

**FIRST CAPITAL EQUITIES LIMITED**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2017**

# FIRST CAPITAL EQUITIES LIMITED

## MISSION

Our mission is to strive to become the *Leading Brokerage and its Related Business Company and Best Employer* in each market that we operate. We will adhere to the following principles and provide execution to direct our future. We shall experience growth through building quality relationships, knowledge, service and innovation.

### ***Dedicated to Make it Happen***

**CLIENTS:** We will offer every Client: Fast & Friendly Service. Commitment, Cleanliness, Dedication, Excellence, & Trust.

**ASSOCIATES:** We will offer every associate: Development, Loyalty, Opportunities, Open-Door, Teamwork, Training, & Benefits.

**IMAGE:** We will operate every facility: Professionally, Helpful, Positive, Bright, Clean, & Consistent.

**COMMUNITY:** We will offer every community: Involvement, Support, Stability, Respect, Assistance & Environmental Awareness.

**STANDARDS:** We will operate our business: Ethically, Competitively, Safely, Innovative, with High Expectations, & Quality Products.

## VISION

Our Vision is linked with our Mission to be the *Leading Brokerage and its Related Business Company and Best Employer* in each market we operate. Our Vision will guide and direct us towards our mission, and communicates what we believe in as an operations group.

### ***We Believe In***

- Obligation to serve the Shareholders' Interest
- Providing Clients with Consistent Outstanding Services
- Showing and encouraging Teamwork
- Maintaining and developing high standards of Image
- Treating people with Respect
- Creating and developing a Positive Environment
- Building a Reputation For Success
- Providing services with the Highest Quality
- Operating with the highest Integrity & Honesty
- Exploring and encouraging New & Innovative Ideas
- Providing positive Recognition & Reinforcement
- Becoming a dependant fiber in every Community
- Continue to focus our associates with Development & Training
- Building and consistently growing overall Revenues
- Provide every Client with a Pleasant Experience
- Stay focused on our business by Listening Intently

# FIRST CAPITAL EQUITIES LIMITED

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# FIRST CAPITAL EQUITIES LIMITED

# FIRST CAPITAL EQUITIES LIMITED

## COMPANY INFORMATION

Board of Directors	Mian Ehsan Ul Haq Malik Saifeer Raza Awan Ahsan Zia Waseem Ul Hassan Abdul Samad Azhar Ahmed Batla Raja Suhail Qurban	(Chief Executive) (Chairman)	Executive Non Executive Executive Executive Executive Independent
Chief Financial Officer	Waseem Ul Hassan		
Audit Committee	Raja Suhail Qurban Azhar Ahmed Batla Malik Saifeer Raza Awan	(Chairman) (Member) (Member)	
Human Resource and Remuneration (HR&R) Committee	Raja Suhail Qurban Mian Ehsan Ul Haq Abdul Samad	(Chairman)	
Company Secretary	Shahzad Jawahar		
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants		
Legal Advisers	Muhammad Amir Advocates, Karachi		
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Summit Bank Limited United Bank Limited		
Registered Office	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan Tele: + 92-42-36623005/6/8 Fax: + 92-42-36623121, 36623122		
Main Corporate Office	4th Floor, Block B,C & D Lakson Square Building No. 1 Sarwar Shaheen Road, Karachi Tele: + 92-21-111 226 226 Fax: +92-21-5656710		
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town, Lahore Tele: + 92-42-5839182		

# FIRST CAPITAL EQUITIES LIMITED

# FIRST CAPITAL EQUITIES LIMITED

## DIRECTORS' REVIEW

The Board of Directors of First Capital Equities Limited ("the Company" or "FCEL") are pleased to present the Director's report along with financial statements of the Company for the half yearly ended December 31, 2017.

## CAPITAL MARKET REVIEW

In the first six months of FY18, Pakistan stock market's benchmark KSE-100 index has yielded a loss of 13.1%, closing at 40,471 points. Furthermore, 2QFY18 performance remained dull (2QFY18 return of -4.6%) primarily due to i) Political uncertainty including protests and accountability cases, and ii) Legal and Regulatory issues within the Banking Sector. Average Daily Turnover (ADT) during 1HFY18 was recorded at 158.11 million shares, with ADT during 2QFY18 a dismal 138.45 million shares. Outperformers in 1HFY18 included Software and Computer Services (up 24.4%), Tobacco (up 19.0%), Real Estate Investment Trust (up 9.9%), Food Producers (up 7.2%), Oil and Gas (up 7.0%), Beverages (up 6.3%) and Technology Hardware and Equipment (up 2.8%). Foreigners remained net sellers during 1HFY18 with an aggregate outflow of USD155.17 million (outflow of USD65.10 million in 2QFY18). Sectors which witnessed major foreign outflows during 1HFY18 included Commercial Banks (USD31.8 million), Oil and Gas Exploration Companies (USD49.34 million), Cement (USD31.80 million) and Fertilizers (USD16.82million).

