u>	<u>50,872,381</u>	<u>22,854,313</u>	<u>56,449,948</u>		

12.2.1 This includes Nil (2017: 3,370,000) shares having market value of Rs. Nil (2017: Rs. 23,455,200) are pledged against the loan of the Company.

12.3 Investments at fair value through profit or loss - others

	Note	Shares		Carrying value		Fair value	
		2018	2017	2018	2017	2018	2017
		-----Number-----		-----Rupees-----		-----Rupees-----	
a) Insurance							
Shaheen Insurance Company Limited		15,329	15,329	96,726	76,645	78,178	96,726
b) Telecommunication							
Worldcall Telecom Limited	12.3.1	4,221,207	4,221,207	12,874,681	8,273,566	8,146,930	12,874,681
				<u>12,971,407</u>	<u>8,350,211</u>	<u>8,225,108</u>	<u>12,971,407</u>

12.3.1 This includes 4,220,677 (2017: 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 18.1

12.4 During the year company sold investments having carrying value Rs. 19,814,010 (2017: 7,356,912) and loss amounting Rs. 7,507,695 (2017: gain amounting Rs. 4,750,270) is realized during the year.

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

		2018	2017
	Note	Rupees	Rupees
13 Advance tax	13.1	6,956,366	31,009,439

13.1 During the year, advance tax amounting Rs.24,238,507 is written off. Tax asset written off during the year is no longer adjustable or refundable.

		2018	2017
	Note	Rupees	Rupees
14 Cash and bank balances			
Cash in hand		85,404	30,749
Cash at bank			
- current accounts		409,415	9,354
- deposit accounts	14.1	2,586,735	1,119,821
		2,996,150	1,129,175
		3,081,554	1,159,924

14.1 The deposit accounts carry mark-up at rates ranging from 2% to 5% (2017: 2% to 5%) per annum.

		2018	2017
	Note	Rupees	Rupees
15 Trade and other payables--unsecured			
Creditors	15.1	4,302,046	4,289,752
Accrued liabilities		8,818,603	5,041,865
Security deposit from tenants		486,660	486,660
Payable against purchase of investment property	15.2	408,181,523	6,681,123
Final settlements payable	15.3	11,685,362	11,607,269
Withholding income tax payable		2,762,037	1,739,290
Sales tax payable		540,531	292,347
Other liabilities		17,780	2,093,416
		436,794,542	32,231,722

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

Media Times Limited	341,100	168,600
World Press (Private) Limited	1,001,442	1,001,442
	1,342,542	1,170,042

15.2 This amount of Rs. 406,181,523 (2017: Rs. 6,681,123) is payable to Pace (Pakistan) Limited an associated company against purchase of property and Rs. 2 Million (2017: Rs. Nil) payable to Evergreen Water Valley (Private) Limited against purchase of investment property.

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

		2018	2017
	Note	Rupees	Rupees
16 Staff retirement benefits payable			
Gratuity	16.1	10,047,853	9,177,400
Accumulating compensated absences		1,190,549	1,190,549
		11,238,402	10,367,949

16.1 Movement in net obligation

Statement of financial position liability at 01 July		9,177,400	8,078,606
Expense chargeable to Profit or Loss account	16.3	1,634,999	1,518,033
Remeasurements chargeable in other comprehensive income	16.4	(644,953)	9,701
Benefit payable transferred to short term liability		(119,593)	(138,940)
Payments made to outgoing members			(290,000)

Statement of financial position liability at 30 June

10,047,853 9,177,400

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

		2018	2017
	Note	Rupees	Rupees
Present value of defined benefit obligation at 1 July		9,177,400	8,078,606
Current service cost		928,385	947,883
Interest cost on defined benefit obligation		706,614	570,150
Benefits payable transferred to short term liability		(119,593)	(138,940)
Benefits paid during the year		-	(290,000)
Actuarial loss/(gains) from changes in financial assumptions		5,575	2,378
Actuarial loss/(gains) due to Experience adjustments		(650,528)	7,323
Present value of defined benefit obligation at 30 June		10,047,853	9,177,400

	2018	2017
	Rupees	Rupees
16.3 Amount charged to profit or loss account		
Current service cost	928,385	947,883
Interest cost	706,614	570,150
Total amount chargeable to profit or loss account	1,634,999	1,518,033

16.4 Charged to other comprehensive income		
Actuarial loss/(gains) from changes in financial assumptions	5,575	2,378
Actuarial loss/(gains) due to Experience adjustments	(650,528)	7,323
	(644,953)	9,701

	2018	2017	2016	2015	2014
	Rupees	Rupees	Rupees	Rupees	Rupees
16.5 Historical information for gratuity plan					
Present value of defined benefit obligation	10,047,853	9,177,400	8,078,606	7,517,955	6,349,016
Gain/(loss) on actuarial experience adjustments on plan liability	(650,528)	(7,323)	654,227	375,223	408,421

16.6 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, 2018 would have been as follows:

	Increase	Decrease
Discount rate	9,599,651	10,555,695
Future salary increase	10,555,695	9,591,782

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.

16.7 Actuarial valuation of this plan was carried out on June 30, 2018 using the Projected Unit Credit Method of which the principle actuarial assumptions used are as follows:

	2018 per annum	2017 per annum
Discount rate used for profit or loss charge	7.75%	7.25%
Discount rate used for year-end obligation	9.00%	7.75%
Expected rate of salary increase in future years	8.00%	6.75%
Mortality rate	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year

16.8 Estimated expenses to be charged to profit or loss account for financial year 2018-2019 is Rs 1,604,885 which includes Rs 898,729 in respect of current service cost and Rs 706,156 in respect of interest cost in defined benefit obligation.

16.9 Weighted average duration of the defined benefit obligation is 5 years for gratuity.

17 Long term payable

	Note	2018 Rupees	2017 Rupees
Payable against diminishing musharka	17.1	1,105,113,041	-
Other payables	17.2	-	890,400
		1,105,113,041	890,400

17.1 During the year Company entered into diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking). This carry markup at the rate of 6 month KIBOR (ask side) plus 3% margin per annum. This loan is secured by the way of hypothecation over following assets:

- Diminishing musharka asset
- Current assets of company

17.2 This amount was payable to First Capital Equities Limited (subsidiary company) against purchase of investment property in Gujranwala.

18 Contingencies and commitments

- 18.1** 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.

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

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

- 18.4** The Income Tax Appellate Tribunal Lahore vide its Order dated 19th November 2008 for Assessment Year 1996-1997, 1999-2000, 2001-2001,2002-2003, Tax Year 2003 and 2004 held that allocation of expense cannot be made against Capital Gain. During the preceding year Tax References No. PTR 131/09 to 140/09 filed by the Tax Department against order of Income Tax Appellate Tribunal Lahore dated 19th November 2008. The Honorable Lahore High Court vide its order dated 10th March 2015 accepted the references filed by department for the above mentioned years, and cases were remanded back to Income Tax Appellate Tribunal Lahore. The Company has preferred CPLAs before the August Supreme Court against the Orders passed by the Lahore High Court Lahore in all Tax References Nos. PTR 131/09 to 140/09. The Company is confident of a favorable decision in the matter.

- 18.5** 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 honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.

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

	2018	2017
	Rupees	Rupees
18.7 Commitments in respect of capital expenditure	5,905,760	3,130,103
18.8 Commitments in respect of Ijarah lease rental agreement:		
Particulars:		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	438,100
	-	438,100
18.9 Susequent event		

Subsequent to year end on August 06, 2018, the Company extended the Corporate gurantee amounting Rs.480,000,000 in favor of Silk Bank Limited against the loan facility availed by one of the wholly owned subsidiary Ever Green Water Valley (Pvt.) Limited.

19 Share capital

19.1 Issued, subscribed and paid-up capital

2018	2017		2018	2017
Number of shares			Rupees	
38,165,030	38,165,030	Ordinary shares of Rs 10/- each fully paid in cash	381,650,300	381,650,300
278,445,082	278,445,082	Ordinary shares of Rs 10/- each issued as bonus shares	2,784,450,820	2,784,450,820
316,610,112	316,610,112		3,166,101,120	3,166,101,120

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

Note	2018	2017
	(Number of shares)	
Amythest Limited	72,034,306	72,034,306

20 Money market services

Note	2018	2017
	Rupees	Rupees
Money market income		
- local currency	4,219,032	4,438,222
- foreign currency	7,966,613	9,903,640
	12,185,645	14,341,862
Less: Sales tax	(1,401,888)	(1,649,949)
	10,783,757	12,691,913

21 Dividend income

Others	21.1	89,420	514,212
		89,420	514,212

21.1 This represents dividend income accrued during the year on units of First Capital Mutual Fund.

22 This represents the diminution in value due to fall in market value as disclosed in note-8.

23 Operating and administrative expenses

Note	2018	2017
	Rupees	Rupees
Salaries, wages and other benefits	14,053,461	14,231,234
Rent, rates and taxes	2,486,402	989,843
Postage, telephone and stationary	426,690	514,384
Utilities	178,855	215,925
Insurance	125,550	216,075
Printing and stationery	296,818	479,622
Travelling and conveyance	267,800	363,225
Repairs and maintenance	98,640	976,219
Vehicle running expenses	102,720	171,535
Entertainment	368,656	681,850
Legal and professional	980,953	2,329,205
Advertisement	52,000	247,875
Auditors' remuneration	1,240,000	1,235,562
Depreciation	17,814,705	17,901,474
Others	792,181	1,727,470
Lease rentals - Ijarah facilities	219,050	1,314,300
Reversal of tax refund	24,238,507	-
	63,742,988	43,595,798

23.1 Salaries, wages and other benefits includes Rs 1,634,999 (2017: Rs1,518,033) in respect of gratuity expense for the year.

23.2 Auditors' remuneration

Note	2018	2017
	Rupees	Rupees
Annual audit fee	525,000	525,000
Fee for audit of consolidated financial statements	475,000	475,000
Half yearly review	200,000	200,000
Out of pocket expenses	40,000	35,562
	1,240,000	1,235,562

24	Other income		2018	2017
		Note	Rupees	Rupees
	<u>Income from financial assets</u>			
	Income on treasury bills /saving accounts		25,940	58,909
	<u>Income from non-financial assets</u>			
	Rental income of plant and machinery	24.1	11,400,000	11,400,000
	Gain on sale of property plant and equipment		-	331,636
	Liabilities written back		665,209	5,051,656
	Miscellaneous income		37,959	94,176
			12,129,108	16,936,377

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

25	Finance cost		2018	2017
		Note	Rupees	Rupees
	Bank charges and commission		20,515	27,787
	Markup on long term financing	17.1	5,113,041	-
			5,133,556	27,787
26	Taxation			
	<u>Current tax</u>			
	For the year	26.1	1,546,409	1,079,630
	Prior		71,040	44,882
			1,617,449	1,124,512

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

26.2 The Company computes current tax expense based on generally accepted interpretations of the tax laws to ensure that the sufficient provision of taxation is available. According to management the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016	2015
	Rupees		
Income tax provision for the year (as per accounts)	1,079,630	734,990	2,723,633
Income tax as per tax assessment	1,150,670	1,793,252	1,940,668

26.3 **Deferred tax**

The Company have a deferred tax asset on unused tax losses and deductible temporary differences amounting to Rs. 20,046,053 (2017: Rs. 15,047,084) arising on unused tax losses and deductible temporary differences amounted to Rs. 69,124,321 (2017: Rs. 22,121,482). 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:

27 **Earning per share**

27.1 **Earning / (loss) per share - basic**

		2018	2017
Net (loss)/profit for the year	Rupees	(203,640,531)	(1,939,874,005)
Weighted average number of ordinary shares	Numbers	316,610,112	316,610,112
(Loss)/profit per share - basic	Rupees	(0.64)	(6.13)

27.2 **(Loss)/Earning per share - diluted**

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

28 **Number of employees**

The average and total number of employees are as follows:

Average number of employees during the year	18	20
Total number of employees as at 30 June	17	19

29 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

29.1 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 and obtains advances from certain customers.

29.1.1 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

	Note	2018 Rupees	2017 Rupees
Other receivables	11	126,004,120	67,399,478
Long term deposits	9	-	37,500
Trade debts	10	1,964,909	2,673,997
Bank balances	14	2,996,150	1,129,175
		<u>130,965,179</u>	<u>71,240,150</u>

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

29.1.2 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.

Bank balances

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

	Rating		Rating	2018	2017
	Short term	Long term	Agency	Rupees	Rupees
Faysal Bank Limited	A1+	AA	PACRA	519,404	767,462
Allied Bank Limited	A1+	AAA	PACRA	2,046,317	331,343
Bank Islami	A1	A+	PACRA	6,126	6,126
Soneri Bank Limited	A1+	AA-	PACRA	9,306	9,306
MCB Bank Limited	A1+	AAA	PACRA	404,498	4,938
United Bank Limited	A-1+	AAA	JCR-VIS	500	-
Bank Alfalah Ltd	A-1+	AA+	JCR-VIS	10,000	10,000
				<u>2,996,151</u>	<u>1,129,175</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

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

	Note	2018 Rupees	2017 Rupees
Neither past due nor impaired	10	1,667,888	1,348,118
Past due 1 - 60 days		103,043	619,390
Past due 61 - 120 days		50,154	83,209
Above 120 days		143,824	623,280
		<u>1,964,909</u>	<u>2,673,997</u>

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

	2018	2017
	Rupees	Rupees
Commercial banks	1,824,457	2,508,936
Others	140,452	158,298
Investments and financial services	-	6,763
	1,964,909	2,673,997

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

29.1.3 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.

29.2 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. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

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

	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	Rupees				
Financial liabilities					
Trade and other payables	436,794,542	436,794,542	436,794,542	-	-
	436,794,542	436,794,542	436,794,542	-	-

The following are the contractual maturities of financial liabilities as on June 30 2017:

	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	Rupees				
Financial liabilities					
Trade and other payables	32,231,722	32,231,722	32,231,722	-	-
	32,231,722	32,231,722	32,231,722	-	-

29.3 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

29.3.1 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.

