

FIRST CAPITAL EQUITIES LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR NINE MONTHS PERIOD ENDED
31ST MARCH 2018**

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

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COMPANY INFORMATION

| | | |
|--|--|---|
| Board of Directors | Mian Ehsan Ul Haq (Chief Executive) Malik Safeer Raza Awan (Chairman) Ahsan Zia Muhammad Ahmad Saroya Abdul Samad Azhar Ahmed Batla Raja Suhail Qurban | Executive Non Executive Executive Non Executive Executive Executive Independent |
| Chief Financial Officer | Waseem Ul Hassan | |
| Audit Committee | Raja Suhail Qurban (Chairman) Muhammad Ahmad Saroya (Member) Malik Safeer Raza Awan (Member) | |
| Human Resource and Remuneration (HR&R) Committee | Raja Suhail Qurban (Chairman) Mian Ehsan Ul Haq Muhammad Ahmad Saroya | |
| 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 period ended March 31, 2018.

CAPITAL MARKET REVIEW

In the nine month of FY18, Pakistan stock market's benchmark KSE-100 index yielded a loss of 2.2%, closing at 45,560 points. However, 3QFY18 performance picked up pace (3QFY18 return of 12.6%) primarily due to 1) Increase in global oil prices 2) Increase in interest rates. Average Daily Turnover (ADT) during 9MFY18 was recorded at 176.7 million shares, with ADT during 3QFY18 picking up with 213.1 million shares. Major segment performance for 9MFY18 include Oil and Gas (up 13.3%), Fertilizer (up 3%), Banks (down 1.9%) and Cement (down 22.9%). Foreigners remained net sellers during 9MFY18 with an aggregate outflow of USD123.9 million (while recording inflow of USD31.10 million in 3QFY18). Sectors which witnessed major foreign outflows during 9MFY18 included Commercial Banks (USD64.5 million), Oil and Gas Exploration Companies (USD55.0 million), Fertilizers (USD23.5 million) and Power Generation and Distribution (USD19.5 million).

FINANCIAL HIGHLIGHTS

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

| Particulars | July to Mar 2018 Rupees | July to Mar 2017 |
|---|----------------------------|------------------|
| Brokerage income | 33,597,823 | 59,395,407 |
| Capital (loss) / gain - net | (1,117,775) | 47,774,981 |
| Other income | 296,842,004 | 579,673 |
| Unrealized (loss) / gain on re-measurement of investments at fair value through profit and loss | (32,127,973) | 44,452,775 |
| Operating expenses | 90,636,927 | 84,264,388 |
| Finance costs | 19,532,596 | 57,125,116 |
| Profit after taxation | 189,894,825 | 10,463,899 |
| Earnings per share | 1.34 | 0.07 |

Your Company's bottom-line successfully maintained progress and earned a profit after tax of Rs. 189.9 million in 9MFY18 as against net profit of Rs. 10.5 million incurred in the corresponding period last year. This translates into EPS of Rs. 1.34 for the current period versus EPS of 0.07 in the same period last year. The brokerage income of your company has decreased by almost 43.43% as compared to same period last year as average daily traded value diminished to USD77.5mn in 9MFY18 vs. USD146.91mn corresponding period last year. The Un-realized loss on re-measurement of investment is recorded at Rs. 32.13 million while other income arrived at Rs. 296.84 million primarily due to restructuring activities. The company booked a Capital loss of Rs. 1.12 million. On overall basis, the income segment posted a net revenue of Rs. 0.9mn for the current period. Operating expenses increased 7.56% YoY, while financial expenses registered a decline of 65.80%YoY during the period under review.

During the current period, Company has settled its partial liability with UBL and total liability with Summit Bank Limited and Askari 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 02
Executive Directors 04

FIRST CAPITAL EQUITIES LIMITED

COMMITTEE OF THE BOARD

| | |
|--|--|
| Audit Committee | Mr. Raja Suhail Qurban (Chairman) Mr. Muhammad Ahmad Saroya (Member) Malik Safeer Raza Awan (Member) |
| Human Resource and Remuneration (HR&R) Committee | Mr. Raja Suhail Qurban (Chairman) Mian Ehsan Ul Haq (Member) Mr. Muhammad Ahmad Saroya (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. Muhammad Ahmad Saroya has been appointed as Director in place of Mr. Waseem ul Hassan in the Board meeting held on 24 April 2018.

Mr. Muhammad Ahmad Saroya was also appointed as a member in Audit Committee in place of Mr. Azhar Ahmad Batla and a member in HRR Committee in place of Mr. Abdul Samad respectively.