## FINANCIAL HIGHLIGHTS

Following is the key financial highlights of your Company for the period:

Particulars	July to Dec 2017 Rupees	July to Dec 2016 Rupees
Brokerage income	22,084,048	36,076,650
Capital (loss) / gain - net	(82,797)	12,309,525
Other income	158,805,312	416,329
Unrealized (loss) / gain on re-measurement of investments at fair value through profit and loss	(35,988,175)	68,123,882
Operating expenses	57,488,415	52,460,067
Finance costs	15,065,450	39,078,359
Profit after taxation	76,999,685	25,203,501
Earnings per share	0.54	0.18

The company earned a profit after tax of Rs. 77.0 million in 1HFY18 as against net profit of Rs. 25.2 million in 1HFY17. This translates into EPS of Rs. 0.54 for the 1HFY18 versus EPS of 0.18 in the same period last year. The brokerage income of your company has decreased almost 38.8% as compared to same period last year. The un-realized loss on re-measurement of investment is recorded at Rs. 36.0 million while other income arrived at Rs. 158.8 million during 1HFY18. On overall basis, the operating segment posted a net loss of Rs. 85.9 million for 1HFY18. Operating expenses increased 10% YoY, while financial expenses registered a decline of 61%YoY during 1HFY18.

During the current period, Company has settled its partial liability with UBL and total liability with Summit Bank Limited through debt to assets swap arrangements against its investment property. The Company has also offered similar debts to assets swap arrangement against its investment property to other financial institutions, which is currently under review of competent authorities of respective financial institutions and management is confident of respective financial institutions agreeing to stated arrangements offered by the Company.

## COMPOSITION OF BOARD

**Total number of Directors 07**

a) Male: 07  
b) Female: Nil

Composition:  
Independent Directors 01  
Other Non-Executive Directors 01  
Executive Directors 05

# FIRST CAPITAL EQUITIES LIMITED

## COMMITTEE OF THE BOARD

### Audit Committee

Mr. Raja Suhail Qurban (Chairman)  
Mr. Azhar Ahmad Batla (Member)  
Malik Safer Raza Awan (Member)

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

Mr. Raja Suhail Qurban (Chairman)  
Mian Ehsan Ul Haq (Member)  
Mr. Abdul Samad (Member)

The composition of the Board of Directors and sub committees shall be changed in due course of time as per deadlines provided in new code of corporate Governance.

## CHANGE OF DIRECTOR

Mr. Azhar Ahmad Batla has been appointed as Director in place of Mr. Mr. Zuhaib Khan in the Board meeting held on 24 February 2018.

## FUTURE OUTLOOK

As United States increases pressure on Pakistan on ramping up efforts against terrorism, latest development of Pakistan's inclusion in Grey List in Jun, 17 of Financial Action Task Force (FATF) is expected to affect foreign flows with expected repercussions for Pakistan economy and banking sector & financial sector.

In the guidance of new leadership, FCEL is determined to exceed expectations within core revenue. Moving forward, the firm intends to achieve its targets at full throttle with performance improving in all aspects of the business, bringing the company closer to its vision of becoming the industry leader.

## ACKNOWLEDGMENT

The Board of Directors wishes to place on record their thanks and appreciation to all the shareholders and the banks for their continued valuable support. The Board also wishes to place on record its appreciation for guidance and support extended by Securities and Exchange Commission of Pakistan (SECP) as well the Pakistan Stock Exchange Limited. Finally the Board would like to record its appreciation to all the staff member for their continued hard work.

For and on behalf of the Board

Lahore

Dated: February 24, 2018

Director

Chief Executive Officer



# FIRST CAPITAL EQUITIES LIMITED

## ڈائریکٹرز کا جائزہ

ہم فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("کمپنی" یا "FCEL") کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2017 کو اختتام پذیر نصف سال کے لئے ڈائریکٹرز کی رپورٹ اور کمپنی کی مالیاتی اہمیتیں پیش کرنے میں فخر محسوس کرتے ہیں۔

### کیپٹل مارکیٹ جائزہ

مالی سال 2018ء کے پہلے نصف حصہ میں پاکستان سٹاک مارکیٹ کا بیچ مارک KSE-100 انڈیکس 13.1 فی صد خسارہ کے ساتھ 40,471 پوائنٹس پر بند ہوا۔ مزید برآں مالی سال 2018ء کی دوسری سرمایہ کاری میں کارگو ٹینک رہی (مالی سال 2018 کی دوسری سرمایہ کاریز 4.6 فی صد) جس کی بنیادی وجوہات (i) غیر تقابلی سیاسی صورت حال اور احتجاج اور مقناصب کے مقدمات اور (ii) ہنگامہ کے شعبہ میں قانونی اور ضابطی معاملات، ہیں۔ مالی سال 2018ء کے پہلے نصف حصہ میں روزانہ کاروبار کا اوسط ٹرن اور (ADT) 158.11 ملین حصص ریکارڈ کیا گیا جب کہ مالی سال 2018 کی دوسری سرمایہ کاری کے دوران ٹیکس ٹرن اور مایوس کن حد تک 138.45 ملین رہا۔ مالی سال 2018ء کے پہلے نصف حصہ میں سافٹ ویئر اور کمپیوٹر سروسز کی مدد میں 24.4 فی صد تک ترقی ہوئی۔ 19.0 فی صد تک، رینٹل اینٹیٹ اوٹسٹنٹ فرسٹ کی مدد میں 9.9 فی صد تک، نقدائی پیداوار کی مدد میں 7.2 فی صد تک، تیل اور گیس کی مدد میں 7.0 فی صد تک، شہر بات کی مدد میں 6.3 فی صد تک اور ٹیکنالوجی، ہارڈ ویئر اور ایکسچینج کی مدد میں 2.8 فی صد تک کم کارکردگی دیکھنے میں آئی۔ مالی سال 2018ء کے پہلے نصف حصہ میں 155.17 ملین ڈالر کے مجموعی آؤٹ فلو کے ساتھ غیر ملکی فروخت کا محرک رہے (مالی سال 2018ء کی دوسری سرمایہ کاری میں آؤٹ فلو 65.10 ملین ڈالر تھا)۔ مالی سال 2018ء کے پہلے نصف حصہ میں آؤٹ فلو کی مدد میں بڑے غیر ملکی شعبوں میں تجارتی بلکہ (31.8 ملین ڈالر)، تیل اور گیس کی دریافت کرنے والی کمپنیاں (49.34 ملین ڈالر)، اینیٹ (31.80 ملین ڈالر) اور کھاد کا شعبہ (16.82 ملین ڈالر) شامل ہیں۔