29.3.2 Interest rate risk

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

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

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

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

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

	2018	2017
	Rupees	Rupees
Financial assets	2,586,735	1,119,821
Financial liabilities	-	-
	<u>2,586,735</u>	<u>1,119,821</u>

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. A 100 basis points increase in interest rate at the reporting date would have had the following effect in profit or loss account.

	2018	2017
	Rupees	Rupees
Variable rate financial instruments	644,953	(9,701)

A 100 basis points decrease in interest rates at the reporting date would have had an equal but opposite effect on the profit or loss to the amounts shown above, on the basis that all other variables remain constant.

29.3.3 Other price risk

Equity price risk arise from equity securities classified as available for sale as well 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 Group's listed equity investments are listed on Pakistan Stock exchange. The table below summarizes the Company's equity price risk as of June 30 2018 and 2017 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.

2018					
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			Rupees		
Subsidiary company - available for sale	10% increase	956,286,408	86,935,128	-	
869,351,280	10% decrease	782,416,152	(86,935,128)	-	
Associated company - available for sale	10% increase	86,138,857	7,830,805	-	
78,308,052	10% decrease	70,477,247	(7,830,805)	-	
Investments held for trading	10% increase	34,187,363	-	3,107,942	
	10% decrease	27,971,479	-	(3,107,942)	
<u>978,738,753</u>					
2017					
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			Rupees		
Subsidiary companies - available for sale	10% increase	1,024,592,580	93,144,780	-	
931,447,800	10% decrease	838,303,020	(93,144,780)	-	
Associated company - available for sale	10% increase	153,357,041	13,941,549		
139,415,492	10% decrease	125,473,943	(13,941,549)		
Investments held for trading	10% increase	76,363,491	-	6,942,136	
	10% decrease	62,479,220	-	(6,942,136)	
<u>1,140,284,647</u>					

29.3.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

Recurring fair value measurements

	30-Jun-18			
	Level 1	Level 2	Level 3	Total
	Rupees			
Equity securities				
Financial assets classified as held for trading	31,079,421	-	-	31,079,421
Financial assets classified as available for sale	947,659,332	-	-	947,659,332
	30-Jun-17			
	Level 1	Level 2	Level 3	Total
	Rupees			
Equity securities				
Financial assets classified as held for trading	69,421,355	-	-	69,421,355
Financial assets classified as available for sale	1,070,863,292	-	-	1,070,863,292

Valuation techniques used to measure fair values

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

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

29.4 Capital management

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

The Company's objectives when managing capital are:

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

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

29.5 Financial instruments by category

Financial Assets

Long term investments	-
Long term deposits	37,500
Trade debts	1,964,909
Short term investments	-
Advances, deposits, prepayments and other receivables	126,004,120
Cash and bank balances	3,081,554

30-Jun-18			
Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
Rupees			
-	-	1,734,926,701	1,734,926,701
37,500	-	-	37,500
1,964,909	-	-	1,964,909
-	31,079,421	-	31,079,421
126,004,120	-	-	126,004,120
3,081,554	-	-	3,081,554
131,088,083	31,079,421	1,734,926,701	1,897,094,205

Financial Liabilities

Trade and other payables-Unsecured	-
Long term payable	-

30-Jun-18		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
-	436,794,542	436,794,542
-	1,105,113,041	1,105,113,041
-	1,541,907,583	1,541,907,583

Financial Assets

Long term investments	-
Long term deposits	37,500
Trade debts	2,673,997
Short term investments	-
Advances, deposits, prepayments and other receivables	68,524,173
Cash and bank balances	1,159,924

30-Jun-17			
Loans and receivables	Assets at fair value through profit or loss	Available for sale	Total
Rupees			
-	-	1,873,748,445	1,873,748,445
37,500	-	-	37,500
2,673,997	-	-	2,673,997
-	69,421,355	-	69,421,355
68,524,173	-	-	68,524,173
1,159,924	-	-	1,159,924
72,395,594	69,421,355	1,873,748,445	2,015,565,394

Financial Liabilities

Trade and other payables-Unsecured	-
Long term payable	-

30-Jun-17		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
Rupees		
-	32,231,722	32,231,722
-	890,400	890,400
-	33,122,122	33,122,122

30 Transactions with related parties

Related parties comprise of entities over which the Directors are able to exercise significant influence. Related parties include entities with common Directors, major shareholders, subsidiary undertakings, associated companies, Directors and key management personnel. Details of transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment disclosed in note 31 are as follows:

Name of Parties	Nature of relationship	Nature and description of related party transaction	2018	2017
			Value of transactions made during the year	Value of transactions made during the year
-----Rupees-----				
First Capital Equities Limited	Subsidiary(73.23% Shareholding)	Brokerage charges	112,560	27,396
		Payment of outstanding balance	890,400	
World Press (Private) Limited	Subsidiary(65% Shareholding)	Payment made during the year	-	5,000
Evergreen Water Valley (Private) Limited	Subsidiary(100% owned)	Rental income earned	11,400,000	11,400,000
		Rental income received	300,000	
		Purchase of investment property	40,000,000	
Pace Barka Properties Limited	Associate(Common Directorship)	Payment received	-	4,945,450
Pace (Pakistan) Limited	Associate(Common Directorship)	Purchase of investment property	1,500,000,000	-
Media Times Limited	Associate(Common Directorship)	Purchase of goods / services	172,500	97,500

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

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

31 Remuneration of Chief Executive, Director and Executives

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

	Chief executive		Executive and non executive directors		Executives	
	2018	2017	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	2,400,000	2,400,000	-	-	3,905,280	3,851,520
Medical Expenses Reimbursed	-	-			499,839	374,453
Provision for gratuity	228,573	200,000			325,440	320,960
	2,628,573	2,600,000	-	-	4,730,559	4,546,933
Number of persons	1	1	6	6	2	2

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

31.2 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.

32 Date of authorization for issue

These financial statements were authorized for issue on _____ 2018 by the Board of Directors.

33 Corresponding figures

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

34 General

The figures have been rounded off to the nearest Rupee.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Non-current assets			
Property, plant and equipment	6	273,990,367	313,863,462
Intangible assets	7	5,312,511	15,562,519
Investment properties	8	2,890,575,782	1,765,542,000
Investments accounted for using the equity method	9	476,163,258	542,851,260
Long term investments	10	23,165,822	41,163,833
Long term deposits and advances - considered good	11	136,911,466	43,377,181
Deferred tax asset	12	-	292,619
		3,806,119,206	2,722,652,874
Current assets			
Stock in trade		36,779,100	10,077,444
Trade debts	13	658,391,617	1,676,155,606
Loans, advances and other receivables	14	364,008,230	226,759,921
Prepayments		1,001,725	403,256
Interest accrued		75,648	86,447
Deposits and other receivables	15	19,222,801	25,159,697
Short term investments	16	305,975,202	331,144,302
Tax refund due from Government	17	10,635,246	17,994,235
Cash and bank balances	18	154,350,251	124,516,280
		1,550,439,820	2,412,297,188
Current liabilities			
Trade and other payables	19	1,207,560,429	369,002,571
Short term borrowings	20	491,125	9,148,723
Current portion of long term loans - secured	21	31,459,282	2,206,000
		1,239,510,836	380,357,294
Net current assets		310,928,984	2,031,939,894
		4,117,048,190	4,754,592,768
Non-current liabilities			
Deferred tax liability	12	988,470	-
Deferred liabilities	22	67,421,984	62,541,530
Long term loans - secured	21	2,348,444,690	2,902,580,552
		2,416,855,144	2,965,122,082
Contingencies and commitments	23		
		1,700,193,046	1,789,470,686
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital: 320,000,000 (2017: 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		30,701,293	17,990,368
Reserves capitalised		480,054,923	480,054,923
Retained earnings		(2,259,828,819)	(2,143,982,701)
Equity attributable to owners of the Parent Company		1,417,028,517	1,520,163,710
Non-controlling interests (NCI)		283,164,529	269,306,976
		1,700,193,046	1,789,470,686

The annexed notes 1 to 41 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, 2018

	Note	2018 Rupees	2017 Rupees
Operating revenue	25	447,513,840	568,446,425
Direct costs	26	<u>(359,751,556)</u>	<u>(187,990,163)</u>
Gross profit		87,762,284	380,456,262
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	16.2	(60,006,366)	18,463,867
(Loss)/gain on investment properties		(150,123,186)	(6,097,500)
Operating and administrative expenses	27	<u>(462,406,467)</u>	<u>(362,317,194)</u>
Operating loss		(584,773,735)	30,505,435
Other income	28	534,166,636	295,372,325
Finance costs	29	<u>(27,195,838)</u>	<u>(66,748,693)</u>
		506,970,798	228,623,632
Share of profit/(loss) from investments accounted for using the equity method - net of tax	9.1	<u>(17,780,114)</u>	<u>(24,108,618)</u>
Profit/(loss) before taxation		(95,583,051)	235,020,449
Taxation	30	<u>(11,540,484)</u>	<u>(37,822,587)</u>
Profit/(loss) after taxation		(107,123,535)	197,197,862
Basic and diluted earning/(loss) per share	31	(0.35)	0.46
Profit/(loss) attributable to:			
- Owners of the Parent Company		(110,719,646)	144,296,806
- Non-controlling interests		3,596,111	52,901,056
Profit/(loss) for the year		(107,123,535)	197,197,862

The annexed notes 1 to 41 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, 2018

	Note	2018 Rupees	2017 Rupees
Profit/(loss) after taxation		(107,123,535)	197,197,862
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plan - net of tax	22.3	7,192,984	3,403,764
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income of investments accounted for using the equity method - net of tax	9.2	39,311	-
Gain on sale of available for sale asset reclassified to profit or loss available for sale		(5,876,625)	-
Unrealized gain / (loss) on remeasurement of investment available for sale		(9,529,365)	31,501,305
Exchange differences on translation of foreign operations recognised as:			
- Exchange translation reserve		12,710,925	(4,525,932)
- Non-controlling interests		12,212,458	(4,348,444)
Other comprehensive (loss)/income for the year		24,923,383	(8,874,376)
Total comprehensive income/(loss) for the year		(90,373,847)	223,228,555
Total comprehensive income/(loss) attributable to :			
- Owners of the Parent Company		(104,231,400)	164,353,484
- Non-controlling interests		13,857,553	58,875,071
		(90,373,847)	223,228,555

The annexed notes 1 to 41 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, 2018

	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
	Capital Reserve			Revenue Reserve		Total		
	Share capital	Exchange translation reserve	Reserve capitalised	Retained earnings				
----- Rupees -----								
Balance at 01 July 2016	3,166,101,120	22,516,300	480,054,923	(2,313,960,657)	1,354,711,686	210,431,905	1,565,143,591	
Profit for the year	-	-	-	144,296,806	144,296,806	52,901,056	197,197,862	
Other comprehensive income / (loss)		(4,525,932)	-	24,582,610	20,056,678	5,974,015	26,030,693	
Share of reserve on incremental depreciation - net of tax from associate				1,098,540	1,098,540		1,098,540	
Total comprehensive income / (loss) for the year	-	(4,525,932)	-	169,977,956	165,452,024	58,875,071	224,327,095	
Balance at 30 June 2017	3,166,101,120	17,990,368	480,054,923	(2,143,982,701)	1,520,163,710	269,306,976	1,789,470,686	
Profit/(Loss) for the year				(110,719,646)	(110,719,646)	3,596,111	(107,123,535)	
Other comprehensive (loss)/income		12,710,925		(6,222,679)	6,488,246	10,261,442	16,749,688	
Share of reserve on incremental depreciation - net of tax from associate				1,096,207	1,096,207		1,096,207	
Total comprehensive income / (loss) for the year	-	12,710,925	-	(115,846,118)	(103,135,193)	13,857,553	(89,277,640)	
Balance at 30 June 2018	3,166,101,120	30,701,293	480,054,923	(2,259,828,819)	(103,135,193)	283,164,529	1,700,193,046	

The annexed notes 1 to 41 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, 2018

	Note	2018 Rupees	2017 Rupees
Cash flows from operating activities			
Cash generated from operations	33	1,205,449,155	301,953,463
Retirement benefits paid - net		(926,294)	(526,856)
Finance costs paid		(1,848,974)	(1,254,696)
Taxes paid		7,202,918	5,215,549
Net cash generated from operating activities		1,209,876,805	305,387,460
Cash flows from investing activities			
Fixed capital expenditure		(5,160,473)	(201,979,823)
Proceeds from sale of property, plant and equipment		80,006,016	356,785,255
Payment/receipts from investments - net		(1,245,236,109)	(18,496,277)
Proceeds from sale of intangible assets		12,875,000	-
Dividend received		4,880,942	11,821,650
Long term deposits		32,652,221	-
Interest received		30,876,502	(8,330,768)
Net cash generated from/(used in) investing activities		(1,089,105,901)	139,800,037
Cash flows from financing activities			
Repayments of liabilities against assets subject to finance lease - net		-	(4,378,593)
Receipt/(payment) of loan		(90,936,933)	(440,833,173)
Dividend paid to non-controlling interests			
Net cash generated from/(used in) financing activities		(90,936,933)	(445,211,766)
Net increase/(decrease) in cash and cash equivalents		29,833,971	(24,269)
Cash and cash equivalents at the beginning of the year		124,516,280	124,540,549
Cash and cash equivalents at the end of the year	18	154,350,251	124,516,280

The annexed notes 1 to 41 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, 2018

1 The Group and its operations

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

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

Head Office	Corporate Office
2nd Floor Pace Shopping Mall, Fortress Stadium Lahore Cantt, 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. The Company is engaged in the business of Installation & manufacturing of Water purification plants, RO systems, water softness systems and Construction of Buildings and other related activities. The registered office of the Company is situated at 2nd floor Pace Shopping mall, Fortress Stadium Lahore. Ever Green Water Valley (Private) Limited is the wholly owned subsidiary of the Holding Company.