FUTURE OUTLOOK

As Pakistan moves towards General Elections 2018-23, major political and economic developments include The Amnesty Scheme and Budget FY18-19. The former if successful is likely to provide a necessary boost to bring in positive flows to the market whereas Budget FY19 is expected to bring good omen for the market. Moving forward, the major economic challenges currently faced by Pakistan are current account deficit (CAD) and fiscal deficit. However amidst recent currency devaluation a renewed hope of restoring balance of trade to curb CAD has emerged. Simultaneously, the amnesty scheme is expected to provide with development of robust tax base for the Government consequently increasing tax collection. Improvement of these macroeconomic factors will bare positive news for the financial market players.

As the new leadership revamps performance, FCEL is dedicated to up the ante and grow its core revenues in order to materialize its goals to achieve the highest echelon of the industry. The company optimistically thrives to achieve kaizen in every part of the business process heading forward to its vision of becoming the industry leader.

ACKNOWLEDGEMENT

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: April 24, 2018

Director

Chief Executive Officer

FIRST CAPITAL EQUITIES LIMITED

ڈائریکٹرز کا تجزیہ

31 مارچ 2018ء کو اختتام پذیر مدت کے لئے فرسٹ کیپٹل ایجوٹیو لمیٹڈ ("کمپنی" یا "FCEL") کے بورڈ آف ڈائریکٹرز کی اسٹیٹمنٹس کے ہمراہ ڈائریکٹرز کی رپورٹ پیش کرنے میں فخر محسوس کرتے ہیں۔

کیپٹل مارکیٹ جائزہ

مالی سال 2018ء کی نو ماہی میں، پاکستان سٹاک مارکیٹ کے سچ ماہر KSE-100 انڈیکس میں 2.2 فی صد اضافہ دیکھا گیا، جو 45,560 پوائنٹس پر بند ہوا۔ تاہم، مالی سال 2018ء کی سہ ماہی میں کارکردگی میں تیزی آئی (مالی سال 2018ء کی سہ ماہی کے لئے 12.6 فی صد بیزین) جو بنیادی طور پر (1) عالمی سطح پر تیل کی قیمتوں میں اضافہ (2) شرح سود میں اضافہ ہیں۔ مالی سال 2018ء کی نو ماہی کے دوران روزانہ کی بنیاد پر اوسط ٹرن اور (ADT) 176.7 ملین حصص پر ریکارڈ کیا گیا۔ جو کے مالی سال 2018ء کی سہ ماہی میں 213.1 ملین حصص تھا۔ مالی سال 2018ء کی نو ماہی کے لئے بنیادی مرحلہ دار کارکردگی میں تیل اور گیس (13.3 فی صد تک) فریڈائزرز (3 فی صد تک)، بنک (1.9 فی صد تک) اور سینٹ (22.9 فی صد تک) شامل ہیں۔ مالی سال 2018ء کی نو ماہی میں غیر ملکی نیٹ بیلرز سے جس کا مجموعی آؤٹ فلو 123.9 ملین ڈالر تھا۔ (جب کے مالی سال 2018ء کی سہ ماہی میں 31.10 ملین ڈالر کا ان فلو تھا)۔ مالی سال 2018ء کی نو ماہی میں جن شعبوں نے بنیادی طور پر غیر ملکی آؤٹ فلو دیکھا گیا ان میں کمرشل بینک (64.5 ملین ڈالر)، تیل اور گیس ور پائمنٹ کرنے والی کمپنیاں (55.0 ملین ڈالر) فریڈائزرز (23.5 ملین ڈالر) اور توانائی کا حصول اور ترقی (19.5 ملین ڈالر) شامل ہیں۔

مالی نکات

| تفصیلات | جولائی تا مارچ 2018 | جولائی تا مارچ 2017 |
|--|---------------------|---------------------|
| | روپے | |
| بروکریٹج انکم | 33,597,823 | 59,395,407 |
| کیپٹل (خسارہ)/آمدنی - خالص | (1,117,775) | 47,774,981 |
| دیگر آمدنی | 296,842,004 | 579,673 |
| بذریعہ نفع نقصان فیئر ویلیو پر انویسٹمنٹس کے دوبارہ تعین پر غیر وصول شدہ (خسارہ)/آمدنی | (32,127,973) | 44,452,775 |
| آپریٹنگ اخراجات | 90,636,927 | 84,264,388 |
| قرضوں پر لاگت | 19,532,596 | 57,125,116 |
| نفع علاوہ ٹیکس | 189,894,825 | 10,463,899 |
| فی حدی حصص آمدنی | 1.34 | 0.07 |