### مالی خصوصیات

زیر جائزہ سال میں آپ کی کمپنی کی بنیادی مالی خصوصیات حسب ذیل ہیں

31 دسمبر 2016	31 دسمبر 2017	مالی جائزہ
(روپے)	(روپے)	
36,076,650	22,084,048	بروکرینج انکم
12,309,525	(82,797)	کیپٹل (خسارہ) آمدنی - خالص
416,329	158,805,312	آمدنی (دیگر)
68,123,882	(35,988,175)	نفع اور نقصان کے ذریعے غیر ویلیو پرمایہ داری کے دوبارہ تعین پر قابل وصول (نقصان) / منافع
52,460,067	57,488,415	آپریٹنگ اخراجات
39,078,359	15,065,450	مالی لاگت
25,203,501	76,999,685	نفع علاوہ ٹیکس
0.18	0.54	آمدنی فی حصص

کمپنی نے مالی سال 2017ء کے پہلے نصف حصہ میں 25.2 ملین روپے خالص منافع کے مقابلہ میں مالی سال 2018ء کے پہلے نصف حصہ میں 77.0 ملین روپے کا منافع علاوہ ٹیکس حاصل کیا۔ اس کے نتیجے میں گزشتہ سال کی اسی مدت میں 0.18 آمدنی فی حصص کے مقابلہ میں مالی سال 2018ء کے پہلے نصف حصہ میں آمدنی فی حصص 0.54 روپے رہی۔ گزشتہ سال کی اسی مدت کے مقابلہ میں کمپنی کی بروکرینج انکم ہمارے طور پر 38.8 فی صد کم ہوئی۔ سرمایہ داری کے دوبارہ تعین پر قابل وصول خسارہ 36.0 ملین روپے ریکارڈ کیا گیا جب کہ مالی سال 2018ء کے پہلے نصف حصہ میں 158.8 ملین کی دیگر آمدنی ہوئی۔ مجموعی طور پر، مالی سال 2018ء کے پہلے نصف حصہ میں آپریٹنگ شعبہ کی مدد میں 85.9 ملین روپے کا خالص خسارہ ہوا۔ آپریٹنگ اخراجات YoY کی بنیاد پر 10 فی صد بڑھے جب مالیاتی اخراجات میں مالی سال 2018ء کے پہلے نصف حصہ میں YoY کی بنیاد پر 61 فی صد کی درج کی گئی۔

روانہ دورانہ میں کمپنی نے اپنے جزوی واجبات UBL کے ساتھ طے ہیں اور اپنی انویسٹمنٹ پراپرٹی کی مدد میں اثاثہ کے تبادلہ میں قرض کے ذریعے سمٹ بک لمیٹڈ کے ساتھ معاہدہ طے کیا ہے۔ کمپنی نے دیگر مالی اداروں کے ساتھ بھی اسی طرح کے انویسٹمنٹ پراپرٹی کی مدد میں اثاثہ کے تبادلہ میں قرض کی پیشکش کی ہے۔ جو متعلقہ مالی اداروں کی مجاز تعداد کے زیر مجوز ہیں۔ انتظامیہ پر امید ہے کہ کمپنی کی جانب سے دی گئی پیشکش پر مالی اداروں کا مثبت جواب آئے گا۔

# FIRST CAPITAL EQUITIES LIMITED

## بورڈ کی ساخت

07	ڈائریکٹرز کی کل تعداد:
07	(a) مرد
Nil	(b) خواتین
	تقسیم
01	آزاد ڈائریکٹرز
01	نان ایگزیکٹو ڈائریکٹرز
05	ایگزیکٹو ڈائریکٹرز

## بورڈ کی کمیٹیاں

آڈٹ کمیٹی:	محترم راجہ سہیل قربان (چئیرمین)
	جناب اظہر احمد (رکن)
	ملک سفیر رضا اعوان (رکن)
ہیومن ریسورس اینڈ ریٹرنیشن (HR&R) کمیٹی	محترم احسان الحق (رکن)
	محترم عبدالصمد (رکن)

بورڈ کی آف ڈائریکٹرز کی تقسیم اور سب کمیٹیاں نے کارپوریٹ گورننس ضابطہ کی ہر وقت دی گئی ہدایت کے مطابق تبدیل ہو جائیں گی۔