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

1.5 First Capital Equities Limited (FCEL) (the Subsidiary Company) was incorporated in Pakistan on January 26, 1995 as a private limited company, under the repealed Companies Ordinance, 1984. The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The principal activities of the Company include share brokerage and conducting / publishing business research. The Holding Company has 73.23% ownership in First Capital Equities Limited. Geographical locations and addresses of all business units are as under:

Head Office	Corporate Office	Regional 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	Office No. 614, 6th Floor, ISE Tower, Jinnah Avenue, F7/1, Blue Area, Islamabad.
Regional Office	Regional Office	Regional Office
Office No. 05, 2nd Floor, Kohinoor Plaza, Faisalabad.	Shan Plaza, Block No. 06, Main Khushab Road, Near Allied Bank Limited, Sargodha.	Suit No. 18, Mezzanine Floor, Humayoon Jimkhana Complex, Stadium Road, Sukkur.

Regional Office
Office No. 57, Quaid-e-Azam Stadium,
Mirpur, Azad Kashmir.

1.6 First Capital Investments Limited (FCIL) (the Subsidiary Company) was incorporated in Pakistan on October 27, 1994 as a private company limited by shares, under the repealed Companies Ordinance, 1984 having registered office at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. Status of the Company was changed from private limited to public limited on August 06, 2003. The Securities and Exchange Commission of Pakistan (SECP) has issued a license to the Company to undertake Asset Management Services as required under the NBFC (Establishment and Regulation) Rules, 2003. The Company has been assigned Management Quality Rating "AM4++" by The Pakistan Credit Rating Agency Limited "PACRA" Credit Rating Company. The main activity of the company is to provide asset management services to First Capital Mutual Fund Limited (The fund). The Holding Company has 78.86% ownership in First Capital Equities Limited.

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

1.8 Lanka Securities (Private) Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 1989. The principal activity of the Company is equity debt security brokering and undertaking placement of equity debt securities. The registered office of the Company is situated at No. 228/1, Galle Road, Colombo 04, Sri Lanka. The Holding Company has 51% ownership in Lanka Securities (Private) Limited.

1.9 Ozer Investments Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 2010. The principal activity of the Company is diverse range of financial services. The registered office of the Company is situated Colombo, Sri Lanka. Ozer Investments Limited is the wholly owned subsidiary of the Holding Company.

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

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

2 Significant transactions and events affecting the Group's Consolidated financial position and performance

2.1 During the year First Capital Equities Limited (the subsidiary company) has earned an after tax profit of Rs. 5.11 Million but still there is an operating loss of Rs. 342.83 Million (2017: 112.15 Million), moreover the accumulated losses of the company stand at Rs. 1,017.38 Million as at June 30, 2018 (2017: 1,026.76) however the company successfully signed debt property swaps and restructuring of its long term loans with various banks. The mark up on various loans has also been waived / frozen. These facts have enabled the Company to earn an after tax profit of Rs. 5.11 Million.

FCEL, in order to carry on its business and to meet its current obligations requires sufficient profits and cash flows. Accordingly, there is a material uncertainty relating to FCEL's operations that may cause sufficient doubt regarding discharge of its liabilities in the normal course of business. Continuation of FCEL as a going concern is heavily dependent on improved profitability and cash flows. For this purpose the management of FCEL has drawn up plans for:

- Hiring of renowned traders from the market
- Change in top operational management to improve the operations of FCEL.
- FCEL is also relying on continued support from its sponsors through injection of cash.

Based on the above mentioned financial measures and related operational measures being taken by FCEL, the management is confident of the profitable operations in the foreseeable future and has accounted for FCEL on a going concern basis.

2.2 During the year World Press (Private) Limited (the subsidiary company) has incurred an after tax loss of Rs. 3.2 Million (2017: Rs. 18.6 Million), the accumulated losses of the company stands at Rs. 20.6 million as at June 30, 2018 (2017: Rs. 17.4 Million). Moreover, the reserves of the Company have been significantly depleted. The Company is also facing difficulties in earning revenue. These conditions raise significant doubts on the Company's ability to continue as a going concern. The Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that 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 and generation of revenue. For this purpose the management of the Company drawn up plans for :

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

Owing to these factors, these financial statements are prepared on going concern basis.

2.3 The Board of Directors of the First Capital Investment's Limited (the subsidiary company) have passed a resolution on May 12, 2018 for voluntarily retirement from Management rights of the Fund and transfer the same to 786 Investments Limited due to the existing size of the Fund which is not viable for FCIL subject to the approval of Securities and Exchange Commission of Pakistan (SECP). Approval from SECP is still awaited. Moreover, the Company has already applied for a license to act as Real Estate Investment Trust (REIT), which is in process with SECP. Management is confident that they will get a license to act as REIT. Additionally the Company is also exploring other alternative business ventures. As a result, significant changes will take place in the business model of the Company.

2.4 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 (2017: Rs. 90,970) against administrative expenses of Rs. 1,371,714 (Rs. 366,408). 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, 2018 is Rs. 5,399,752 and Rs. (419,596) respectively which is less than the minimum net worth requirement of Rs. 10 million and net capital balance requirement of Rs. 2.5 million.
- As at June 30, 2018 the outstanding balance of trade creditors stands at Rs. 372,147 whereas bank balance in client account is Rs. Nil.

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

2.5 The holding company have made substantial sale and purchase of investment property and entered into a diminishing musharaka agreement during the year as disclosed in Note: 8 and Note: 21 respectively.

2.6 Due to first time application of financial reporting requirements under the Companies Act, 2017 (the Act) including disclosures and presentation requirements of the fourth schedule of the Act, some of the amounts reported for the previous period have been reclassified as disclosed in relevant area in these consolidated financial statements.

2.7 Other significant transactions and events have been adequately disclosed in the financial statements. For a detailed performance review, refer to the Directors' report.

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 2018 and the audited financial statements of the subsidiary companies for the year ended June 30, 2018 except for Ozer Investments Limited and First Construction Limited the result of whom have been consolidated based on unaudited financial statements. Details regarding the financial information of associates used in the preparation of these consolidated financial statements are given in note 9 to these consolidated financial statements.

3.2 Initial application of new standards, interpretations or amendments to existing standards

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

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

IAS 7 - Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 - Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The other new standards, amendments/improvements to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 01, 2018
IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
IFRS 16 - Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 -Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

The Group expects that the adoption of the above standards and amendments will not have any material impact on the consolidated financial statements in the period of initial application

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Group expects that such improvements to the standards will not have any impact on the consolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The following interpretations issued by the IASB have not yet adopted by SECP:

IFRIC 4 – Determining whether an arrangement contains lease

IFRIC 12 – Service concession arrangements

The Group expects that above new standards will not have any material impact on the consolidated financial statements in the period of initial application.

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) whose financial statements are prepared on break up basis, certain financial assets and investment properties that are stated at fair value and certain staff benefits which are presented at present value.

4.1 Critical accounting estimates and judgments

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

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

a)	Useful life and residual values of property plant and equipment	Note 5.2
b)	Impairment	Note 5.7
c)	Valuation of investment properties	Note 5.9
d)	Provisions	Note 5.19
e)	Staff retirement benefits	Note 5.22
f)	Provision for taxation	Note 5.24

5 Summary of significant accounting policies

5.1 Principles of consolidation and equity accounting

a) Subsidiaries

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

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,

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

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

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interests in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

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

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

b) Associates

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

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

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

c) Foreign currency transactions and translation

Functional and presentation currency

These consolidated 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 year end (June 30, 2018). 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 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 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 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 plant and equipment at 30 June 2018 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 5.7).

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

5.5.1 Finance leases

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

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

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

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

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

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

5.5.2 Operating leases

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

5.6 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 year end. Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

5.7 Impairment

The carrying amount of the Group's assets, other than inventories, are reviewed at year end to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit or loss.

Impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

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 instruments

Financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and derecognized when the Group loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year.

Financial instruments carried on consolidated statement of financial position include long term loan, long term deposits, short term investments, trade debts, loans, advances, prepayments and other receivables, cash and bank balances, accrued finance cost, long term payable and trade and other payables.

All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.11 Investments

Investments available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available-for-sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist which are stated at cost less identified impairment) with any resulting gains and losses which are charged to other comprehensive income, until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to income. The fair values of quoted investments are based on current prices. Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each reporting period. Impairment loss, if any, is charged to income currently.

The Group assesses at year end whether there is objective evidence that an investment or a group of investments is impaired. If any such evidence exists for available for sale investments, the cumulative loss is removed from equity and recognized in the profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through profit or loss.

Investments at fair value through profit or loss

These include investments classified as held for trading or upon initial recognition are designated by the Group at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in income. Fair value of investments is their quoted bid price at the year end. Transaction costs are charged to income currently.

Held-to-maturity financial assets

Investments with a fixed maturity that the Group has the intent and ability to hold to maturity are classified as held to maturity investments. These are initially recognized on trade date at cost and derecognized by the Group on the date it commits to sell them off. At year end, held to maturity investments are stated at amortized cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

5.12 Trade debts

Trade debts are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debts are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

5.13 Settlement date accounting

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

5.14 Inventories

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

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

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

5.15 Stores, spares and loose tools

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

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

5.16 Cash and cash equivalents

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

5.17 Trade and other payables

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

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

5.18 Offsetting of financial assets and financial liabilities

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

5.19 Provisions

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

5.20 Securities purchased and sold under resale / repurchase agreements

Repurchase agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the consolidated 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 consolidated statement of financial position. Amounts paid under these obligations are recorded as fund placements. The difference between purchase and resale price is treated as mark-up / interest income on placements and is accrued over the life of the reverse Repo agreement.

5.21 Mark-up bearing borrowings

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

5.22 Staff retirement benefits

Defined benefit plan

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

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

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

Accumulating compensated absences

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

The un-utilized earned leaves of employees and executives can be accumulated up to a maximum of 40 days and 60 days respectively and can be utilized at any time subject to the approval. Earned leaves in excess of afore mentioned days shall lapse. An employee will be entitled to encash the accumulated earned leaves at the time of leaving Parent Company's service. The earned leave encashment is made on last drawn gross salary.

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

5.23 Revenue recognition

- a)** Capital gains or losses on sale of investments are recognized in the year in which they arise.
- b)** Brokerage income, consultancy and money market services are recognized on accrual basis and when services are provided.
- c)** Income on placements on account of continuous funding system is recognized on accrual basis.
- d)** Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.
- e)** Income from bank deposits, loans and advances is recognized on accrual basis.
- f)** Dividend income is recognized at the time of book closure of the company declaring the dividend.
- g)** Return on securities other than shares is recognized as and when it is due on time proportion basis.
- h)** Mark-up/interest income is recognized on accrual basis.
- i)** Investment advisory fee is accounted for on accrual basis.
- j)** Revenue from sale of goods is recorded when the risks and rewards are transferred i.e. on delivery of goods to customers.
- k)** Rental income is recognized on accrual basis.
- l)** Revenue from printing services are accounted for at the time of acceptance of goods by the customers.

m) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the consolidated statement of financial position date. Stage of completion is measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred and it is probable that these will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

5.24 Taxation

Current

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

Deferred

Deferred tax is accounted for using the consolidated 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 consolidated 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 consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

5.25 Borrowing costs

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

5.26 Proposed dividend and appropriations to reserves

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

5.27 Segment reporting

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

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

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

	Note	2018 Rupees	2017 Rupees
6 Property, plant and equipment			
Operating fixed assets	6.1	55,630,261	115,812,369
Capital work-in-progress	6.2	218,360,106	198,051,093
		273,990,367	313,863,462

6.1 Operating fixed assets

	Owned assets									Leased assets					Total
	Freehold building	Construction equipment	Leasehold improvements	Plant and machinery	Computers	Office equipment	Furniture and fixture	Vehicles	Subtotal	Leasehold building	Plant and machinery	Office equipment	Vehicles	Subtotal	
	-----Rupees-----														
Cost															
Balance at 01 July 2016	32,600,600	886,088	30,365,733	331,538,294	38,579,641	31,144,792	20,483,086	45,979,622	531,577,856	46,832,576	14,857,639	15,510	11,978,745	73,684,470	605,262,326
Additions during the year	20,792,005	-	-	8,500,000	868,059	539,734	-	4,151,500	34,851,298	-	-	-	-	-	34,851,298
Disposals during the year			(10,925,455)	(26,864,949)	(1,968,670)	(2,018,633)	(967,642)	(1,190,700)	(43,936,049)	-	(8,500,000)	-	(4,100,000)	(12,600,000)	(56,536,049)
Exchange differences					(657,434)	(131,317)	(407,502)		(1,196,253)	-	-	-	-	-	(1,196,253)
Balance at 30 June 2017	53,392,605	886,088	19,440,278	313,173,345	36,821,596	29,534,576	19,107,942	48,940,422	521,296,852	46,832,576	6,357,639	15,510	7,878,745	61,084,470	582,381,322
Balance at 01 July 2017	53,392,605	886,088	19,440,278	313,173,345	36,821,596	29,534,576	19,107,942	48,940,422	521,296,852	46,832,576	6,357,639	15,510	7,878,745	61,084,470	582,381,322
Adjustment/Additions during the year	-	-	-	-	736,855	430,064	7,753,453	9,438,824	18,359,196	-	-	-	-	-	18,359,196
Adjustment/Disposals during the year	(32,600,600)	-	(18,969,963)	(204,068,685)	(3,381,433)	(6,565,083)	-	-	(265,585,764)	(41,149,376)	(6,357,639)	(15,510)	(7,878,745)	(55,401,270)	(320,987,034)
Exchange differences					1,881,520	321,220	1,257,807	1,262,378	4,722,925	-	-	-	-	-	4,722,925
Balance at 30 June 2018	20,792,005	886,088	470,315	109,104,660	36,058,538	23,720,777	28,119,202	59,641,624	278,793,209	5,683,200	-	-	-	5,683,200	284,476,409
Accumulated depreciation															
Balance at 01 July 2016	14,053,644	886,088	22,645,469	258,731,837	37,846,246	30,076,153	18,368,258	35,824,899	418,432,594	16,094,701	10,448,263	15,510	11,978,745	38,537,219	456,969,813
Depreciation for the year	2,575,390	-	723,873	19,990,795	847,668	1,083,543	1,213,029	1,765,296	28,199,594	1,820,500				1,820,500	30,020,094
Depreciation on disposals			(4,666,429)	(6,078,333)	(1,922,051)	(1,507,819)	(72,642)	3,163,032	(11,084,242)		(4,090,624)		(4,100,000)	(8,190,624)	(19,274,866)
Exchange differences					(628,084)	(117,301)	(400,703)		(1,146,088)					-	(1,146,088)
Balance at 30 June 2017	16,629,034	886,088	18,702,913	272,644,299	36,143,779	29,534,576	19,107,942	40,753,227	434,401,858	17,915,201	6,357,639	15,510	7,878,745	32,167,095	466,568,953
Balance at 01 July 2017	16,629,034	886,088	18,702,913	272,644,299	36,143,779	29,534,576	19,107,942	40,753,227	434,401,858	17,915,201	6,357,639	15,510	7,878,745	32,167,095	466,568,953
Depreciation for the year	1,551,530	-	-	19,034,100	681,776	813,934	1,137,963	1,626,230	24,845,533	1,555,347				1,555,347	26,400,880
Adjustment/Depreciation on disposals	(16,117,864)	-	(18,232,598)	(206,102,468)	(4,294,611)	(8,546,150)	4,661,544	12,730,876	(235,901,271)	(18,491,548)	(6,357,639)	(15,510)	(7,878,745)	(32,743,442)	(268,644,713)
Exchange differences					1,788,064	305,668	1,164,918	1,262,378	4,521,028					-	4,521,028
Balance at 30 June 2018	2,062,700	886,088	470,315	85,575,931	34,319,008	22,108,028	26,072,367	56,372,711	227,867,148	979,000	-	-	-	979,000	228,846,148
Carrying value															
As at 30 June 2017	36,763,571	-	737,365	40,529,046	677,817	-	-	8,187,195	86,894,994	28,917,375	-	-	-	28,917,375	115,812,369
As at 30 June 2018	18,729,305	-	-	23,528,729	1,739,530	1,612,749	2,046,835	3,268,913	50,926,061	-	-	-	-	4,704,200	55,630,261
Rate of depreciation (%)	5	20	10	7.5 to 20	33 to 50	10 to 12.5	10 to 50	20 to 25		3.125 to 5	20	10	8		

6.1.1

Free hold building having cost of Rs. NIL (2017 Rs. 67.45 million) has been pledged with various banks against long term financing.