آپ کی کمپنی نے چلنی سطح پر کامیابی کو برقرار رکھا تھا اور گزشتہ سال کی اسی مدت میں 10.5 ملین روپے تھا مالی سال 2018ء کی نو ماہی میں 189.9 ملین روپے نفع علاوہ ٹیکس حاصل کیا۔ (جس کے نتیجے میں گزشتہ مدت میں 0.07 روپے فی حصص آمدنی کے مقابلہ میں زیر جائزہ مدت کے دوران 1.34 روپے فی حصص آمدنی درج ہوئی۔) گزشتہ سال میں 146.91 ملین ڈالر کے مقابلہ میں آپ کی کمپنی کی بروکریٹج انکم میں 43.43 فی صد کی واقع ہوئی۔ کیونکہ گزشتہ سال کے مقابلہ میں روزانہ کی اوپننگ اور کھولنے کی شرح 2018ء کی نو ماہی میں 77.5 ملین ڈالر کم ہوئی۔ سرمایہ داری کے دوبارہ تعین پر غیر معمولی شدہ رقم میں خسارہ 32.13 ملین روپے درج ہوا جب کہ سٹرکچرنگ سرگرمیوں کی وجہ سے دیگر آمدنی تقریباً 296.84 ملین روپے حاصل ہوئی۔ کمپنی نے 1.12 ملین روپے کا کیپٹل خسارہ بھی درج کیا۔ زیر جائزہ مدت کے دوران، مجموعی طور پر، انکم سٹیٹمنٹ میں 0.9 ملین روپے کا خالص ریویو درج کیا۔ سالانہ کی بنیاد پر آپریٹنگ اخراجات 7.56 فی صد تک بڑھے۔ جب کہ زیر جائزہ مدت کے دوران مالی اخراجات میں سالانہ کی بنیاد پر 65.80 فی صد کی واقع ہوئی۔

حالیہ مدت کے دوران، کمپنی نے UBL کے ساتھ جزی اور سمنٹ بینک لمیٹڈ کے ساتھ کئی طور پر واجبات طے کئے جب کہ عسکری بینک کے ساتھ انویسٹمنٹ پر اپنی قرض اور واجبات میں درود بدل کے ذریعے واجبات طے کئے۔ کمپنی نے دیگر مالی اداروں کو بھی انویسٹمنٹ پر اپنی قرضوں پر واجبات طے کئے۔ جس پر متعلقہ مالی اداروں کی مجاز تھریزرائی بھی خود کر رہے ہیں اور واجبات پر امید ہے کہ متعلقہ مالی ادارے کمپنی کی پیش کش پر رضامندی ظاہر کریں گے۔

FIRST CAPITAL EQUITIES LIMITED

بورڈ کی ترتیب

| | |
|----|-----------------------|
| 07 | ڈائریکٹرز کی کل تعداد |
|----|-----------------------|

| | |
|----|------------|
| 07 | (a) مرد |
| 00 | (b) خواتین |

ترتیب

| | |
|----|------------------------|
| 01 | آزاد ڈائریکٹرز |
| 02 | ٹان ایگزیکٹو ڈائریکٹرز |
| 04 | ایگزیکٹو ڈائریکٹرز |

بورڈ ممبریاں

آڈٹ کمیٹی

محترم راجا تہیل قرآن (چیئرمین)
محترم محمد احمد سرویا (رکن)
ملک سیر رضا اعوان (رکن)

انسانی وسائل اور مشاہیرہ (HR&R) کمیٹی

محترم راجا تہیل قرآن (چیئرمین)
میاں احسان الحق (رکن)
محترم محمد احمد سرویا (رکن)

بورڈ آف ڈائریکٹرز اور ڈیلیٹیوٹس کی ترتیب نے کوڈ آف کارپوریٹ گورننس میں فراہم کردہ ضروری مدت کے تحت مناسب وقت میں تبدیل کی جائے گی۔

ڈائریکٹرز کی تبدیلی

24 اپریل 2018 کو منعقدہ بورڈ اجلاس میں محترم محمد احمد سرویا کو محترم ڈی ایم الحسن کی جگہ ڈائریکٹرز مقرر کیا گیا۔

جناب محمد احمد سرویا کو محترم مہا اظہر احمد بانٹلا کی جگہ آڈٹ کمیٹی اور محترم عبدالصمد کی جگہ HRR کمیٹی کا رکن مقرر کیا گیا۔

مستقبل کا نقطہ نظر

چونکہ پاکستان 2018-2023 کے الیکشن کے قریب ہے، بنیادی سیاسی اور معاشی پیش قدمی میں اینٹنٹی سکیم اور مالی سال 2018-19 کا بجٹ شامل ہیں۔ اینٹنٹی سکیم مارکیٹ پر مثبت اثرات مرتب کرنے کے لئے خاطر خواہ کارکردگی دکھانے کی اور مالی سال 2019 کے بجٹ سے مارکیٹ میں ایک اچھے رجحان کی توقع ہے۔ مزید برآں، پاکستان جن بنیادی معاشی مسائل کا شکار ہے ان میں کرنٹ اکاؤنٹ خسارہ (CAD) اور مالی خسارہ شامل ہیں۔ تاہم، روپے کی قدر میں حالیہ کمی تجارتی توازن کو بحال رکھنے میں مدد فراہم کرے گا تاکہ CAD سے تیزو زما ہوا جا سکے۔ اسی طرح، اینٹنٹی سکیم حکومت کے لئے ہماری ٹیکس میں فراہم کرنے میں اہم کردار ادا کرے گی جس کے نتیجے میں محصولات میں اضافہ ہوگا۔ ان ٹیکس و اکاؤنٹ عوام کی بہتری مالی مارکیٹ حوالہ کے لئے مثبت خبر لے کر آئیں گے۔