## ڈائریکٹرز کی تبدیلی:

24 فروری 2018 کو منعقدہ بورڈ کے اجلاس میں محترم ذریب خان کی جگہ پر محترم اظہر احمد کو ڈائریکٹر مقرر کیا گیا۔

## مستقبل کا نقطہ نظر

دہشت گردی کے خاتمہ کے لئے پاکستان کی کوششوں کو تیز کرنے کے لئے امریکی دباؤ، فائنٹھنشل ایکشن ٹاسک فورس (FATF) کی جون 2017ء کی گرسٹ میں پاکستان کی شمولیت سے غیر ملکی قلموز متاثر ہونے کا خدشہ ہے۔ جس کی وجہ سے پاکستان کی معیشت اور بینکنگ کا شعبہ اور مالی شعبہ میں خاطر خواہ تبدیلی کا اندیشہ ہے۔ نئی قیادت کی رہنمائی میں، FCEL بنیادی آمدنی میں اپنی توقعات بڑھانے کے لئے کوشاں ہے۔ آگے بڑھتے ہوئے، کمپنی اپنے اہداف تمام کاروباری امور میں بہتر کارکردگی کے ساتھ تدریج سے حاصل کرنے کی خواہش مند ہے۔ تاکہ باؤنڈسٹری ایڈر بننے کا اپنا اولین مقصد حاصل کر سکے۔

## اعتراف

بورڈ آف ڈائریکٹرز کمیٹی کی اس قابل تعریف کارکردگی پر حصص داران اور بینکوں کی مسلسل حمایت کا شکر گزار ہے۔ بورڈ سیکورٹیز رائٹرائیڈ ایجنسی کمیشن آف پاکستان (SECP) اور پاکستان سٹاک ایکسچینج لمیٹڈ کی رہنمائی اور مدد کو بھی قدر کی نگاہ سے دیکھتا ہے۔ آخر میں، بورڈ تمام سٹاک ہولڈرز کی مسلسل انتھک محنت کے لئے بھی خراج تحسین پیش کرتا ہے۔

بورڈ آف ڈائریکٹرز..... کے لئے/کی جانب سے

لاہور:

چیف ایگزیکٹو آفیسر

ڈائریکٹر

24 فروری، 2018

# FIRST CAPITAL EQUITIES LIMITED

## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of First Capital Equities Limited, as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the Quarter ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2017.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.2 in the annexed financial statements which indicates that although the company has earned an after tax profit of Rs. 76.99 Million for the half year ending December 31, 2017 but still there is an operating loss of Rs. 85.96 Million (Half year ending December 2016: profit of Rs. 25.17 Million), more over the accumulated losses of the company stand at Rs. 949.76 Million as at December 31, 2017 (June 30, 2017: 1,026.76 Million). Hence, the Company in order to carry on its business and to meet its current obligations required to generate sufficient operating profits and cash flows. These conditions along with other matters as set forth in note 1.2 indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