6.1.2 Details of property, plant and equipment disposed off / scrapped having book value each in excess of Rs.500,000 are as follows:

2018						
Particulars	Cost	depreciation	Book value	Sale proceeds	Gain	Particular of buyer
-----Rupees-----						
Leasehold building	36,740,000	14,849,072	21,890,928	49,600,000	27,709,072	Mr. M Farooq Iqbal
Freehold building	30,715,800	13,542,473	17,173,327	27,125,000	9,951,673	Summit Bank Limited
	67,455,800	28,391,545	39,064,255	76,725,000	37,660,745	

All the asset were sold through negotiation with respective buyers.

	Note	2018 Rupees	2017 Rupees
6.1.3 Depreciation for the year has been allocated as follows:			
Direct costs	26	-	-
Operating and administrative expenses	27	26,400,880	30,020,094
		26,400,880	30,020,094

6.2 Capital work-in-progress

Opening balance		198,051,093	218,051,093
Additions during the year		25,334,248	-
Disposals during the year		(5,025,235)	(20,000,000)
Closing balance	6.2.1	218,360,106	198,051,093

6.2.1 This represents advance against purchase of property in Pace Tower Gulberg and Pace Circle, Lahore amounting to Rs 193,025,858 (2017: Rs 193,025,858) and Rs. 25,334,248 (2017: Rs 5,025,235) respectively. Construction work on these properties is in progress as at 30 June 2018. During the year properties have been purchased from Pace Barka Properties Limited amounting Rs. 25,334,248 against the settlement of receivable balance and exchange of property.

6.2.2 The Group does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2017: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2017 Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.33 million (2017: Rs. 5 million) is held in the name of Pace Barka Properties Limited and Shahid Mehmood respectively. The title of these properties will be transferred on completion. However, the Group has complete control and possession of said property.

7	Intangible assets	Note	2018 Rupees	2017 Rupees
	Membership cards		2,500,000	2,500,000
	License rooms	28.1	-	7,500,000
	TREC	7.2	2,500,000	5,000,000
	Asset management license		312,511	562,519
	Total	7.1	5,312,511	15,562,519

7.1 Movement in the intangible assets is as follows:

Opening balance cost		15,750,025	15,000,000
Additions		-	750,025
Disposal		(7,500,000)	-
Impairment loss charged during the year		(2,500,000)	-
Closing balance cost		5,750,025	15,750,025
Opening Balance - Accumulated amortization		187,506	-
Add: Amortization for the year		250,008	187,506
Closing Balance - Accumulated amortization		437,514	187,506
Closing balance		5,312,511	15,562,519

7.2 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX), in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 (The Act). During the year, the Pakistan Stock Exchange Limited (PSX) issued value of TREC at Rs. 2.5 million (2017: Rs. 5 million) as per the decision of the PSX for calculation of BMC. As a result an impairment loss of Rs 2.5 Million (2017: Nil) has been charged on TREC.

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

7.4 Group has no internally generated intangible assets.

8	Investment properties	Note	2018 Rupees	2017 Rupees
	Opening balance		1,765,542,000	1,771,639,500
	Acquisition during the year		2,837,500,706	198,978,500
	Disposal during the year	8.4 & 8.8	(1,562,343,738)	(198,978,500)
	Fair value adjustment		(150,123,186)	(6,097,500)
	Closing balance	8.1 & 8.2	2,890,575,782	1,765,542,000

8.1 Investment properties comprises of various commercial shops at Pace Gujranwala and at Pace Fortress Lahore and various shops/counters in various shopping malls situated at Gujranwala and Gujrat along with a Plot located at Near Rangers Headquarter Lahore Cantt.

Out of total, Group doesn't hold the title of investment properties having carrying value of Rs. 1,620 million (2017 : 26.39 million) which is held in name of Pace Pakistan Limited the transfer of title is in process. The transfer of this property is in process as at year end. However, the Group has complete control and possession of said property.

8.2 These includes properties amounting to Rs. 1,263,986,500 (2017: Rs. 1,602,449,600) that are under mortgage by banks against the borrowings. In addition to above investment property amounting Rs. 1,501 Million (2017: NIL) is mortgaged with Silk Bank Limited (Eman Islamic Banking) against diminishing musharaka agreement.

8.3 The direct expense relating to investment properties were Rs. 70,000 (2017: Rs. 82,000)

8.4 During the year properties having carrying value of Rs. 1,288 Million were exchanged under debt property swap arrangements and adjusted against loans from banking companies having carrying amount of Rupees 1,255 Million, the resultant loss on the disposal of these properties was charged to operating revenue.

8.5 The fair value of subject investment property is based on valuation that was carried out by M/s. Negotiator, independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2018.

8.6 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 2018.

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

The following table presents the Group's investment properties that are measured at fair value at 30 June 2017.

		Fair value measurements at 30 June 2017 using significant other observable inputs (Level 2)	
Recurring fair value measurements		Rupees	
Investment properties		1,765,542,000	1,765,542,000

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2018 or 2017.

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.

8.7 Particulars of the investment properties are as follows:

Particulars	Location	Forced sale value		Forced sale value	
		Area Sq. Ft	June	Area Sq. Ft	June
			2018		2017
			Rupees		Rupees
Various shops,	Grand Trunk Road, Pace Gujrat, Gujrat	47958	1,116,528,750	47958	1,244,420,550
Various Shops	'Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1777	31,793,654	11571	344,567,250
Plot-D	Near Rangers Headquarters Lahore Cantt	87444	1,351,009,800	-	-
5th Floor	Pace Mall Model town Link Road Lahore	11354	102,186,000.00	-	-
		148533	2,601,518,204	59529	1,588,987,800

8.8 Details of investment property disposed off having book value each in excess of Rs.500,000 each are as follows:

Location	Revalued Amount	Book Value	Sale price	Gain / (Loss)	Mode of disposal	Particulars of the purchasers
Rupees						
Lahore	974,942,154	974,942,154	862,761,854	(112,180,300)	Negotiation	United Bank Limited Summit Bank Limited Askari Bank Limited Syed Muhammad Salman Zaidi
Gujranwala	587,401,584	587,401,584	643,959,218	56,557,634	Negotiation	United Bank Limited Soneri Bank Limited World Call Mobile (Pvt.) Limited Syed Muhammad Salman Zaidi
Total	1,562,343,738	1,562,343,738	1,506,721,072	(55,622,666)		

9 Investment accounted for using the equity method

	Note	2018 Rupees	2017 Rupees
First Capital Mutual Fund Limited (FCMF)-Quoted			
5,035,462 (2017: 9,235,680) ordinary units of Rs 10 each			
Equity held 46% (2017: 56%)		125,950,629	119,353,798
Share of profit/(Loss) - net of tax	9.1	(24,094,239)	18,418,481
Less: Disposal of Units		(46,533,849)	-
Less : Dividend received		(3,509,557)	(11,821,650)
		51,812,984	125,950,629
Media Times Limited-Quoted			
59,157,770 (2017:59,157,770) ordinary shares of Rs 10 each		-	13,068,815
Equity held: 33.08% (2017:33.08%)		-	-
Share of loss for the year - net of tax	9.1	-	(13,068,815)
Share of other comprehensive (loss)/income for the year		-	-
		-	-
These includes 13,893,000 shares (2017: 15,683,000 shares) out of total shares that are pledged with various commercial banks.			
Pace Super Mall (Private) Limited-Unquoted			
11,250 (2017: 11,250) ordinary shares of Rs 10 each		112,500	112,500
Equity held: 0.07% (2017: 0.07%)		112,500	112,500
Pace Barka Properties Limited-Unquoted			
54,790,561 (2017: 54,790,561) ordinary shares of Rs 10		416,788,131	445,147,875
Equity held: 17.95% (2017: 17.95%)		6,314,125	(29,458,284)
Share of (loss)/ profit for the year - net of tax	9.1	39,311	-
Share of other comprehensive (loss)/income for the year	9.2	1,096,207	1,098,540
Share of other reserves for the year	9.3	424,237,774	416,788,131
Total investments accounted for using equity method		476,163,258	542,851,260
9.1 Share of (loss)/profit of associates.			
First Capital Mutual Fund Limited		(24,094,239)	18,418,481
Media Times Limited		-	(13,068,815)
Pace Barka Properties Limited		6,314,125	(29,458,284)
		(17,780,114)	(24,108,618)
9.2 Share of other comprehensive (loss)/income from associates			
First Capital Mutual Fund Limited		-	-
Media Times Limited		-	-
Pace Barka Properties Limited		39,311	-
		39,311	-
9.3 Share of reserve on incremental depreciation - net of tax from associate			
First Capital Mutual Fund Limited		-	-
Media Times Limited		-	-
Pace Barka Properties Limited	9.3.1	1,096,207	1,098,540
		1,096,207	1,098,540

9.3.1 During the year financial statements of the Pace Barka Properties Limited are restated because of the changes introduced by Companies Act 2017 related to revaluation surplus of property plant and equipment net impact of said change on equity of the associate company is Rs. Nil. Owing to these factors and being immaterial comparative figures are reclassified.

9.4 Refer note 39.5 for summarized financial information for associates accounted for using equity method

9.5 All investments made in associated companies as above have been made in accordance with the requirements of the Companies Act, 2017.

	Note	2018 Rupees	2017 Rupees
10 Long term investments - available for sale			
Pakistan Stock Exchange Limited	10.1	23,165,822	41,163,833

10.1 Movement of long term Investments

		2018	2017	2018	2017
		Number of shares		Rupees	
Opening balance		1,602,953	4,007,383	41,163,833	24,156,320
Addition		-	-	-	-
Deletion		(430,000)	(2,404,430)	(11,042,400)	(14,493,792)
Closing		1,172,953	1,602,953	30,121,433	9,662,528
Remeasurement of carrying value of shares	10.2	1,172,953	1,602,953	23,165,822	41,163,833
Unrealized (loss)/gain charged to OCI				(6,955,611)	31,501,305
Sale proceeds from the disposal				8,468,645	67,324,040
Carrying value of shares sold during the year				(2,592,020)	(14,493,792)
Capital gain realized				5,876,625	52,830,248

10.2 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received in accordance with requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. The total number of shares received by the Group were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX. Afterwards during 2017, PSX concluded bidding process for its equity stake where share price of Rs. 28 per share was offered by successful bidder. PSX sold these 60% (40% to the successful bidder & 20% to general public) shares of the company, held in separate blocked account in CDC at this price and sale proceeds were transferred in the designated bank account of the Group. Capital gain of Rs 5,876,625/- was earned on the sale of these shares. Currently, 1,081,194 shares having value of Rs. 21.3 Million are still held in block account.

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

	Note	2018 Rupees	2017 Rupees
11 Long term deposits and advances - considered good			
Security deposits with:			
- Pakistan Mercantile Exchange		-	1,200,000
- Pakistan Stock Exchange Limited		-	2,397,442
- Central Depository Company Limited (CDC)		200,000	200,000
- License fee with SECP		1,500,025	1,500,025
- National Clearing Company Pakistan Limited (NCCPL)		1,000,000	1,400,000
- Others	11.1	125,776,300	5,052,424
- Fix Deposit in Colombo stock exchange		2,659,508	2,363,402
- Retention money	11.2	5,775,633	29,263,888
		136,911,466	43,377,181

11.1 This includes advance against purchase of property located at 133 Shadman II Lahore measuring 4 Kannal & 15 Marla, to Pace Barka Properties Limited a related party amounting Rs 125 Million (2017: NIL) which is also the maximum amount outstanding at any time during the year calculated by reference to month end balances

11.2 This represents money retained by Pace Barka Properties Limited (Associate Company) at 5% of contract work on account of interim payment certificates (IPCs) raised regarding work done on the Pace Circle Project. During the current year, Pace Barka Properties Limited released Rs. 25 Million from the afore-mentioned amount. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 29.26 Million (2017: 29.26 Million).