چونکہ نئی قیادت کارکردگی میں بہتری لا رہی ہے، FCEL انڈسٹری میں اعلیٰ مقام کے حصول کی غرض سے اپنے اہداف پورے کرنے کے لئے اپنی بنیادی آمدنی میں اضافہ کے لئے پرعزم ہے۔ کمیٹی انڈسٹری پر قبضہ جمانے کے لئے اپنے کاروباری امور کے ہر شعبہ میں بہتری لانے کے لئے پرامید ہے۔

اعتراف

بورڈ آف ڈائریکٹرز تمام حصص داران اور بینکوں کی جانب سے مسلسل حمایت کے شکر گزار ہیں اور حراج حسین پیش کرتے ہیں۔ بورڈ کیڈر ریزیڈ اینڈ ایگزیکٹو کمیٹی آف پاکستان (SECP) اور پاکستان سٹاک ایگزیکٹو لیگ کی حمایت اور ہنرمانی کو بھی قدر کی نگاہ سے دیکھتا ہے۔ آخر میں بورڈ اپنے تمام ملازمین کی مسلسل محنت پر ان کی حوصلہ افزائی کرتا ہے۔

منجانب/بطرف بورڈ

لاہور

تاریخ: 24 اپریل 2018

چیف ایگزیکٹو آفیسر

ڈائریکٹر

FIRST CAPITAL EQUITIES LIMITED

CONDENSED INERIM BALANCE SHEET - (UN-AUDITED) AS AT MARCH 31, 2018

| ASSETS | Note | (Un-Audited) March 2018 Rupees | (Audited) June 2017 Rupees |
|---|------|---|-------------------------------------|
| NON - CURRENT ASSETS | | | |
| Property plant and equipment | 5 | 3,533,636 | 43,952,022 |
| Intangible assets | | 12,500,000 | |
| Investment property | 6 | 940,716,500 | 1,602,449,600 |
| Long term investments | 7 | 53,060,500 | 59,851,308 |
| Long term deposits, receivables and prepayments | 8 | 8,425,717 | 9,487,966 |
| | | 1,005,736,353 | 1,728,240,896 |
| CURRENT ASSETS | | | |
| Trade debts | 9 | 927,941,007 | 1,513,588,111 |
| Short term investments | 10 | 55,013,470 | 86,805,188 |
| Advances, deposits, prepayments and other receivables | | 7,745,991 | 26,976,399 |
| Advance income tax | | 6,179,602 | 22,020,420 |
| Interest accrued | | - | 81,798 |
| Cash and bank balances | | 98,211,403 | 78,991,261 |
| | | 1,095,091,473 | 1,728,463,177 |
| TOTAL ASSETS | | 2,100,827,826 | 3,456,704,073 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| 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 | | (15,026,956) | (8,236,149) |
| Unappropriated loss | | (836,863,427) | (1,026,758,252) |
| TOTAL EQUITY | | 561,464,617 | 378,360,599 |
| NON - CURRENT LIABILITIES | | | |
| Long term financing | 11 | 1,205,750,960 | 2,334,515,382 |
| Interest Accrued | | 172,835,120 | 568,065,170 |
| Deferred liabilities | | 38,672,536 | 36,208,177 |
| | | 1,417,258,616 | 2,938,788,729 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 110,536,115 | 106,597,027 |
| Current portion of long term financing | | 11,030,000 | 2,206,000 |
| Provision for taxation | | 5,538,478 | 30,751,718 |
| | | 127,104,593 | 139,554,745 |
| CONTINGENCIES AND COMMITMENTS | 15 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 2,105,827,826 | 3,456,704,073 |