**Place: Islamabad**

**Date: 24 February 2018**

**NASIR JAVAID MAQSOOD IMRAN  
CHARTETED ACCOUNTANTS  
Imran-ul-Haq**

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INERIM BALANCE SHEET - (UN-AUDITED) AS AT DECEMBER 31, 2017

ASSETS	Note	(Un-Audited) December 2017 Rupees	(Audited) June 2017 Rupees
<b>NON - CURRENT ASSETS</b>			
Property plant and equipment	5	26,250,761	43,952,022
Intangible assets		5,000,000	12,500,000
Investment property	6	1,433,001,500	1,602,449,600
Long term investments	7	46,220,662	59,851,308
Long term deposits, receivables and prepayments	8	8,425,717	9,487,966
		<b>1,518,898,640</b>	1,728,240,896
<b>CURRENT ASSETS</b>			
Trade debts	9	1,055,671,945	1,513,588,111
Short term investments	10	59,304,927	86,805,188
Advances, deposits, prepayments and other receivables		8,507,560	26,976,399
Advance income tax		6,093,052	22,020,420
Interest accrued		11,923	81,798
Cash and bank balances		93,016,630	78,991,261
		<b>1,222,606,037</b>	1,728,463,177
<b>TOTAL ASSETS</b>		<b>2,741,504,677</b>	<b>3,456,704,073</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Share Capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital		1,413,355,000	1,413,355,000
Other reserves		(21,866,794)	(8,236,149)
Unappropriated loss		(949,758,567)	(1,026,758,252)
<b>TOTAL EQUITY</b>		<b>441,729,639</b>	<b>378,360,599</b>
<b>NON - CURRENT LIABILITIES</b>			
Long term financing	11	1,740,960,190	2,334,515,382
Interest Accrued		408,999,484	568,065,170
Deferred liabilities		38,622,536	36,208,177
		<b>2,188,582,210</b>	<b>2,938,788,729</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	96,830,350	106,597,027
Current portion of long term financing		8,824,000	2,206,000
Provision for taxation		5,538,478	30,751,718
		<b>111,192,828</b>	<b>139,554,745</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,741,504,677</b>	<b>3,456,704,073</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2017	December 2016	December 2017	December 2016
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Brokerage income		22,084,048	36,076,650	9,338,645	20,346,591
Capital gain / (loss) - net		(82,797)	12,309,525	(33,173)	12,353,774
Dividend income		578,646	201,494	510,430	200,369
Gain / (loss) on re-measurement of investments at fair value through profit and loss - net		(35,988,175)	68,123,882	(33,319,783)	(15,876,049)
		(13,408,278)	116,711,551	(23,503,881)	17,024,685
<b>EXPENDITURE</b>					
Operating and administrative expenses		57,488,415	52,460,067	27,870,338	29,625,700
Finance cost		15,065,450	39,078,359	8,117,734	20,188,025
		72,553,865	91,538,426	35,988,072	49,813,725
<b>OPERATING PROFIT / (LOSS)</b>		(85,962,143)	25,173,125	(59,491,953)	(32,789,040)
<b>OTHER INCOME / (LOSS)</b>	13	158,805,312	416,329	158,632,087	(115,591)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		72,843,169	25,589,454	99,140,134	(32,904,631)
Taxation	14	(4,156,516)	385,953	(6,814,152)	228,652
<b>PROFIT / (LOSS) AFTER TAXATION</b>		76,999,685	25,203,501	105,954,286	(33,133,283)
<b>EARNING / (LOSS) PER SHARE - BASIC AND DILUTED</b>	18	0.54	0.18	0.75	(0.23)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	HALF YEAR ENDED		QUARTER ENDED	
	December 2017 Rupees	December 2016 Rupees	December 2017 Rupees	December 2016 Rupees
Profit / (loss) after taxation for the period	76,999,685	25,203,501	105,954,286	(33,133,283)
Other comprehensive (loss) / income for the period				
<b><i>Items that will never be reclassified to profit and loss:</i></b>				
Remeasurement of defined benefit plan	-	-	-	-
<b><i>Items that are may be reclassified to profit and loss:</i></b>				
Unrealized gain / (loss) on remeasurement of investment available for sale	(13,630,645)	19,900,947	(9,119,459)	(182,021)
Other comprehensive income / (loss) for the period	(13,630,645)	19,900,947	(9,119,459)	(182,021)
<b>Total comprehensive income / (loss) for the period</b>	<b>63,369,040</b>	<b>45,104,448</b>	<b>96,834,827</b>	<b>(33,315,304)</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT-(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Un-audited December 2017 Rupees	Un-audited December 2016 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	72,843,169	25,589,454
<b>Adjustments for:</b>		
Depreciation	2,290,184	2,922,502
Loss / (gain) on re-measurement of investments at fair value through profit and loss - net	35,988,175	(68,123,882)
Dividend income	(578,646)	(201,494)
Deposits written off	456,145	-
Accrued interest written back	(159,065,698)	-
Interest accrued	(259,630)	(367,871)
Interest expense	-	39,078,359
Gain on sale of property plant and equipment	(18,026,673)	-
Loss on sale of investment property	21,491,831	-
Provision for gratuity	2,703,455	4,000,000
	(115,000,858)	(22,692,386)
	(42,157,689)	2,897,068
<b>Decrease / (Increase) in current assets</b>		
Investments at fair value through profit or loss	(8,487,914)	16,242,544
Trade debts - unsecured	457,916,166	189,210,950
Advances, deposits, prepayments and other receivables	18,012,708	(6,063,602)
	467,440,960	199,389,892
<b>(Increase) / decrease in trade and other payables</b>	(9,766,677)	55,094,469
<b>Cash generated in operations</b>	415,516,594	257,381,429
Interest received	329,505	564,840
Dividend received	578,646	201,494
Finance cost paid	-	(251,123)
Gratuity paid	(289,096)	(708,000)
(Taxes paid) / Refund received	(5,129,356)	1,897,360
<b>Net cash generated in operating activities</b>	411,006,293	259,086,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(1,762,250)	(237,420)
Proceeds from sale of property plant and equipment	42,700,000	-
Acquisition of investment property	(632,626,085)	-
Proceeds from sale of investment property	780,582,354	-
Long term deposits and advances	1,062,249	354,000
<b>Net cash generated in investing activities</b>	189,956,268	116,580
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans paid	(586,937,192)	(189,120,383)
Short term borrowings	-	(12,251,484)
<b>Net cash (used in) financing activities</b>	(586,937,192)	(201,371,867)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	14,025,369	58,830,713
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	78,991,261	52,114,391
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	93,016,630	110,945,104