12 Deferred tax asset/(liability)			
	Note	2018 Rupees	2017 Rupees
This comprises of the following:			
Deferred tax asset in respect of tax depreciation		-	283,920
Deferred tax asset in respect of gratuity		-	149,378
Deferred tax asset in respect of unused tax losses and tax credits		-	532,831
Defer tax liability	12.2	(988,470)	(673,510)
		(988,470)	292,619

12.1 The Group has a deferred tax asset amounting to Rs. 383,972,377 (2017: Rs 402,822,249) arising on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However as sufficient taxable profits may not be available in foreseeable future, to recognise this defer tax asset in consolidated financial statements.

12.2 This represents deferred tax liability relating to Lanka Securities (Private) Limited Rs. 988,470 (2017: 673,510). The same falls under the regulation of different tax authority.

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

13	Trade debts	Note	2018 Rupees	2017 Rupees
Money market receivables:				
	Unsecured - considered good		1,964,909	2,667,234
	Receivables against purchase of shares by clients:			
	Unsecured - considered good		275,614,836	1,513,594,874
	Unsecured - considered doubtful		169,000,000	-
			444,614,836	1,513,594,874
Receivable against professional services rendered :				
	Related Parties - unsecured, considered good	13.1	16,051,568	17,501,669
Others:				
	Unsecured - considered good		364,760,304	142,391,829
	Unsecured - considered doubtful		318,095	92,625,977
			365,078,399	235,017,806
			827,709,712	1,768,781,583
	Less: provision for doubtful debts	13.2	(169,318,095)	(92,625,977)
			658,391,617	1,676,155,606

13.1 This includes asset management fee amounting to Rs 3,917,738 (2017: Rs. 5,027,606) receivable from First Capital Mutual Fund, an associated company. This also includes receivable from Media Times Limited, an associated amounting to Rs 12,133,829 (2017 : Rs 12,133,829). The maximum amount outstanding at any time during the year calculated by reference to month end balances from FCMF and MTL is Rs. 5.39 Million and Rs. 12.13 Million (2017: 5.49 Million and Rs. 12.13 Million) respectively.

13.2	Provision for doubtful debts	Note	2018 Rupees	2017 Rupees
	Opening balance		92,625,977	1,189,439,182
	Charge for the year	27	171,768,494	100,621,409
	Bad debts written off		(95,076,376)	(1,197,434,614)
	Closing balance		169,318,095	92,625,977

13.3 During the year the board of directors of two subsidiaries First Capital Equities Limited and Lanka Securities (Pvt.) Ltd. charged provision against the receivable balances of debtors which are considered doubtful amounting Rs 169 Million and Rs. 2,768,494 respectively. Debtors amounting Rs. 96,854,422 which are considered irrecoverable have been written off during the year against provision and bad debt expense.

13.4 During the year one of the subsidiary First Capital Equities Limited charged provision for doubtful debts, and signed various settlement agreements with the debtors. As a result the balance of debtors has significantly decreased. Trade debts also include various balances against which the company has filed suits for recovery in various courts as disclosed in Note 23.1.8 of accompanying financial statements. Based on past experience the management believes that no other provision is required in respect of other trade receivables, as these receivables are expected to be recovered subsequent to the year.

14 Loans, advances and other receivables

	Note	2018 Rupees	2017 Rupees
Considered good			
Advances to employees:			
- Executives	14.1	325,405	373,410
- Others		6,826,199	9,219,946
		7,151,604	9,593,356
Unsecured - considered good			
Due from associated companies	14.2	1,578,417	126,436,436
Stock exchanges	14.3	6,130,454	18,548,313
Advance against purchase of property	23.2.1	106,565,000	30,370,000
Advance to supplier		156,364,253	32,000,000
Receivable against sale of investment property	14.4	70,756,000	-
Other		15,462,502	9,811,816
		364,008,230	226,759,921

14.1 Advances given to employees are in accordance with the Group's policy and terms of employment contract. Out of these advance amounting Rs. 268,700 (Rs. 148,500) is secured against gratuity, are interest free and adjustable against salary/expense claims other are unsecured. This does not include any loan, advance given to Chief executive or Directors.

14.2 This represents receivable amounting to Rs. Nil (2017: Rs. 21,522,022) from Pace Barka Properties Limited, an associate as part of consideration as per the terms of settlement agreement for disposal of a former subsidiary Trident Construct (Private) Limited. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 21.52 Million (2017: Rs. 21.52 Million).

This also include another balance receivable from Media Time Limited given as advance in the normal course of business amounting Rs 1,300,980 (2017: Rs 1,300,980). The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 1.30 Million (2017: Rs. 1.30 Million).

This includes receivable from First Capital Mutual Fund amounting Rs. 277,437 (2017: Rs. 245,375) against dividend and expense sharing. The maximum amount outstanding at any time during the year calculated by reference to month end balances is same.

14.3 This includes exposure deposit with the Pakistan Stock Exchange Limited under the exposure rules. This includes Rs. 2,500,000/ (2017: Rs. 18,000,000/-) deposited with PSX against requirement of Base Minimum Capital.

14.4 This amount is receivable from Syed Muhammad Salman Zaidi. against sale of investment property. No collateral is available against this receivable.

14.5 Comparative figures have been restated to reflect changes in the definition of executives as per Companies Act, 2017.

	Note	2018 Rupees	2017 Rupees
15 Deposits and other receivables			
Accrued brokerage commission		124,801	249,714
Rent receivable		403,000	536,956
Others receivables	15.1	18,695,000	24,373,027
		19,222,801	25,159,697

15.1 This includes deposit with Pakistan Mercantile Exchange limited amounting Rs Nil (2017: Rs 1,081,678) and Rs. 18,695,000 (2017: Rs. 18,695,000) is receivable from Wireless n Cable (Pvt.) Ltd. against sale of capital work in progress. No collateral is available against this receivable.

	Note	2018 Rupees	2017 Rupees
16 Short term investments			
Short term investments	16.1	224,683,089	175,512,951
Investments at fair value through profit or loss	16.2	81,292,112	155,631,351
		305,975,202	331,144,302

16.1 This represents investment in fixed deposits and repo with Bank of Ceylon related party. The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 251.2 Million (2017: 175.5 Million).

	Note	2018 Rupees	2017 Rupees
16.2 Investments at fair value through profit or loss			
Carrying value at 30 June:			
- Related parties	16.2.1	118,130,111	121,209,539
- Others	16.2.2	23,168,367	15,957,945
		141,298,478	137,167,484
Unrealized (loss)/gain on remeasurement of investments during the year		(60,006,366)	18,463,867
		81,292,112	155,631,351
Fair value of investments at fair value through profit or loss at 30 June comprises of:			
- Related parties	16.2.1	66,004,664	132,876,621
- Others	16.2.2	15,287,448	22,754,730
		81,292,112	155,631,351

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

	Note	Shares/Units		Carrying value		Fair value		Percentage holding	
		2018	2017	2018	2017	2018	2017	2018	2017
		-----Number-----		-----Rupees-----		-----Rupees-----		%	%
Real estate investment and services									
Pace (Pakistan) Limited - associated company	16.2.1.1	14,245,176	15,106,676	94,156,730	94,416,725	48,291,147	105,142,465	5.11%	5.42%
Mutual funds									
First Capital Mutual Fund Limited - associate		1,912,344	2,212,344	23,973,381	26,792,814	17,713,517	27,734,156	17.42%	13.32%
		16,157,520	17,319,020	118,130,111	121,209,539	66,004,664	132,876,621		

16.2.1.1 This includes NIL(2017:3,370,000) shares having market value of NIL(2017:23,455,200) pledged against the loan of the parent company

16.2.1.2 All investments made in associated companies as above have been made in accordance with the requirements of the Companies Act, 2017.

16.2.2 Investments at fair value through profit or loss - others

	Note	Shares		Carrying value		Fair value	
		2018	2017	2018	2017	2018	2017
		-----Number-----		-----Rupees-----		-----Rupees-----	
Insurance							
Shaheen Insurance Company Limited		849,329	849,329	5,359,267	4,246,645	4,331,578	5,359,267
PICIC Insurance Limited		32,000	32,000	112,000	172,814	70,400	112,000
Investment Banks							
Arif Habib Limited		100	100	8,041	4,500	6,100	8,042
Cement							
Pioneer Cement Limited		11,000	11,000	1,430,000	1,181,400	515,460	1,430,000
D.G Khan Cement Limited		500	-	77,383	-	57,245	-
Telecommunication							
Worldcall Telecom Limited	16.2.4	5,138,707	5,021,207	15,650,936	9,841,566	9,917,705	15,314,681
Pakistan Telecommunication Limited		34,000	34,000	530,740	511,020	388,960	530,740
	16.2.3	6,065,636	5,947,636	23,168,367	15,957,945	15,287,448	22,754,730

16.2.3 Shares having carrying amount of Rs. 86,758,587/- (2017: Rs. 55,128,860/-) and market value of Rs. 46,080,674/- (2017: Rs.71,371,404 /-) are pledged as security against long term loans.

16.2.4 This includes 4,220,677 (2017: 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 During the year Group sold investments having carrying value Rs. 89,315,594 and realized loss of Rs. 8,654,314.

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

17 Tax refund due from Government

This includes refund claimed filed by the group to the taxation authorities. During the year advance tax amounting Rs 24,238,507 is written off. Tax asset written off during the year was no longer adjustable or refundable.

	Note	2018 Rupees	2017 Rupees
18 Cash and bank balances			
Cash in hand		564,329	245,956
Cash at bank:			
- Current accounts - local and foreign currency	18.1	45,033,210	76,931,380
- Saving accounts - local and foreign currency	18.2	108,752,712	47,338,944
		153,785,922	124,270,324
		154,350,251	124,516,280

18.1 This includes converted balance Sri Lankan Rupees amounting to LKR. 1,611,970 (2017: LKR. 975,842).

18.2 The deposit accounts carry mark-up at rates ranging from 2% to 10% (2017: 4% to 8%) per annum.

	Note	2018 Rupees	2017 Rupees
19 Trade and other payables			
Trade creditors	19.1	605,649,406	199,053,642
Accrued liabilities	19.2	57,705,774	47,699,516
Advances from customers	19.3	678,760	1,459,903
Payable against purchase of property	19.4	406,181,523	6,681,123
Sales tax		466,908	1,395,655
Federal excise duty	19.5	3,786,830	3,786,830
Security deposit of shopkeepers		486,660	486,660
Withholding tax		25,229,167	13,694,884
Other liabilities	19.6	39,306,609	22,255,767
Due to contract	19.7	68,068,792	-
Payable against purchase of shares		-	72,488,591
		1,207,560,429	369,002,571

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

	2018 Rupees	2017 Rupees
Media Times Limited	341,100	71,100
Pace Barka Properties Limited	123,926,176	77,871,564
Pace (Pakistan) Limited	52,628,709	-
	176,895,985	77,942,664

19.2 This includes payable amounting Rs 132,191(2017:NIL) to Pace Pakistan Limited, an associated company against purchase of vehicle by one of the subsidiary of the company and balance amounting Rs 1,182,973 (2017: Rs 1,182,973) to Chief Executive of one of the subsidiary on account of salary and expenses.

19.3 This includes Rs. 85,790 (2017: 85,790) payable to Pace Barka Properties Limited against printing advance.

19.4 This amount is payable to Pace Pakistan Limited, an associated company against purchase of properties in Pace Fortress Stadium, and Near Ranger headquarters Lahore.

	Note	2018 Rupees	2017 Rupees
19.5 Federal Excise Duty (FED):			
Opening balance			
- Related to asset management	19.4.1	3,713,207	3,713,207
- Other		73,623	73,623
Provision during the year		-	-
Closing balance		3,786,830	3,786,830

19.5.1 As per requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of management company has been applied effectively from 13 June 2013. The subsidiary is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. A stay order against the collection has been granted by the Honorable 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 Honorable 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 year-end Finance Act 2017 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 (2017: Rs 3.713 million) as the Federal Board of Revenue could file an appeal with Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan.

19.6 This includes Rs 11,685,362 (2017: Rs 11,607,269) payable by Parent Company in respect of final settlements of employees who have left the company.

This also includes amount Rs. 211,363(2017: Rs.211,363) payable to First Capital Mutual Fund a fund managed by FCIL a subsidiary company and 194,430(2017:NIL) to Pace Pakistan Limited.

19.7 This includes payable amounting Rs. 23,568,785 and Rs. 44,500,006 to Pace Barka Properties Limited and Pace Pakistan Limited respectively, against construction contracts.

	Note	2018 Rupees	2017 Rupees
20 Short term borrowings			
From banking companies	20.1	491,125	9,148,723

20.1 This represents overdraft facility obtained by Lanka Securities (Private.) Limited from Bank of Ceylon an associated against a markup rate of FD rate+2.5%. The aggregate amount of overdraft facility available is Rs. 18.99 Million.

	Note	2018 Rupees	2017 Rupees
21 Long term loans - secured			
Term finance facilities		2,277,799,054	2,362,732,545
Deferred notional income	21.1	(42,695,331)	(26,011,163)
Accrued mark-up classified as long term		144,800,249	568,065,170
		2,379,903,972	2,904,786,552
Current portion		(31,459,282)	(2,206,000)
	21.2	2,348,444,690	2,902,580,552

21.1 This represents the difference between amortization cost and carrying value and restructuring of long term loans. Amortized cost has been determined using effective interest rate upto 12.29% (2017: upto 9.05%) per annum based on the original loan agreements.. Movement is as follows:

	2018 Rupees	2017 Rupees
Deferred notional income		
Opening balance	26,011,163	59,732,842
Incurred during the year	27,399,232	-
Amortized during the year	(10,715,064)	(33,721,679)
Closing balance	42,695,331	26,011,163

21.2 During the year one of the subsidiary First Capital Equities Limited entered into debt property swap agreement with banks. As a result loans having carrying amount of Rs. 1,255,046,533/- have been paid / adjusted against disposal of buildings and investment property. Some of the loan facilities are restructured during the year and the difference between the amortized cost and carrying value has been charged to profit or loss.

During the year parent Company entered into diminishing musharka agreement with Silk Bank Limited (Eman Islamic Banking). This carry markup at the rate of 6 month KIBOR (ask side) plus 3% margin per annum. This loan is secured by the way of hypothecation over following assets:

- Diminishing musharka asset
- Current assets of company

During the year one of the subsidiary Ever green Water Valley (Pvt.) Limited obtained a loan amounting Rs. 65 Million from Silk Bank Limited.