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 PERIOD ENDED MARCH 31, 2018

| | Note | NINE MONTHS ENDED | | THREE MONTHS ENDED | |
|--|------|----------------------|--------------------|---------------------|---------------------|
| | | March 2018 | March 2017 | March 2018 | March 2017 |
| | | Rupees | Rupees | Rupees | Rupees |
| INCOME | | | | | |
| Brokerage income | | 33,597,823 | 59,395,407 | 11,513,775 | 23,318,757 |
| Capital (loss) / gain - net | | (1,117,775) | 47,774,981 | (1,034,978) | 35,465,456 |
| Dividend income | | 578,646 | 244,521 | - | 43,027 |
| (Loss) / gain on re-measurement of investments at fair value through profit and loss - net | | (32,127,973) | 44,452,775 | 3,860,202 | (23,671,107) |
| | | <u>930,721</u> | <u>151,867,684</u> | <u>14,338,999</u> | <u>35,156,133</u> |
| EXPENDITURE | | | | | |
| Operating and administrative expenses | | 90,636,927 | 84,264,388 | 33,148,512 | 31,804,321 |
| Finance cost | | 19,532,596 | 57,125,116 | 4,467,146 | 18,046,757 |
| | | <u>110,169,523</u> | <u>141,389,504</u> | <u>37,615,658</u> | <u>49,851,078</u> |
| OPERATING (LOSS) / PROFIT | | <u>(109,238,802)</u> | <u>10,478,180</u> | <u>(23,276,659)</u> | <u>(14,694,945)</u> |
| OTHER INCOME | 13 | 296,842,004 | 579,673 | 138,036,692 | 163,344 |
| PROFIT / (LOSS) BEFORE TAXATION | | <u>187,603,202</u> | <u>11,057,853</u> | <u>114,760,033</u> | <u>(14,531,601)</u> |
| Taxation | 14 | (2,291,623) | 593,954 | 1,864,893 | 208,001 |
| PROFIT / (LOSS) AFTER TAXATION | | <u>189,894,825</u> | <u>10,463,899</u> | <u>112,895,140</u> | <u>(14,739,602)</u> |
| EARNING / (LOSS) PER SHARE - BASIC AND DILUTED 18 | | <u>1.34</u> | <u>0.07</u> | <u>0.80</u> | <u>(0.10)</u> |

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 PERIOD ENDED MARCH 31, 2018

| | NINE MONTHS ENDED | | THREE MONTHS ENDED | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Jul-Mar 2018 Rupees | Jul-Mar 2017 Rupees | Jan-Mar 2018 Rupees | Jan-Mar 2017 Rupees |
| Profit / (loss) after taxation for the period | 189,894,825 | 10,463,899 | 112,895,140 | (14,739,602) |
| Other comprehensive (loss) / income for the period | | | | |
| <u>Items that will never be reclassified to profit and loss:</u> | | | | |
| Remeasurement of defined benefit plan | - | - | - | - |
| <u>Items that are may be reclassified to profit and loss:</u> | | | | |
| Unrealized (loss) / gain on remeasurement of investment available for sale | (6,790,807) | 66,742,237 | 6,839,838 | 46,841,290 |
| Other comprehensive (loss) / income for the period | (6,790,807) | 66,742,237 | 6,839,838 | 46,841,290 |
| Total comprehensive income for the period | 183,104,018 | 77,206,136 | 119,734,978 | 32,101,688 |

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 PERIOD ENDED MARCH 31, 2018

| | Un-audited Jul - Mar 2018 Rupees | Un-audited Jul - Mar 2017 Rupees |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 187,603,202 | 11,057,853 |
| Adjustments for: | | |
| Depreciation | 3,038,098 | 4,252,526 |
| Loss / (gain) on re-measurement of investments at fair value through profit and loss - net | 32,127,973 | (44,452,775) |
| Dividend income | (578,646) | (244,521) |
| Deposits written off | 456,145 | - |
| Accrued interest written back | (395,230,050) | - |
| Interest accrued | (382,030) | (579,173) |
| Interest expense | 19,453,669 | 57,125,116 |
| Gain on sale of property plant and equipment | (40,207,662) | - |
| Loss on sale of investment property | 147,297,892 | - |
| Provision for gratuity | 2,853,455 | 6,500,000 |
| | (231,171,157) | 22,601,173 |
| | (43,567,955) | 33,659,026 |
| Decrease / (Increase) in current assets | | |
| Investments at fair value through profit or loss | (336,255) | 16,242,544 |
| Trade debts - unsecured | 585,647,104 | 193,971,349 |
| Advances, deposits, prepayments and other receivables | 18,774,263 | (21,930,255) |
| | 604,085,112 | 188,283,638 |
| (Increase) / decrease in trade and other payables | 3,939,088 | 81,032,577 |
| Cash generated in operations | 564,456,245 | 302,975,241 |
| Interest received | 463,828 | 899,145 |
| Dividend received | 578,646 | 244,521 |
| Finance cost paid | - | (274,039) |
| Gratuity paid | (389,096) | (1,148,000) |
| (Taxes paid) / Refund received | (7,080,798) | 566,978 |
| Net cash generated in operating activities | 558,028,825 | 303,263,846 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property plant and equipment | (1,837,050) | (474,728) |
| Proceeds from sale of property plant and equipment | 79,425,000 | - |
| Intangible assets | 7,500,000 | - |
| Investment available for sale | - | 9,740,890 |
| Acquisition of investment property | (1,187,928,785) | - |
| Proceeds from sale of investment property | 1,702,363,993 | - |
| Long term deposits and advances | 1,062,249 | (3,607,869) |
| Net cash generated in investing activities | 600,585,407 | 5,658,293 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term loans paid | (1,139,394,091) | (216,627,731) |
| Short term borrowings | - | (12,555,531) |
| Net cash (used in) financing activities | (1,139,394,091) | (229,183,262) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 19,220,142 | 79,738,877 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 78,991,261 | 52,114,391 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 98,211,403 | 131,853,268 |