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-Audited) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Capital Reserve			Revenue Reserve		Total
	Issued, subscribed and paid up capital	Share Premium	Reserve for issue of bonus shares	Fair value reserve	Unappropriated Profit	
	<b>Rupees</b>					
<b>Balance as at July 01, 2016 (Audited)</b>	<b>1,413,355,000</b>	-	-	<b>(48,292,434)</b>	<b>(1,289,518,215)</b>	<b>75,544,351</b>
Profit for the period after taxation	-	-	-	-	25,203,501	25,203,501
Other comprehensive income for the period						
Surplus on remeasurement of investment available for sale to fair value				19,900,947		19,900,947
Total other comprehensive income for the period - net of tax				19,900,947		19,900,947
Total comprehensive income for the period	-	-	-	19,900,947	25,203,501	45,104,448
<b>Balance as at December 31, 2016 (Un - audited)</b>	<b>1,413,355,000</b>	-	-	<b>(28,391,487)</b>	<b>(1,264,314,714)</b>	<b>120,648,799</b>
Profit for the period after taxation	-	-	-	-	238,799,756	238,799,756
<b>Other comprehensive income for the period</b>						
Remeasurement of defined benefit plan					(1,243,294)	(1,243,294)
Surplus on remeasurement of investment available for sale to fair value	-	-	-	20,155,338		20,155,338
Total other comprehensive income for the period - net of tax	-	-	-	20,155,338	(1,243,294)	18,912,044
Total comprehensive income for the period	-	-	-	20,155,338	237,556,462	257,711,800
<b>Balance as at June 30, 2017 (Audited)</b>	<b>1,413,355,000</b>	-	-	<b>(8,236,149)</b>	<b>(1,026,758,252)</b>	<b>378,360,599</b>
Profit for the period after taxation	-	-	-	-	76,999,685	76,999,685
<b>Other comprehensive income for the period</b>						
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(13,630,645)	-	(13,630,645)
Total other comprehensive income for the period - net of tax	-	-	-	(13,630,645)	-	(13,630,645)
Total comprehensive profit for the period	-	-	-	(13,630,645)	76,999,685	63,369,040
<b>Balance as at December 31, 2017 (un - audited)</b>	<b>1,413,355,000</b>	-	-	<b>(21,866,794)</b>	<b>(949,758,567)</b>	<b>441,729,637</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

Chief Financial Officer



# FIRST CAPITAL EQUITIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

### 1 THE COMPANY AND ITS OPERATION

**1.1** First Capital Equities Limited, (the "Company") was incorporated on January 26, 1995 as private limited company, under the Companies Ordinance, 1984. The Company was converted into Public Limited Company on June 18, 1997 and is listed on Pakistan Stock Exchange. The principal activities of the Company include share brokerage and conducting / publishing business research.

The Company is subsidiary of First Capital Securities Corporation Limited - a listed company which holds 103,494,200, 73.23% (June 2017: 73.23%) ordinary shares of the Company. The registered office of the Company is located at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore.

**1.2** Although the company has earned an after tax profit of Rs. 76.99 Million but still there is an operating loss of Rs. 85.96 Million (Dec 2016: Profit of Rs. 25.17 Million), moreover the accumulated losses of the company stand at Rs. 949.76 million as at December 31, 2017 ( June 2017: Rs. 1,026.76 million), however the company successfully signed debt property swaps and modified terms agreements of its long term loans with various banks. The mark up on various loans has also been waived / frozen. These facts enabled the Company to earn an after tax profit of Rs. 76.97 million.

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. For this purpose the management of the Company drawn up plans for :

- a) Hiring of renowned traders from the market
- b) Vigorously following the debtors for recovery
- c) Change in top operations management to improve the operations of the company.
- d) The Company is also relying on continued support from its sponsors.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

"These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and circular No. 23 of 2017 dated October 4, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), the Company has prepared these financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance). Accordingly, approved accounting standards for interim financial reporting comprise of International Accounting Standard 34, 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directives issued under the Ordinance prevail. "

The figures for the half year ended 31 December 2017 have, however, been subjected to limited scope review by the auditors as required by the code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2017.

The figures included in the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2017 and 2016.

### 3 ACCOUNTING POLICIES

**3.1** Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2017.

**3.2** Change in accounting standards, interpretations and amendments to published approved accounting standards

# FIRST CAPITAL EQUITIES LIMITED

## a) Amendments to published approved accounting standards which are effective during the year ended December 31, 2017

Following are certain new amendments to published International Financial Reporting Standards and interpretations that are mandatory to the period beginning on January 1, 2017. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

IAS 7- Statement of Cash Flows: Disclosure Initiative (Amendment)	January 1, 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 1, 2017

## b) Standards and amendments to published 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 (periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	July 01, 2018
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 2 – Classification and Measurement of Share Based Payment Transactions (Amendment)	January 01, 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Yet not finalized
IFRS 4- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 1, 2018
IFRIC 22 -Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23 -Uncertainty over Income tax treatment	January 1, 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

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards or Interpretations	"Effective date (periods beginning on or after)"
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

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

In addition to the foregoing, the Companies Act, 2017 which is not effective on these condensed interim financial statements has added certain disclosure requirements which will be applicable in the future.

## 4 JUDGMENTS AND ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying

# FIRST CAPITAL EQUITIES LIMITED

accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2017.

	<b>Un-audited December 2017 Rupees</b>	<b>Audited June 2017 Rupees</b>
<b>5 PROPERTY PLANT AND EQUIPMENT</b>		
Opening	43,952,022	49,085,034
Additions	1,762,250	1,177,475
Disposals	(17,173,327)	(738,299)
Depreciation	(2,290,184)	(5,572,188)
	<u>26,250,761</u>	<u>43,952,022</u>

	<b>Un-audited December 2017 Rupees</b>	<b>Audited June 2017 Rupees</b>
<b>6 INVESTMENT PROPERTY</b>		
Balance as on July 01,	1,602,449,600	1,608,469,500
Acquisition during the period/year	632,626,085	198,978,500
	<u>2,235,075,685</u>	<u>1,807,448,000</u>
Disposal during the period/year	11.2 (802,074,185)	(198,978,500)
	<u>1,433,001,500</u>	<u>1,608,469,500</u>
(Decrease) / Increase in fair value	-	(6,019,900)
Balance as at December 31,	<u>1,433,001,500</u>	<u>1,602,449,600</u>

**6.1** The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators as at June 30, 2017. Fair value is determined keeping in view the location of the land and inquiries in the vicinity, the trend and tone of sale / purchase of property in the respective areas.