	Note	2018 Rupees	2017 Rupees
22 Staff retirement benefits			
Amount recognized in the consolidated statement of financial position is as follows:			
Present value of defined benefit obligation	22.1	66,231,435	60,024,114
Accumulating compensated absences		1,190,549	2,517,416
		67,421,984	62,541,530
22.1 Movement in net obligation			
Liability at 01 July		61,097,434	53,496,188
Expense charged to statement of profit or loss	22.2	13,175,704	13,847,370
Remeasurements charged in other comprehensive income	22.3	(7,192,984)	(3,403,764)
Benefits payable transferred to short term liability		(144,873)	(1,467,958)
Benefits paid during the year		(703,846)	(2,447,722)
Liability at 30 June		66,231,435	60,024,114
22.2 Charged to profit or loss			
Current service cost		9,794,939	10,198,003
Interest cost		3,380,765	3,649,367
		13,175,704	13,847,370
22.3 Charged to other comprehensive income			
Changes in financial assumptions		223,364	(5,187,938)
Experience adjustments		(7,416,348)	1,784,174
		(7,192,984)	(3,403,764)

The latest valuation of defined benefit obligation was conducted by Nauman Associates (consulting actuaries) except for Lanka Securities (Private) Limited and Evergreen Water Valley (Private) Limited as of 30 June 2018. Significant actuarial assumptions are as follows:

		2018	2017
Discount rate	Per annum	7.75% to 11.5%	7.25% to 13.25%
Discount rate used for year-end obligation	Per annum	9% to 11.5%	6.25% to 12%
Expected rate of salary increase in future years	Per annum	8% to 10%	6.25%

23 Contingencies and commitments

23.1 Contingencies

Parent Company

- 23.1.1** The senior management of the Company was contacted by 'National Accountability Bureau' (NAB) dated June 22,2002 in respect of certain transactions in FIB carried out by the Company related to Workers Welfare Fund ("WWF") during the year 1999. On review of related records and information and discussions with the senior management, National Accountability Bureau's investigation concluded that two employees of the Company had colluded with WWF officials to defraud WWF. On this basis, National Accountability Bureau required the Company to pay or guarantee to pay on account of WWF a sum of Rs. 46 Million in view that public funds were involved and it was the Company's vicarious liability. The Company had paid National Accountability Bureau an amount of Rs. 13.8 Million and had provided adequate security against the balance amount recovered from the parties involved. National Accountability Bureau had recovered Rs 12.127 million from various parties involved and informed that Company's liability stands reduced by the said amount. The Company had also paid an amount of Rs 10 million as full and final settlement during the financial year ended 30 June 2004. Thus a sum of Rs 23.8 million as discussed above has so far been written off in the Company's accounts. However, the Bureau has again raised a demand of Rs. 10 million, which remains un-recovered from various parties involved. The Company has informed National Accountability Bureau that the said amount is not payable. The Company has also lodged a counter claim for sums paid to National Accountability Bureau, which were actually siphoned by the employees of WWF and other parties involved. The instant writ petition was disposed of with direction to the respondents / National Accountability Bureau authorities that they shall hear the petitioner and decide the matter in accordance with law expeditiously. The Company is confident of its favorable outcome, therefore no provision has been made in the financial statements.

- 23.1.2** During financial year 1998-1999, Securities and Exchange Commission of Pakistan ("SECP") raised a demand of Rs. 0.8 Million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favor of the Company. SECP had filed an appeal in the Supreme Court of Pakistan against the Judgment of the Honorable Lahore High Court. The Appeal has resulted in remand of the proceedings to the Lahore High Court; by the Honorable Supreme Court vide order dated 29.04.2010. The matter will be re-decided by the Lahore High Court. Honorable Lahore High Court passed an order dated 20-05-2015 to issue notices to the Appellants and consigned the appeal to record. In stated proceedings, Company has engaged a new Counsel who has filed Application for restoration of the stated Appeal and matter is pending before Lahore High Court. Management considers that there are strong grounds to support the Company's stance and is hopeful for a favorable decision. Consequently, no provision has been made in these financial statements for this amount.
- 23.1.3** CTR No. 14/2002 reference has been directed against the judgment of ITAT dated 03.02.2001 whereby the order passed under 66 – A of the Income Tax Ordinance, 1979, for the assessment years 1995-1996, by IAC of the Income tax Range – III, Companies Zone – II, Lahore has been affirmed. The C.T.R is now pending before the Honorable Lahore High Court and is to be heard along with other identical matters. There is likelihood of a favorable decision in favor of Company in as much as said order is in conflict with earlier judgments of the superior courts. The case has to be fixed by office of the Honorable Lahore High Court Lahore.
- 23.1.4** The Income Tax Appellate Tribunal Lahore vide its Order dated 19th November 2008 for Assessment Year 1996-1997, 1999-2000, 2001-2001, 2002-2003, Tax Year 2003 and 2004 held that allocation of expense cannot be made against Capital Gain. During the preceding year Tax References No. PTR 131/09 to 140/09 filed by the Tax Department against order of Income Tax Appellate Tribunal Lahore dated 19th November 2008. The Honorable Lahore High Court vide its order dated 10th March 2015 accepted the references filed by department for the above mentioned years, and cases were remanded back to Income Tax Appellate Tribunal Lahore. The Company has preferred CPLAs before the August Supreme Court against the Orders passed by the Lahore High Court Lahore in all Tax References Nos. PTR 131/09 to 140/09. The Company is confident of a favorable decision in the matter.
- 23.1.5** During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Equities Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the cumulative recovery of Rs. 188.74 Million from the Company or alternatively recovery of Rs. 0.513 Million from the Company against insurance premium. The case is pending before the honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.
- 23.1.6** During the current year, Al-Hoqani Securities & Investment Corporation (Pvt.) Ltd has filed suit against the Company, First Capital Equities Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor.

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** 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.
- 23.1.9** During the year 2009-10 the Company has lodged a complaint to Securities and Exchange Commission of Pakistan on September 10, 2009 for taking appropriate action against the Universal Equities ((Pvt.)) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities ((Pvt.)) Limited by the Company and for recovery of Rs. 25.20 million till February 2010. The Universal Equities ((Pvt.)) Limited has filed a suit for permanent injunction alleging therein that the Company be directed not to initiate criminal proceedings against the dishonored cheque. The Learned Trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities ((Pvt.)) Limited to interfere in the order of the Learned Trial Court passed in favor of the Company. Later on the civil suit filed by the Universal Equities (Pvt.) Limited was dismissed by the court. However the company has also filed an application on June 20, 2011 for winding up the Universal Equities (Pvt.) Limited before the honorable Lahore High Court Lahore. Which is pending before the High Court and the company is confident of a favorable decision in the case.
- 23.1.10** During the year 2010-11, the JS Bank Limited demanded immediate repayment of outstanding liabilities in relation to finance facilities availed by the Company and a Notice u/s 176 of the "Contract Act 1872" was served to the Company by the JS Bank whereby selling of all pledged securities was threatened if the outstanding liability was not discharged. The Company has filed a suit on February 03, 2011 before the Sindh High Court at Karachi under the original banking jurisdiction for recovery of an aggregate amount of Rs. 318,915,192/- on account of actual losses and accrued damages against the JS Bank Limited for charging the exorbitant interest rate and unilaterally changing the margin requirements of the securities pledged with JS Bank Limited and alleged sale of some of pledged securities. The Company has raised strong legal and factual objections in respect to the threatened sale of the pledged securities and has obtained an injunctive order whereby the JS Bank Limited has been restrained from selling the securities pledged by the Company. The mark up portion claimed by the bank is Rs. 82.29 million. The court may also award the cost of fund together with cost of suit, if the case is decided against the company. The legal advisors are confident of success of the case in company's favor.
- 23.1.11** 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. The outstanding balance is against various clients under the agency agreement.
- 23.1.12** In the year 2014-15, the Company was contesting the case with Askari Bank Limited in the Honorable High Courts of Sindh and Lahore filed on February 04, 2014, in which PLA to defend the cases has been filed by the Company. The Company has also lodged counter claim and claim damages from Askari Bank Limited. During the year Company entered in to a settlement agreement with Askari Bank Limited and Company disposed the counter claim while the Bank agreed to withdraw the original case as per the settlement agreement.

- 23.1.13** 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 cumulative recovery of Rs. 188.74 Million from First Capital Securities Corporation Limited or alternatively recovery of Rs. 105.78 Million from the Company against reverse repo purchase transaction and insurance premium. The case is pending before the honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.
- 23.1.14** During the year 2016-17, Soneri Bank Limited has filed suit against the company on May 27, 2016 for recovery of Rs. 148,342,600/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. During the year Company entered in debt property swap agreement with Bank, as per settlement agreement negotiated the Bank agrees to withdraw this case on settlement of agreed liability.
- 23.1.15** During the year 2016-17, JS Bank Limited has filed suit against the company on May 05, 2017 for recovery of Rs. 234,484,862/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. The legal advisor is confident of success of the case in company's favor.
- 23.1.16** During the current year, Al-Hoqani Securities & Investment Corporation (Pvt.) Ltd has filed suit against the Company, First Capital Securities Corporation Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor.
- 23.1.17** 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 counselor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on this legal counselor 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 markup and any further markup on certain terms and conditions. The main issue in this restructuring is that if the company failed to comply with the terms of agreements, the concession / reliefs shall stand withdrawn. The Company is very much confident that they will adhere to all the terms and conditions.

World Press (Private) Limited (the subsidiary company)

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

Lanka Securities (Private) Limited (the subsidiary company)

- 23.1.20** During the year 2014 via case No. DMR/2544/14 plaintiff named Ananda Wijerathne filed a suit against Lanka Securities Private Limited in the District Court of Colombo for the recovery of amount Rs LKR 1,300,000 (PKR 987,817). The case is awaiting further trial on October 8 2018 pending the evidence of 2nd witness of defendant (Lanka Securities Private Limited) to be taken.
- 23.1.21** During the year 2014 via case No. HCC/503/14/MR plaintiff named C.A Chanmukapawan filed a suit against Lanka Securities Private Limited in the Commercial High Court of Colombo for the recovery of amount Rs LKR 3,298,534 (PKR 2,506,422). The trial for this case is fixed for October 02,2018.
- 23.1.22** During the year 2016 via case No. HCC/31/16/MR plaintiff named HNB filed a suit against Lanka Securities Private Limited in the Commercial High Court of Colombo for the recovery of amount Rs LKR 11,000,000 (PKR 8,358,453). The case is awaiting further trial or settlement on December 3,2018.
- 23.1.23** During the year 2018 via case No. 1/42/2018 plaintiff named Buddhika Suraj Wickramaratne on account of an industrial dispute filed a suit against Lanka Securities Private Limited in LT No 1-Borella . The case is fixed for trial on September 12,2018 on account of defendants (Lanka Securities Private Limited) witness to be cross examined.
- 23.1.24** During the year 2017 via case No. 8/180/17 plaintiff named JCR Udayakumara on account of an industrial dispute filed a suit against Lanka Securities Private Limited in LT No 8-Borella . The case is awaiting further trial on October 23,2018 on account of defendants (Lanka Securities Private Limited) witness to be cross examined.
- 23.1.25** 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 lawyers and Directors of the subsidiary company are of the opinion that the outcome of these cases will not result in material liability for the company. Accordingly no provision recognized in the financial statements.

Falcon Commodities (Private) Limited (the subsidiary company)

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

	Note	2018 Rupees	2017 Rupees
23.2 Commitments			
Commitments include amounts in respect of:			
Capital expenditure	23.2.1	34,600,760	21,825,103
Sale of shares		517,215,269	900,562,615
Purchase of shares		513,507,359	836,092,776
Sale of property		5,459,282	-
Ijarah lease rental		6,679,115	2,955,350
		1,077,461,785	1,761,435,844

23.2.1 During the year holding company entered into an agreement to purchase property from Mr. Muhammad Siraj ul Huda Khan for Rs. 42,100,760 Out of this Rs. 36,195,000 is paid as an advance and remaining Rs. 5,905,760 is to be paid as per the property purchase agreement. The sale deed is not yet executed. No collateral is available against these advances.

One of the subsidiary company (First Capital Investments Limited) entered into an agreement for purchase of property from Wireless n Cable (Pvt.) Ltd and Tele sys (Pvt.) Ltd. for Rs. 49,065,000 and Rs. 50,000,000 respectively. Out of this Rs. 30,370,000 is paid as an advance to Wireless n Cable (Pvt.) Ltd and 40,000,000 is paid as an advance to Tele sys (Pvt.) Limited and remaining Rs. 18,695,000 is to be paid to Wireless n Cable (Pvt.) Ltd and 10,000,000 is to be paid Tele sys (Pvt.) Ltd as per the property purchase agreement. The sale deed is not yet executed. No collateral is available against these advances.

23.3 Susequent event

Subsequent to year end on August 06, 2018, the Holding Company entered into an Corporate gurantee amounting Rs.480,000,000 in favor of Silk Bank Limited against the loan facility availed by one of the wholly owned subsidiary Ever Green Water Valley (Pvt.) Limited.