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 MARCH 31, 2018

| | Issued, subscribed and paid up capital | Share Premium | Capital Reserve | | Revenue Reserve | Total |
|---|--|---------------|-----------------------------------|---------------------|------------------------|--------------------|
| | | | Reserve for issue of bonus shares | Fair value reserve | Unappropriated Profit | |
| Rupees | | | | | | |
| Balance as at July 01, 2016 (Audited) | 1,413,355,000 | - | - | (48,292,434) | (1,289,518,215) | 75,544,351 |
| Profit for the period after taxation | - | - | - | - | 10,463,899 | 10,463,899 |
| Other comprehensive income for the period | | | | | | |
| Surplus on remeasurement of investment available for sale to fair value | | | | 66,742,237 | | 66,742,237 |
| Total other comprehensive income for the period - net of tax | - | - | - | 66,742,237 | - | 66,742,237 |
| Total comprehensive income for the period | - | - | - | 66,742,237 | 10,463,899 | 77,206,136 |
| Balance as at March 31, 2017 (Un - audited) | 1,413,355,000 | - | - | 18,449,803 | (1,279,054,316) | 152,750,487 |
| Profit for the period after taxation | - | - | - | - | 253,539,358 | 253,539,358 |
| Other comprehensive income for the period | | | | | | |
| Remeasurement of defined benefit plan | | | | | (1,243,294) | (1,243,294) |
| Deficit on remeasurement of investment available for sale to fair value | - | - | - | (26,685,952) | | (26,685,952) |
| Total other comprehensive income for the period - net of tax | - | - | - | (26,685,952) | (1,243,294) | (27,929,246) |
| Total comprehensive income for the period | - | - | - | (26,685,952) | 252,296,064 | 225,610,112 |
| Balance as at June 30, 2017 (Audited) | 1,413,355,000 | - | - | (8,236,149) | (1,026,758,252) | 378,360,599 |
| Profit for the period after taxation | - | - | - | - | 189,894,825 | 189,894,825 |
| Other comprehensive income for the period | | | | | | |
| Deficit on remeasurement of investment available for sale to fair value | - | - | - | (6,790,807) | - | (6,790,807) |
| Total other comprehensive income for the period - net of tax | - | - | - | (6,790,807) | - | (6,790,807) |
| Total comprehensive profit for the period | - | - | - | (6,790,807) | 189,894,825 | 183,104,018 |
| Balance as at March 31, 2018 (un - audited) | 1,413,355,000 | - | - | (15,026,956) | (836,863,427) | 561,464,617 |

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

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. 189.89 Million but still there is an operating loss of Rs. 109.21 Million (Mar 2017: Profit of Rs. 10.48 Million), moreover the accumulated losses of the company stand at Rs. 851.89 million as at March 31, 2018 (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. 189.89 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.

This condensed interim financial information comprises of condensed interim balance sheet as at March 31, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes thereto, for the period ended March 31, 2018.

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

a) **Amendments to published approved accounting standards which are effective during the period ended March 31, 2018**

FIRST CAPITAL EQUITIES LIMITED

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)

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

IFRS 2 – Classification and Measurement of Share Based Payment Transactions (Amendment)

IFRS 4- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRIC 22 -Foreign Currency Transactions and Advance Consideration

IFRS 14 – Regulatory Deferral Accounts

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 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 |
| 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 Interpretation | Effective date (periods beginning on or after) |
|------------------------------------|---|
| 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.

