FCEL

FIRST CAPITAL EQUITIES LIMITED
Corporate Member Karachi Stock Exchange Limited
4th Floor, Lakson Square Building No. 1,
Sarwar Shaheed Road, Karachi-74200, Pakistan.
Tel: (+92-21) 35656745-747, Fax: 35656710
Lahore Office: 3rd Floor, Pace Shopping Mall,
Fortress Stadium, Lahore Cantt, Lahore.
Tel: (+92-42) 36623000-3, Fax: 36623121-2
Islamabad Office: 221, 2nd Floor, ISE Tower, Islamabad.
Tel: (+92-51) 8356031-34, 2894201-04, Fax: 2894206

FCEL/CS/10/2018/

05 October 2018

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

NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Enclosed please find a copy of Notice of Annual General Meeting of First Capital Equities Limited to be held on 26 October 2018 at 03:00 p.m. for your information and record.

Yours truly,
For First Capital Equities Limited

Abdul Sattar
GM Group Corporate Affairs

C.C To:-

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

Share Registrar
Corplink (Pvt.) Limited
Lahore

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 23rd Annual General Meeting of the Shareholders of First Capital Equities Limited ("the Company" or "FCEL") will be held on Friday, 26 October 2018 at 3:00 p.m. at the Registered Office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore to transact the following business:

Ordinary business

1. To confirm the minutes of Annual General Meeting held on 28 October 2017;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2018 together with the Chairman's Review, Directors' and Auditors' reports thereon; and

3. To appoint the Auditors of the Company for the year ending 30 June 2019 and to fix their remuneration

Special business

4. To ratify the acquisition of 7,600,000 million ordinary shares, of Pace (Pakistan) Limited an associated company, as part of settlement of overdue outstanding balance of client(s) in the ordinary course of business and pass the following resolutions with or without modifications:

"**RESOLVED THAT** the acquisition of 7,600,000 million ordinary shares having par value of Rs. 10.00 each, of Pace (Pakistan) Limited an associated company, as part of settlement of overdue outstanding balance of Rs. 58,900,000 related to certain client(s) in the ordinary course of business be and is hereby approved. Further, the Chief Executive of the Company is hereby authorized to dispose of these shares from time to time as she/he may deem appropriate".

By order of the Board

Shahzad Jawahar
Company Secretary

Lahore
05 October 2018

Notes:

1) The Members Register will remain closed from 19 October 2018 to 26 October 2018 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 18 October 2018 will be considered in time for the purpose of Annual General Meeting.

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

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

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

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

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

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

5) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2017 along with Auditors and Directors Reports thereon on its website: www.firstcapital.com.pk and Group's website www.pacepakistan.com;

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

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

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

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

This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on 27 October 2018.

The Company acquired 7,600,000 ordinary shares having a par value of Rs. 10.00 each of Pace (Pakistan) Limited on 28 December 2015 @ 7.75 per share for a total cost of Rs. 58,900,000 (Rupees fifty eight million nine hundred thousand only).

The par value of these shares as at 30 June 2016 and 30 June 2017 is Rs. 7.97 and Rs.8.76 per share respectively.

The shares of Pace (Pakistan) Limited originally belonged to various clients of the Company, who had willfully defaulted towards the Company and had overdue balances payable to the Company. Based on mutual agreements with such clients vis-à-vis the proposal for partial/full settlement of their overdues and default towards the Company, the shares were adjusted as a part of their settlements in kind. It is also pertinent to mention here that this was done so in very compelling circumstances by the Company, since such clients had expressed their complete inability to service their dues/defaults in cash or otherwise by assets other than the shares in question.

Therefore, in essence the shares in question came under the control of the Company through the ordinary course of business and dealings of the Company and were not any investment within meaning and definition of the term as specified in Section 199 of the Companies Act, 2017 (previously Section 208 of the Companies Ordinance, 1984). The shares had been pledged since year 2009 through house account of the Company with 2 financial institutions/creditors of the Company.

During the Financial Year 2016, PSX (formerly) KSE/LSE required clients' segregation statement of the Company, thus the shares were recorded in the Company's book to comply with the direction of KSE and not with a view to make an investment in these shares.

Consequent upon the examination of Annual Accounts of the Company for the year ended 30 June 2016, Securities and Commission of Pakistan ("SECP") issued a Show Cause notice # CSD/ARN/469/2017-3918 dated 19 June 2017 to the Company under section 208 read with Section 476 of the Companies Ordinance, 1984.

The matter of Show Cause notice was concluded by SECP on 06 August 2018 by giving a direction to the Company that the Company to seek approval of Shareholders in general meeting to make the transaction transparent and remove any ambiguities and doubts about the acquisition of shares of Pace.

INSPECTION OF DOCUMENTS

Copies of Memorandum and Articles of Association, Statement under section (3) of section 134 of the Companies Act, 2017, annual and quarterly accounts along with all published or otherwise required accounts of all prior periods of the Company and Pace (Pakistan) Limited where applicable and to the extent required, along with the Order / Direction of SECP dated 06 August 2018. The documents may be inspected/procured during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

The Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings which may also be inspected during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

FCEL

FORM OF PROXY

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

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

Shares Held: ________________

Option 1
Appointing other person as Proxy

I/We____ S/o D/o W/o ____________________________CNIC ____________________being the member(s) of First Capital Equities Limited hereby appoint Mr./Mrs./Ms./ ________________________S/o D/o W/o ____________________CNIC ____________________ or failing him / her Mr. / Mrs. Miss ____________________ S/o. D/o. W/o. ________________________ CNIC ____________________as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting of the Company to be held on 26 October 2018 at 03:00 p.m. and at any adjournment thereof.

Signed under my/our hands on this ________________day of ____________, 2018

Affix Revenue Stamp of
Rupees Five

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

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

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

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

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

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

(Please See Notes on reverse)

Notes

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

2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head Office of the Company 2nd and 3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Execution officer by the intermediary as Proxy.

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

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