24 Share capital

Issued, subscribed and paid-up share capital

2018 -----Number of shares-----	2017		2018 -----Rupees-----	2017
38,165,030	38,165,030	Ordinary shares of Rs 10		
		each fully paid in cash	381,650,300	381,650,300
278,445,082	278,445,082	Ordinary shares of Rs 10		
		each issued as bonus shares	2,784,450,820	2,784,450,820
316,610,112	316,610,112		3,166,101,120	3,166,101,120

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

	2018		2017	
	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Amythest Limited	22.75	72,034,306	22.75	72,034,306

	Note	2018 Rupees	2017 Rupees
25 Operating revenue			
Revenue from construction contracts		394,778,288	214,986,951
Brokerage income		107,750,430	129,916,143
Dividend income		1,460,805	3,104,664
Money market income		12,185,645	14,341,862
(Loss)/gain on sale of investments		(8,311,538)	69,933,178
Investment advisory fee from FCMF and open fund management		3,926,793	5,117,809
Rental income		1,520,000	1,584,000
Revenue from printing		-	3,901,782
(Loss)/Gain on sale of investment property	8.8	(55,622,666)	142,368,000
		457,687,757	585,254,389
Sales tax		(8,092,236)	(13,796,881)
Capital Value Tax		(2,081,681)	(3,011,083)
		447,513,840	568,446,425

	Note	2018 Rupees	2017 Rupees
26	Direct costs		
Materials consumed		23,082,200	71,006,476
Salaries and benefits		48,121,126	51,139,212
Electricity and fuel consumed		8,085,385	7,522,055
Rent, rates and taxes		479,000	1,111,780
Postage and communication		420,987	294,952
Travelling expenses		-	903,230
Entertainment		482,558	734,228
Repair and maintenance		1,946,278	1,325,269
Vehicle running and maintenance		130,323	305,404
Rental expense of machinery		10,186,668	10,066,668
Other construction expenses		21,462,343	38,883,405
Miscellaneous		18,445,083	4,697,484
Installations		226,909,605	-
		359,751,556	187,990,163

27 Operating and administrative expenses

Salaries, wages and benefits		140,846,189	138,943,530
Stock exchange charges		4,509,627	5,490,156
Rent, rates and taxes		3,900,506	3,488,417
Telephone and fax		4,706,398	5,078,039
Utilities		4,182,256	3,561,101
Insurance		685,947	1,287,361
Printing and stationery		972,216	1,247,215
Travelling and conveyance		3,270,767	3,439,882
Repairs and maintenance		4,696,535	5,270,147
Postage and courier		891,407	1,396,190
Vehicle running		1,299,003	688,672
News papers and periodicals		91,213	119,732
Entertainment		2,680,997	2,661,840
Brokerage commission and capital value tax		1,294,429	36,058
Legal and professional charges		9,260,084	10,458,106
Lease rentals on Ijarah facilities		2,581,925	2,182,415
Advertisement		5,695,299	2,742,439
Provision for doubtful debts	13.2	171,768,494	100,621,409
Bad debt written off		1,778,046	3,377,149
Fees and subscriptions		3,326,936	3,595,885
Auditors' remuneration	27.1	3,251,973	3,274,005
Depreciation	6.1	26,400,880	30,020,095
Deposits written off		24,694,652	-
Impairment loss on TREC	7.1	2,500,000	-
Miscellaneous		37,120,688	33,337,351
		462,406,467	362,317,194

27.1 Auditors' remuneration

	Parent company	Subsidiary companies	Total 2018	Total 2017
	-----Rupees-----			
Annual audit	525,000	1,460,273	1,985,273	1,951,943
Consolidated accounts	475,000	-	475,000	475,000
Half yearly review	200,000	290,000	490,000	490,000
Other certifications	-	200,000	200,000	260,000
Out of pocket expenses	40,000	61,700	101,700	97,062
	1,240,000	2,011,973	3,251,973	3,274,005

			2018 Rupees	2017 Rupees
28	Other income	Note		
	Income from financial assets			
	Income on deposit accounts		2,118,319	1,029,896
	Interest from staff loans		65,279	50,599
	Income on term deposits		21,264,940	10,895,388
	Income from other than financial assets			
	Gain/(loss) on sale of property, plant and equipment		41,127,414	(9,222,222)
	Liabilities and accrued interest written back		423,930,130	273,609,110
	Gain on sale of intangible assets	28.1	5,375,000	-
	Scrap sales		-	18,984
	Interest income on delayed payments		9,794,532	16,971,557
	Notional income on remeasurement of financial liability		27,399,232	
	Miscellaneous		3,091,790	2,019,013
			<u>534,166,636</u>	<u>295,372,325</u>

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

			2018 Rupees	2017 Rupees
29	Finance costs	Note		
	Mark-up on long term loans		5,113,041	12,116,297
	Mark-up on short term borrowings		77,575	17,882,453
	Mark up amortized	21.1	10,715,064	33,721,679
	Finance charges on assets subject to finance lease		3,691,484	2,372,059
	Bank charges and commission		736,534	619,610
	Loan settlement charges		6,862,140	-
	Miscellaneous		-	36,595
			<u>27,195,838</u>	<u>66,748,693</u>
30	Taxation			
	Current		25,922,352	37,031,559
	Prior Year		(14,164,127)	19,525
	Deferred		(217,741)	771,503
			<u>11,540,484</u>	<u>37,822,587</u>

30.1 There is no relationship between tax expense and accounting profit since the majority of the Group Companies have taxable losses for the year and are subject to minimum and final. Accordingly no numerical reconciliation has been presented.

30.2 The Group computes current tax expense based on generally accepted interpretations of the tax laws to ensure that the sufficient provision of tax is available. According to management the tax provision made in the consolidated financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2017	2016 Rupees	2015
Income tax provision for the year (as per accounts)	37,822,587	28,823,205	11,850,589
Income tax as per tax assessment	24,031,563	15,271,871	6,982,310
		2018	2017

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

Net profit/(loss) for the year	Rupees	<u>(110,719,646)</u>	144,296,806
Weighted average number of ordinary shares as at 30 June	Numbers	<u>316,610,112</u>	316,610,112
Earning/(loss) per share - basic and diluted	Rupees	<u>(0.35)</u>	0.46

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

32 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	2018	2017
			Value of transactions made during the year	Value of transactions made during the year
-----Rupees-----				
Bank of Ceylon	Associated company	Employee benefits fund	-	-
		Share transaction	434,127,661	96,902,430
		Brokerage income	1,978,413	626,638
		Interest income	21,062,814	9,439,133
		Investment in Repo	12,198,496	-
		Investment in fixed deposit	37,334,692	137,981,545
		Merchant Bank of Sri Lanka	Associated company	Share transaction
Brokerage income	26,461			31,714
Pace Pakistan Limited	Associated company (share holding 5.11%)	Purchase of property	1,878,000,000	-
		Service Charges	671,760	671,760
		Brokerage income	4,741	-
		Payment received	265,480	-
			66,108,866	-
		Sale of goods and services provided		-
		Payments against Purchase of property	20,614,218	-
		Vehicle purchased	425,000	-
First Capital Mutual Fund	Associate (shareholding 63.42%)	Asset management fee	3,335,673	4,358,786
		Dividend Income	-	429,204
		Brokerage income	42,980	-
		Other Receivable	188,466	-
		Payment received	245,375	-
Pace Barka Properties Limited	Associate (shareholding 17.95%)	Rental income earned	-	-
		Sale of goods and services	404,959,161	85,790
		Payment received	25,000,000	4,945,450
		Construction revenue	-	214,986,951
		Brokerage Income	-	139,849
Media Times Limited	Associate (shareholding 33.08%)	Purchase of goods and services	172,500	97,500

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

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

	2018 Rupees	2017 Rupees
33 Cash generated from operations		
Profit/(loss) before taxation	(95,583,051)	235,020,449
<i>Adjustments for:</i>		
Depreciation	26,400,880	30,207,601
Finance cost	5,133,556	32,403,275
Accrued interest written back	(423,264,921)	(273,593,186)
Loss/(Gain) on re-measurement of short term investments	60,006,366	(18,463,867)
Loss/(gain) on re-measurement of investment properties	150,123,186	(136,270,500)
Loss/(gain) on disposal of investment properties	55,622,666	-
Capital gain on sale of investments	803,843	(40,242,858)
Gain on sale of intangible asset	(5,375,000)	-
Gain on disposal of property, plant and equipment	(40,862,414)	9,222,433
Provision for doubtful debts and bad debts written off	171,768,494	107,075,158
Deposits written off	456,145	-
Impairment losses	2,500,000	-
Share of loss from investments accounted for using equity method	17,780,114	24,108,618
Dividend income	(1,460,805)	-
Retirement benefits paid	13,175,705	9,582,679
Interest income	(741,851)	-
Interest expense	14,484,123	-
Liabilities written back	(665,209)	-
Amortization	250,008	-
Deferred notional income	(27,399,232)	-
Other income	(2,979,816)	-
Bad debts written off	1,778,046	-
Mark-up income	(31,124,751)	(28,869,975)
	(13,590,867)	(284,840,622)
Profit/(loss) before working capital changes	(109,173,918)	(49,820,173)
<i>Effect on cash flow due to working capital changes:</i>		
<i>Decrease/(increase) in:</i>		
Inventories	(26,701,657)	9,876,129
Trade debts	878,986,926	404,259,850
Loans and advances	(311,439,251)	(59,541,691)
Short term investments	(34,697,441)	(50,864,782)
	506,148,577	303,729,506
<i>(Decrease)/increase in:</i>		
Trade and other payables	817,732,548	38,895,407
Short term borrowings	(9,258,052)	9,148,723
	808,474,496	48,044,130
	1,314,623,073	351,773,636
	1,205,449,155	301,953,463

34 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.

34.1 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.

34.1.1 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 was:

	Note	2018 Rupees	2017 Rupees
Long term deposits and advances		136,911,466	43,377,181
Long term investments - available for sale		23,165,822	41,163,833
Trade debts - net	34.1.2	658,391,617	1,676,155,606
Loans and advances		364,008,230	226,759,921
Interest accrued		75,648	86,447
Deposits and other receivables		19,222,801	25,159,697
Short term investments	34.1.2	305,975,202	331,144,302
Bank balances	34.1.2	153,785,922	124,268,065
		<u>1,661,536,708</u>	<u>2,468,115,052</u>

34.1.2 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.

	2018 Rupees	2017 Rupees
Trade debts		
Foreign	364,760,304	140,699,574
Domestic	<u>293,631,313</u>	<u>1,535,456,032</u>
	<u>658,391,617</u>	<u>1,676,155,606</u>

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

	2018	2017
	-----Rs.-----	
Neither past due nor impaired	122,360,120	630,136,009
Past due 1 - 60 days	248,874,874	419,482,948
Past due 61 - 120 days	4,041,479	194,102,517
Above 120 days	<u>283,115,144</u>	<u>432,434,132</u>
	<u>658,391,617</u>	<u>1,676,155,606</u>

Short term investments

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

Bank balances

Bank balances as at year end are classified as follows:

	Note	2018 Rupees	2017 Rupees
Foreign		1,224,871	658,944
Domestic		<u>152,561,051</u>	<u>123,611,380</u>
	18	<u>153,785,922</u>	<u>124,270,324</u>

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

	Rating		Rating agency
	Short term	Long term	
Faysal Bank Limited	A 1 +	AA	PACRA
Bank Al Falah Limited	A1+	AA	JCR - VIS
Allied Bank Limited	A1+	AAA	PACRA
Bank Islami Limited	A 1	A+	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
Bank Al Habib Limited	A1+	AA+	PACRA
Silk Bank Limited	A-2	A-	JCR - VIS
United Bank Limited	A - 1 +	AAA	JCR - VIS
Askari Bank Limited	A1+	AA+	PACRA
Albaraka Islamic bank	A1	A	PACRA
MCB Bank Limited	A1+	AAA	PACRA
MCB Islamic Bank Limited	A1	A	PACRA
Dubai Islamic Bank Limited	A-1	AA-	JCR-VIS
Bank of Ceylon	NA	AAA	LRA (Lanka)
MBSL Bank	NA	A	LRA (Lanka)

34.1.3 Concentration of credit risk

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

34.2 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:

	2018				
	Carrying Amount	Contracted cash flow	Upto one year or less	One to two years	More than two years
	-----Rupees-----				
Financial liabilities					
Long term loan	2,235,103,723	2,235,103,723	31,459,282	2,203,644,441	-
Short term borrowings	491,125	491,125	491,125	-	-
Trade and other payables	1,207,560,429	1,207,560,429	1,207,560,429	-	-
Mark-up accrued	144,800,249	144,800,249	-	144,800,249	-
	3,587,955,526	3,587,955,526	1,239,510,836	2,348,444,690	-
	-----Rupees-----				
Financial liabilities					
Liabilities against assets subject to finance lease	434,554	434,554	434,554	-	-
Long term loan	2,336,721,382	2,336,721,382	2,206,000	2,334,515,382	-
Short term borrowings	9,148,723	9,148,723	9,148,723	-	-
Trade and other payables	368,568,017	368,568,017	368,568,017	-	-
Mark-up accrued	568,065,170	568,065,170	-	568,065,170	-
	3,282,937,846	3,282,937,846	380,357,294	2,902,580,552	-

34.3 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

34.3.1 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:

	2018 Rupees	2017 Rupees
Foreign debtors	364,760,304	140,699,574
Foreign currency bank accounts	1,224,871	658,944
Foreign creditor and other payables	387,007,904	107,151,196
Net exposure	(21,022,729)	34,207,322

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2018	2017	2018	2017
LKR to PKR	0.717	0.690	0.759	0.675

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.

	2018 Rupees	2017 Rupees
Effect on profit or loss	(2,102,273)	3,420,732
	(2,102,273)	3,420,732

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.

34.3.2 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:

	2018	2017	2018	2017
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial liabilities				
Liabilities against assets subject to finance lease	-	12 to 18.75	-	(434,554)
Short term borrowings	up to 11	9.18 to 10.01	(491,125)	(9,148,723)
Long term loans - secured	up to 12.29	8.13 to 20	(2,235,103,723)	(2,336,721,382)
			(2,235,594,848)	(2,346,304,659)

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.

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 2017.