FIRST CAPITAL EQUITIES LIMITED

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 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.

| | Note | Un-audited | Audited |
|---------------------------------------|------|----------------------|----------------------|
| | | March 2018 | June 2017 |
| | | Rupees | Rupees |
| 5 PROPERTY PLANT AND EQUIPMENT | | | |
| Opening | | 43,952,022 | 49,085,034 |
| Additions | | 1,837,050 | 1,177,475 |
| Disposals | | (39,217,338) | (738,299) |
| Depreciation | | (3,038,098) | (5,572,188) |
| | | <u>3,533,636</u> | <u>43,952,022</u> |
| | | Rupees | Rupees |
| | Note | Un-audited | Audited |
| | | March 2018 | June 2017 |
| | | Rupees | Rupees |
| 6 INVESTMENT PROPERTY | | | |
| Balance as on July 01, | | 1,602,449,600 | 1,608,469,500 |
| Acquisition during the period/year | | 1,187,928,785 | 198,978,500 |
| | | <u>2,790,378,385</u> | <u>1,807,448,000</u> |
| Disposal during the period/year | 11.2 | (1,849,661,885) | (198,978,500) |
| | | <u>940,716,500</u> | <u>1,608,469,500</u> |
| (Decrease) / Increase in fair value | | - | (6,019,900) |
| Balance as at March 31, | | <u>940,716,500</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 analyses the non-financial assets carried at fair value, by valuation method.

6.4 "Recurring fair value measurements"

"Fair value measurements at
March 31, 2018 using significant
other observable inputs (Level 2) Rupees"

Investment property 940,716,500

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

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 | Audited |
|--|------|-------------------|-------------------|
| | | March 2018 | June 2017 |
| | | Rupees | Rupees |
| Investment in related parties | | | |
| Available for sale | | | |
| Media Times Limited - quoted shares | 7.1 | 11,527,987 | 18,687,475 |
| 6,067,362 shares of MDTL (June 2017 : 6,067,362 shares) | | | |
| Other Investments | | | |
| Available for sale | | | |
| Pakistan Stock Exchange Limited - quoted shares | 7.2 | 41,532,513 | 41,163,833 |
| 1,602,953 shares of PSX (June 2017 : 1,602,953 shares) | | | |
| | | <u>53,060,500</u> | <u>59,851,308</u> |
| 7.1 6,067,362 (June 2017 : 6,067,362) | | | |
| Fully paid ordinary shares of Rs. 10 each | | 18,687,475 | 10,132,495 |
| Equity Held 3.39% (June 2017 : 3.39%) | | | |
| (Loss) / gain on measurement of investment available | | | |
| for sale for the period / year | | (7,159,487) | 8,554,980 |
| | | <u>11,527,987</u> | <u>18,687,475</u> |
| | | | |
| | Note | Un-audited | Audited |
| | | March 2018 | June 2017 |
| | | Rupees | Rupees |
| 7.2 1,602,953 shares of PSX (June 2017 : 1,602,953 shares) | | 41,163,833 | 9,662,528 |
| Gain on remeasurement of investment available | | | |
| for sale for the period / year | | 368,680 | 31,501,305 |
| | | <u>41,532,513</u> | <u>41,163,833</u> |
| | | | |
| | Note | Un-audited | Un-audited |
| | | Jul - Mar 2018 | Jul - Mar 2017 |
| | | Rupees | Rupees |
| 8 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS | | | |
| 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/-). | | | |

FIRST CAPITAL EQUITIES LIMITED

| 9 | TRADE DEBTS - UNSECURED | Un-audited | Audited |
|---|--|--------------------|----------------------|
| | | March 2018 | June 2017 |
| | | Rupees | Rupees |
| | Trade debts against purchase of shares: Considered good - unsecured | 927,941,007 | 1,513,588,111 |
| | Considered doubtful: | | |
| | Clients | - | 1,092,901,226 |
| | Members | - | 3,911,979 |
| | | | 1,096,813,205 |
| | Less: Balance off set against provision for doubtful debts | - | (1,096,813,205) |
| | | <u>927,941,007</u> | <u>1,513,588,111</u> |

| 10 | SHORT TERM INVESTMENTS | Note | Un-audited | Audited |
|----|--|------|-------------------|-------------------|
| | | | March 2018 | June 2017 |
| | | | Rupees | Rupees |
| | At fair value through profit and loss | | | |
| | Quoted equity securities | | | |
| | Opening balance | | 86,805,188 | 84,440,219 |
| | Additions | | 8,487,914 | - |
| | Disposals | | (8,151,659) | (16,242,544) |
| | Unrealised (loss) / gain on remeasurement of investments for the period / year | | (32,127,973) | 18,607,513 |
| | | 10.1 | <u>55,013,470</u> | <u>86,805,188</u> |

10.1 This includes shares having a fair value of Rs. 46.05 Million (June 2017: 77.02 Million) relating to investments in related parties.