**6.2** Investment Property comprises various shops / counters in various shopping malls situated at Gujranwala and Gujrat. These properties are under mortgage by banks against the borrowings.

**6.3** 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, 2017. There is no change in value determined by the valuer during the period. The table below analysis the non-financial assets carried at fair value, by valuation method.

<b>6.4 "Recurring fair value measurements"</b>	<b>"Fair value measurements at December 31, 2017 using significant other observable inputs (Level 2)</b>
	<b>Rupees"</b>
Investment property	1,433,001,500
	<b>"Fair value measurements at June 30, 2017 using significant other observable inputs (Level 2)</b>
	<b>Rupees"</b>
Investment property	1,602,449,600

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

## 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.

# FIRST CAPITAL EQUITIES LIMITED

7 LONG TERM INVESTMENT	Note	Un-audited December 2017 Rupees	Audited June 2017 Rupees
<b>Investment in related parties</b>			
<b>Available for sale</b>			
Media Times Limited - quoted shares 6,067,362 shares of MDTL (June 2017 : 6,067,362 shares)	7.1	10,314,515	18,687,475
<b>Other Investments</b>			
<b>Available for sale</b>			
Pakistan Stock Exchange Limited - quoted shares 1,602,953 shares of PSX (June 2017 : 1,602,953 shares)	7.2	35,906,147	41,163,833
		<u>46,220,662</u>	<u>59,851,308</u>
7.1 6,067,362 (June 2017 : 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.39% (June 2017 : 3.39%)		18,687,475	10,132,495
(Loss) / gain on measurement of investment available for sale for the period / year		<u>(8,372,960)</u>	8,554,980
		<u>10,314,515</u>	<u>18,687,475</u>
7.2 1,602,953 shares of PSX (June 2017 : 1,602,953 shares)		41,163,833	9,662,528
(Loss) / gain on remeasurement of investment available for sale for the period / year		<u>(5,257,686)</u>	31,501,305
		<u>35,906,147</u>	<u>41,163,833</u>
<b>8 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS</b>			
Pakistan Stock Exchange Limited		2,397,442	2,397,442
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Other deposits and receivables	8.1	4,528,275	5,590,524
		<u>8,425,717</u>	<u>9,487,966</u>
8.1 This includes balance receivable from First Capital Securities Corporation Limited (Parent Company) Rs. NIL (June 2017 : Rs 890,400/-).			
<b>9 TRADE DEBTS - UNSECURED</b>			
Trade debts against purchase of shares: Considered good - unsecured		1,055,671,945	1,513,588,111
Considered doubtful:		-	1,092,901,226
Clients		-	3,911,979
Members		-	1,096,813,205
Less: Balance off set against provision for doubtful debts		-	(1,096,813,205)
		<u>1,055,671,945</u>	<u>1,513,588,111</u>

# FIRST CAPITAL EQUITIES LIMITED

		<u>Un-audited</u> <u>December</u> <u>2017</u>	<u>Audited</u> <u>June</u> <u>2017</u>
	Note	Rupees	Rupees
<b>10 SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit and loss</b>			
<b>10.1 Quoted equity securities</b>			
Opening balance		86,805,188	84,440,219
Additions		8,487,914	-
Disposals		-	(16,242,544)
Unrealised (loss) / gain on remeasurement of investments for the period / year		<u>(35,988,175)</u>	<u>18,607,513</u>
<b>10.2</b>		<u><b>59,304,927</b></u>	<u><b>86,805,188</b></u>

**10.2** This includes shares having a fair value of Rs. 44.78 Million (June 2017: 77.02 Million) relating to investments in related parties.

		<u>Un-audited</u> <u>December</u> <u>2017</u>	<u>Audited</u> <u>June</u> <u>2017</u>
	Note	Rupees	Rupees
<b>11 LONG TERM FINANCING</b>			
Secured	11.1	1,760,780,393	2,362,732,545
Deferred notional income	11.3	<u>(10,996,203)</u>	<u>(26,011,163)</u>
		<u><b>1,749,784,190</b></u>	<u><b>2,336,721,382</b></u>
Less: Current portion shown under current liability		<u><b>(8,824,000)</b></u>	<u><b>(2,206,000)</b></u>
		<u><b>1,740,960,190</b></u>	<u><b>2,334,515,382</b></u>

**11.1** This includes agreements with different commercial banks with a mark up rate of 8% and 3 months kibar plus 1.5% to 4% p.a (June 2017 : 8% and 3 months kibar plus 1.5% to 4% p.a ). But owing to the negotiations with the banks the mark up on these loans was either waived or frozen. These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties.

**11.2** During the period Company signed a settlement agreement with the Summit Bank Limited and United Bank Limited. The principal amount outstanding Rs. 600.985 Million was settled against transfer of properties. The outstanding mark-up relating to Summit Bank Limited amounting to Rs. 159.06 Million was also waived.