Profit or loss

	100 bps Increase	100 bps Decrease
As at 30 June 2018	Rupees	
Cash flow sensitivity - Variable rate financial liabilities	22,355,948	(22,355,948)
As at 30 June 2017		
Cash flow sensitivity - Variable rate financial liabilities	23,458,701	(23,458,701)

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

34.3.3 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 consolidated statement of financial position 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 2018 and 2017 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
2018	Rupees				
Investments					
Investments at fair value through profit or loss	81,292,112	10% increase	89,421,323	-	8,129,211
		10% decrease	73,162,901	-	(8,129,211)
	<u>81,292,112</u>				
2017					
Investments					
Investments at fair value through profit or loss	155,631,351	10% increase	171,194,486	-	15,563,135
		10% decrease	140,068,216	-	(15,563,135)
	<u>155,631,351</u>				

34.3.4 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 consolidated statement of financial position 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 consolidated statement of financial position are as follows:

	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rupees			
Financial assets				
Long term investments	23,165,822	23,165,822	41,163,833	41,163,833
Long term deposits and advances - considered good	135,911,466	135,911,466	41,877,156	41,877,156
Trade debts	658,391,617	658,391,617	1,676,155,606	1,676,155,606
Loans, advances and other receivables	364,008,230	364,008,230	226,759,921	226,759,921
Interest accrued	75,648	75,648	86,447	86,447
Deposits and other receivables	19,222,801	19,222,801	25,159,697	25,159,697
Short term investments	305,975,202	305,975,202	331,144,302	331,144,302
Cash and bank balances	154,350,251	154,350,251	124,516,280	124,516,280
	<u>1,661,101,037</u>	<u>1,661,101,037</u>	<u>2,466,863,242</u>	<u>2,466,863,242</u>

2018	2017
------	------

	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities	-----Rupees-----			
Liabilities against assets subject to finance lease	-	-	434,554	434,554
Long term loan	2,235,103,723	2,235,103,723	2,336,721,382	2,336,721,382
Short term borrowings	491,125	491,125	9,148,723	9,148,723
Trade and other payables	1,207,560,429	1,207,560,429	368,568,017	368,568,017
Mark-up accrued	144,800,249	144,800,249	568,065,170	568,065,170
	3,587,955,526	3,587,955,526	3,282,937,846	3,282,937,846

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 year end that would have been determined by market participants acting at arm's length.

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

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

30 June 2018	Level 1	Level 2	Level 3	Total
Equity securities	Rupees			
Long term investments	23,165,822			23,165,822
Financial assets at fair value through profit or loss	81,292,112	-	-	81,292,112
	104,457,934	-	-	104,457,934
30 June 2017				
Equity securities				
Long term investments	41,163,833			41,163,833
Financial assets at fair value through profit or loss	155,631,350			155,631,350
	196,795,183	-	-	196,795,183

34.3.5 Operational risk

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

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

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

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

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

34.4 Capital management

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

The Group's objectives when managing capital are:

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

- (ii) to provide an adequate return to shareholders.

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

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

The debt-to-equity ratios at 30 June 2018 and at 30 June 2017 were as follows:

	2018	2017
	Rupees	Rupees
Total debt	2,380,395,097	2,914,369,829
Total equity and debt	4,080,588,143	4,703,840,515
Debt-to-equity ratio	58.33%	61.96%

The decrease in the debt-to-equity ratio in 2018 resulted primarily due to material finance facility obtained by holding company 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.

35 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	
	2018	2017	2018	2017	2018	2017
	Rupees					
Short Term Employee Benefits						
Managerial remuneration	2,400,000	2,400,000	-	-	43,065,950	48,966,000
Re-imbursable expenses	-	-	-	-	1,119,034	945,631
Utilities	-	-	-	-	1,846,366	1,789,904
House rent	-	-	-	-	7,385,462	7,159,613
Commission	-	-	-	-	186,688	-
Post Employment Benefits						
Provision for gratuity	228,573	200,000	-	-	7,008,691	9,018,024
	2,628,573	2,600,000	-	-	60,612,191	67,879,172
Number of persons	1	1	6	6	27	25

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

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

36 Number of employees

The average and total number of employees are as follows:

Holding Company

Average number of employees during the year	18	20
Total number of employees as at 30 June	17	19

Subsidiary Companies

Average number of employees during the year	174	174
Total number of employees as at 30 June	171	170

37 Operating segments

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

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

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

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

Type of segments and nature of business

1 Financial services

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

2 Investment advisory services

Investment advisory services to open end mutual funds.

3 Construction and water sanitation

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

4 Printing and publishing

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

The identification of operating segments was based on the internal organizational and reporting structure, built on the different products and services within the Group. Allocation of the individual organizational entities to the operating segments was exclusively based on economic criteria, irrespective of the participation structure under Companies Ordinance, 1984. For the presentation of reportable segments in accordance with IFRS 8, both operating segments with comparable economic features and operating segments not meeting the quantitative thresholds were aggregated with other operating segments.

38 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.

38.1 Information about reportable segments

	Financial Services		Investment advisory services		Printing and publishing		Construction and water sanitation		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	-----Rupees-----									
External revenues	53,021,137	341,763,322	(285,585)	7,794,370	-	-	394,778,288	218,888,733	447,513,840	568,446,425
Inter-segment revenues		-		-		-		-	-	-
Direct cost	(9,721,034)	(4,697,484)	-	-	-	-	(350,030,522)	(183,292,679)	(359,751,556)	(187,990,163)
Operating expenses	(428,643,821)	(325,203,901)	(15,590,128)	(18,222,553)	(3,481,169)	(7,296,528)	(14,691,349)	(11,594,212)	(462,406,467)	(362,317,194)
Other income	532,138,392	304,204,331	463,119	96,123	265,000	(8,974,129)	1,300,125	46,000	534,166,636	295,372,325
Finance cost	(23,250,596)	(64,331,865)	(10,790)	(13,490)	(5,648)	(2,368,458)	(3,928,804)	(34,880)	(27,195,838)	(66,748,693)
Gain on investment properties	(150,123,186)	(6,097,500)	-	-	-	-	-	-	(150,123,186)	(6,097,500)
Unrealized gain / (loss) on re-measurement of short investment	(53,868,344)	17,772,126	(6,138,022)	691,741	-	-		-	(60,006,366)	18,463,867
Share of loss from investments accounted for using the equity method	6,314,125	(42,527,099)	(24,094,239)	18,418,481	-	-	-	-	(17,780,114)	(24,108,618)
Profit / (loss) before taxation	(74,133,327)	220,881,930	(45,655,645)	8,764,672	(3,221,817)	(18,639,115)	27,427,738	24,012,962	(95,583,051)	235,020,449
Taxation expense for the year	(144,256)	(34,632,512)	1,323,684	(893,415)	-	-	10,796,538	(2,296,660)	(11,540,484)	(37,822,587)
Profit / (loss) after taxation	(74,277,583)	186,249,418	(44,331,961)	7,871,257	(3,221,817)	(18,639,115)	38,224,276	21,716,302	(107,123,535)	197,197,862
Other information										
Segment assets	4,596,343,560	4,575,404,028	268,891,306	313,609,062	20,507,181	28,567,477	470,816,979	217,369,495	5,356,559,026	5,134,950,062
Segment liabilities	3,278,678,672	3,202,029,102	14,320,706	12,372,905	12,164,002	17,002,481	351,202,600	114,074,888	3,656,365,980	3,345,479,376
Depreciation	22,193,664	23,882,312	2,572,236	2,952,545	1,394,300	2,944,730	240,680	240,507	26,400,880	30,020,094
Capital expenditure	5,158,751	1,409,893		20,792,005	-	12,600,000	1,720	49,400	5,160,471	34,851,298

	2018 Rupees	2017 Rupees
38.2 Reconciliation of assets		
Assets		
Total assets of reportable segments	4,880,395,768	4,592,098,800
Investments accounted for using the equity method	476,163,258	542,851,267
Consolidated total assets	5,356,559,026	5,134,950,067

38.3 Geographical information

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

	2018 Rupees	2017 Rupees
38.3.1 Revenue		
Pakistan	390,124,209	560,652,055
Sri Lanka	57,389,631	7,794,370
	447,513,840	568,446,425

38.3.2 Non-current assets

Pakistan	3,800,869,330	2,722,405,414
Sri Lanka	5,249,876	247,467
	3,806,119,206	2,722,652,881

38.4 Revenue on the basis of major products and services

Dividend income	1,460,805	3,104,664
Money market income	10,783,757	12,691,913
(Loss) / gain on sale of investments	(63,934,204)	212,301,178
Investment advisory fee from FCMF	3,335,673	4,368,786
Brokerage income	99,569,521	115,507,151
Rental income	1,520,000	1,584,000
Revenue from printing	-	-
Revenue against construction contracts	394,778,288	218,888,733
	447,513,840	568,446,425

39 Interests in other entities

39.1 Material subsidiaries

The Group's principal subsidiaries as at June 30, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interest held by the owners of the parent		Ownership interest held by non-controlling interests		Principal activities
		2018	2017	2018	2017	
First Capital Investments Limited	Pakistan	78.86%	78.86%	21.14%	21.14%	Asset management services
Lanka Securities (Private) Limited	Sri Lanka	51%	51%	49%	49%	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.
World Press (Private) Limited	Pakistan	65%	65%	35%	35%	Printing, publishers, packaging, advertisement and specialized directory business and stationers
Falcon Commodities (Private) Limited	Pakistan	100%	100%	0%	0%	Carrying on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited
Ozer Investments Limited	Sri Lanka	100%	100%	0%	0%	Providing financial advisory services, portfolio management, margin provision, unit trust management and stock brokerage
First Capital Equities Limited	Pakistan	73.23%	73.23%	26.77%	26.77%	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.
Evergreen Water Valley (Private) Limited	Pakistan	100%	100%	0%	0%	Installation and manufacturing of water purification plants and construction activities
First Construction Limited	Pakistan	100%	100%	0%	0%	Construction company

39.2 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		World Press (Private) Limited	
	2018	2017	2018	2017	2018	2017	2018	2017
Summarized statement of financial position								
Current assets	104,668,385	71,678,436	602,895,709	325,106,156	447,353,281	1,728,463,177	15,482,276	22,148,273
Current liabilities	7,265,942	6,092,609	387,960,186	129,108,477	102,646,335	139,554,745	12,164,002	14,125,697
Current net assets / (liabilities)	97,402,443	65,585,827	214,935,523	195,997,679	344,706,946	1,588,908,432	3,318,274	8,022,576
Non-current assets	164,578,846	242,540,463	7,955,544	4,927,330	1,310,203,209	1,728,240,896	6,026,347	7,420,647
Non-current liabilities	7,410,689	6,890,133	988,470	673,510	1,242,838,110	2,938,788,729	-	2,876,784
Non-current net assets/(liabilities)	157,168,157	235,650,330	6,967,074	4,253,820	67,365,099	(1,210,547,833)	6,026,347	4,543,863
Net assets	254,570,600	301,236,157	221,902,597	200,251,499	412,072,045	378,360,599	9,344,621	12,566,439
Accumulated non-controlling interests	53,816,225	63,681,324	108,732,273	98,123,235	110,311,686	101,287,132	3,270,617	4,398,254
Summarized statement of comprehensive income								
Revenue	(8,262,480)	5,279,430	57,389,631	37,116,735	6,843,719	162,482,131	-	-
Profit/(loss) for the year	(46,979,329)	7,871,257	(5,216,584)	(13,169,820)	5,115,697	264,003,257	(3,221,817)	(18,639,115)
Other comprehensive income/(loss)	313,772	213,291	1,969,974	4,443,468	28,595,749	38,812,991	-	-
Total comprehensive income/(loss)	(46,665,557)	8,084,548	(3,246,610)	(8,726,352)	33,711,446	302,816,248	(3,221,817)	(18,639,115)
Profit/(loss) allocated to NCI	(9,931,430)	1,663,984	(2,556,126)	(6,453,212)	1,369,472	70,673,672	(1,127,636)	(6,523,690)
Other comprehensive income/(loss) allocated to NCI	66,331	45,090	1,969,974	2,177,299	7,655,082	10,390,238	-	-
Dividends paid to NCI	-	-	-	-	-	-	-	-
Summarized cash flows								
Cash flows from operating activities	(44,765,669)	(7,878,777)	6,779,944	56,923,585	1,002,043,146	280,313,503	(1,642,187)	(11,515,398)
Cash flows from investing activities	44,934,557	7,851,214	28,070,765	27,224,502	280,635,610	205,430,758	-	13,259,119
Cash flows from financing activities	-	-	-	(300,339)	(1,255,046,533)	(458,867,391)	-	-
Net (decrease)/increase in cash and cash equivalents	168,888	(27,563)	34,850,709	83,847,748	27,632,223	26,876,870	(1,642,187)	1,743,721

39.3 Interests in associates

Set out below are the associates of the group as at 30 June 2018 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares except FCMF, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held and total units in case of mutual fund .

Name of entity	Place of business	Ownership interest held by the Group		Quoted Fair Value		Carrying Value	
		2018	2017	2018	2017	2018	2017
First Capital Mutual Fund	Pakistan	46%	55.62%	46,641,974	115,777,561	51,812,984	125,950,628
Media Times Limited	Pakistan	33.08%	33.08%	102,342,942	182,205,932	-	-
Pace Barka Properties Limited	Pakistan	17.95%	17.95%	-	-	424,237,774	416,788,131
Pace Super Mall	Pakistan	0.07%	0.07%	-	-	112,500	112,500
				148,984,916	297,983,493	476,163,258	542,851,259

39.4 Commitments and contingent liabilities in respect of associates

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

39.5 Summarized financial information for associates

	First Capital Mutual Fund		Media Times Limited		Pace Barka Properties Limited	
	2018	2017	2018	2017	2018	2017
Summarized statement of financial position						
	-----Rs-----				-----Rs'000-----	
Current assets	121,373,438	226,346,924	124,014,274	153,976,860	2,682,790	2,427,148
Current liabilities	19,659,143	18,199,345	663,095,804	597,864,684	1,298,040	1,436,073
Current net assets / (liabilities)	101,714,295	208,147,579	(539,081,530)	(443,887,824)	1,384,750	991,075
Non-current assets	-	-	341,028,815	423,812,037	3,723,778	3,893,968
Non-current liabilities	-	-	280,544,406	227,405,699	307,756	158,261
Non-current net assets	-	-	60,484,409	196,406,338	3,416,022	3,735,707
Net assets/(liabilities)	101,714,295	208,147,579	(478,597,121)	(247,481,486)	4,800,772	4,726,782
Summarized statement of comprehensive income						
Revenue	(36,858,857)	33,215,359	354,887,897	385,849,282	592,415	308,223
Profit/(loss) for the year	(43,768,466)	33,114,852	(229,271,579)	(80,072,573)	73,771	(164,113)
Other comprehensive (loss)/income	-	-	(1,844,056)	2,096,237	219	-
Total comprehensive income/(loss)	(43,768,466)	33,114,852	(231,115,635)	(77,976,336)	73,990	(164,113)

40 Date of authorization for issue

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

41 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