| 11 | LONG TERM FINANCING | Note | Un-audited | Audited |
|----|---|------|----------------------|----------------------|
| | | | March 2018 | June 2017 |
| | | | Rupees | Rupees |
| | Secured | 11.1 | 1,223,338,454 | 2,362,732,545 |
| | Deferred notional income | 11.3 | (6,557,494) | (26,011,163) |
| | | | <u>1,216,780,960</u> | <u>2,336,721,382</u> |
| | Less: Current portion shown under current liability | | (11,030,000) | (2,206,000) |
| | | | <u>1,205,750,960</u> | <u>2,334,515,382</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, Askari Bank Limited and United Bank Limited. The principal amount outstanding Rs. 1,139.39 Million was settled against transfer of properties. The outstanding mark-up relating to Summit Bank Limited and Askari Bank Limited amounting to Rs. 395.23 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

| | | |
|--------------------------------------|------------------|-------------------|
| Deferred notional income | | |
| As at beginning of the period / year | 26,011,163 | 59,732,842 |
| Occurred during the period / year | - | - |
| Amortized during the period / year | (19,453,669) | (33,721,679) |
| As at end of the period / year | <u>6,557,494</u> | <u>26,011,163</u> |

| | |
|-------------------|----------------|
| Un-audited | Audited |
| March | June |
| 2018 | 2017 |
| Rupees | Rupees |

12 TRADE AND OTHER PAYABLES - UNSECURED

| | |
|--------------------|--------------------|
| <u>110,536,115</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/-)

| | Note | Un-audited | Un-Audited |
|---|------|--------------------|----------------|
| | | March | March |
| | | 2018 | 2017 |
| | | Rupees | Rupees |
| 13 OTHER INCOME | | | |
| Income from financial assets | | | |
| Return on deposit accounts | | 382,030 | 579,173 |
| Income from assets other than financial assets | | | |
| Gain on sale of property, plant and equipment | | 40,207,662 | - |
| Loss on sale of investment property | | (147,297,892) | - |
| Accrued Interest written back | 11.2 | 395,230,062 | - |
| Others | | 8,320,142 | 500 |
| | | <u>296,459,974</u> | <u>500</u> |
| | | <u>296,842,004</u> | <u>579,673</u> |

| | | Un-audited | Un-Audited |
|----------------------------------|--|---------------------|----------------|
| | | March | March |
| | | 2018 | 2017 |
| | | Rupees | Rupees |
| 14 TAXATION | | | |
| Current period | | | |
| Alternate corporate tax | | 5,466,146 | - |
| Final tax | | 6,479,028 | 593,954 |
| | | 11,945,174 | 593,954 |
| Adjustment for prior year | | <u>(14,236,797)</u> | <u>-</u> |
| | | <u>(2,291,623)</u> | <u>593,954</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:

| | | Un-audited | Audited |
|-------------------------|--|-------------|-------------|
| | | March | June |
| | | 2018 | 2017 |
| | | Rupees | Rupees |
| 15.1 COMMITMENTS | | | |
| Sale of Shares | | 563,882,017 | 900,562,615 |
| Purchase of shares | | 573,184,969 | 836,092,776 |

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:

FIRST CAPITAL EQUITIES LIMITED

| Nine Months Ended March 31, 2018 | | | |
|------------------------------------|----------------|---|-----------------------|
| Associated Company | Parent Company | Key management personnel of the entity, its parent and their close family members | Other Related Parties |
| Rupees | | | |
| Brokerage Income | | | 36,880 |
| Receipt against sale of property | 890,400 | | |
| Salary and other employee benefits | | 26,650,567 | |

| Nine Months Ended March 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 | - | 23,916 | - |
| Salary and other employee benefits | - | 24,050,542 | - |
| Trade debts received | | | 957,231 |

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

FIRST CAPITAL EQUITIES LIMITED

| | <u>Un-audited</u> | <u>Audited</u> |
|---|---------------------------|--------------------|
| | <u>March</u> | <u>June</u> |
| | <u>2018</u> | <u>2017</u> |
| | <u>Rupees</u> | <u>Rupees</u> |
| Level 1 | | |
| - Non-current assets | | |
| Long term investments (available for sale) | 53,060,500 | 59,851,308 |
| - Current assets | | |
| Short term investments (fair value through profit and loss) | 55,013,470 | 86,805,188 |
| Level 2 | - | - |
| Level 3 | - | - |
| Total | <u>108,073,970</u> | <u>146,656,496</u> |
| 17.3.2 Liabilities | - | - |

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.

18 EARNING PER SHARE - BASIC AND DILUTED

| | <u>Un-audited</u> | <u>Un- Audited</u> |
|--|---------------------------|--------------------|
| | <u>March</u> | <u>March</u> |
| | <u>2018</u> | <u>2017</u> |
| | <u>Rupees</u> | <u>Rupees</u> |
| Earning after taxation attributable to ordinary share holders - Rupees | <u>189,894,825</u> | <u>10,463,899</u> |
| Number of ordinary shares | <u>141,335,500</u> | <u>141,335,500</u> |
| Earning per share - Basic and Diluted (Rupees per share) 18.1 | <u>1.34</u> | <u>0.07</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 April 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.