**11.3** This represents the difference between amortized cost and carrying value of restructuring of long term loan. Amortized cost has been determined using effective interest rate of 6.05% to 9.05% (June 2017 : 6.05% to 9.05%). Movement is as follows:

# FIRST CAPITAL EQUITIES LIMITED

	<u>Un-audited</u> <u>December</u> <u>2017</u> <u>Rupees</u>	<u>Audited</u> <u>June</u> <u>2017</u> <u>Rupees</u>
<b>Deferred notional income</b>		
As at beginning of the period / year	26,011,163	59,732,842
Occurred during the period / year	-	-
Amortized during the period / year	<u>(15,014,960)</u>	<u>(33,721,679)</u>
As at end of the period / year	<u>10,996,203</u>	<u>26,011,163</u>
	<u>Un-audited</u> <u>December</u> <u>2017</u> <u>Rupees</u>	<u>Audited</u> <u>June</u> <u>2017</u> <u>Rupees</u>
<b>12 TRADE AND OTHER PAYABLES - UNSECURED</b>	<u>96,830,350</u>	<u>106,597,027</u>

This includes balance payable to associated company i.e Falcon Commodities (Pvt) Limited Rs. 3,316,132/- (June 2017 : Rs. 3,316,132/-)

	<u>Un-audited</u> <u>December</u> <u>2017</u> <u>Rupees</u>	<u>Audited</u> <u>June</u> <u>2017</u> <u>Rupees</u>
<b>13 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on deposit accounts	259,630	415,829
<b>Income from assets other than financial assets</b>		
Gain on sale of property, plant and equipment	18,026,673	-
Loss on sale of investment property	(21,491,831)	-
Accrued Interest written back	159,065,698	-
Others	2,945,142	500
	<u>158,545,682</u>	<u>500</u>
	<u>158,805,312</u>	<u>416,329</u>
	<u>Un-audited</u> <u>December</u> <u>2017</u> <u>Rupees</u>	<u>Audited</u> <u>June</u> <u>2017</u> <u>Rupees</u>
<b>14 TAXATION</b>		
<b>Current period</b>		
Alternate corporate tax	5,564,516	385,953
Final tax	4,541,804	-
	<u>10,106,320</u>	<u>385,953</u>
<b>Adjustment for prior year</b>	<u>(14,236,797)</u>	<u>-</u>
	<u>(4,130,477)</u>	<u>385,953</u>

## 15 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2017 except for the following:

	<u>Un-audited</u> <u>December</u> <u>2017</u> <u>Rupees</u>	<u>Audited</u> <u>June</u> <u>2017</u> <u>Rupees</u>
<b>15.1 COMMITMENTS</b>		
Sale of Shares	57,304,280	900,562,615
Purchase of shares	49,419,493	836,092,776

# FIRST CAPITAL EQUITIES LIMITED

## 16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company, related group companies, local associated undertakings, directors, key management personnel and their close family members. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Six Months Ended December 31, 2017			
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties
Rupees			
Brokerage Income	-	-	34,250
Receipt against sale of property	890,400	-	-
Salary and other employee benefits	-	18,950,817	-

Six Months Ended December 31, 2016			
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties
Rupees			
Brokerage Income	-	4,430	78,732
Salary and other employee benefits	-	15,352,446	-
Trade debts received	-	-	946,551

16.1 The amount due to / due from related parties are disclosed in respective notes to the financial information.

## 17 Financial risk management

### 17.1 Financial risk factors

The Company's activities expose it to a variety of financial risks (including currency risk, market risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2017.

There have been no changes in the risk management department since year end or in any risk management policies and no material increase in financial risk.

### 17.2 Liquidity risk

Compared to year end June 30, 2017, there is no material change.

### 17.3 Fair value estimation for financial assets and liabilities

The following table presents the Company's financial assets and liabilities that are measured at fair value on recurring basis:

17.3.1 Financial assets	Un-audited	Audited
	December 2017	June 2017
Level 1	Rupees	
<b>-Non-current assets</b>		
Long term investments (available for sale)	46,220,662	59,851,308
<b>-Current assets</b>		
Short term investments (fair value through profit and loss)	59,304,927	86,805,188

# FIRST CAPITAL EQUITIES LIMITED

	<b>Un-audited</b>	<b>Audited</b>
	<b>December</b>	<b>June</b>
	<b>2017</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Level 2</b>	-	-
<b>Level 3</b>	-	-
<b>Total</b>	<u><b>105,525,589</b></u>	<u><b>146,656,496</b></u>
<b>17.3.2Liabilities</b>	<u>-</u>	<u>-</u>

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

## Valuation techniques used to derive level 1 fair values:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet 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.

		<b>Un-audited</b>	<b>Audited</b>
		<b>December</b>	<b>June</b>
		<b>2017</b>	<b>2017</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>18 EARNING PER SHARE - BASIC AND DILUTED</b>	<b>Note</b>		
Earning after taxation attributable to ordinary share holders - Rupees		<u><b>76,973,646</b></u>	<u>25,203,501</u>
Number of ordinary shares		<u><b>141,335,500</b></u>	<u>141,335,500</u>
Earning per share - Basic and Diluted (Rupees per share)	<b>18.1</b>	<u><b>0.54</b></u>	<u>0.18</u>

**18.1** Since the Company has not issued any instrument which would have a dilutive impact on earnings per share, when exercised. Consequently, basic and diluted earning per share is same.

## 19 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on February 24, 2018.

## 20 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the propose for comparison. There have been no significant rearrangement and reclassification in these financial statements.

## 21 GENERAL

**21.1** Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer