

FIRST CAPITAL EQUITIES LIMITED
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED (UN-AUDITED)

MARCH 31, 2024

**FIRST CAPITAL EQUITIES LIMITED
COMPANY INFORMATION**

Board of Directors	Malik Safeer Raza Awan (Chairman) Shabana Atta (Chief Executive) Muhammad Jamil Mohsin Iqbal Saeed Iqbal Muhammad Aslam Bhatti Asad Yar Khan	Non-Executive Executive Non-Executive Non-Executive Non-Executive Independent Independent
Chief Financial Officer	Saeed Iqbal	
Audit Committee	Asad Yar Khan (Chairman) Muhammad Jamil (Member) Malik Safeer Raza Awan (Member)	
Human Resource and Remuneration (HR&R) Committee	Asad Yar Khan (Chairman) Shabana Atta (Member) Muhammad Jamil (Member)	
Company Secretary	Shahzad Jawahar	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	M/s. Ibrahim and Ibrahim Barristers and Corporate Consultants Lahore	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Silk Bank Limited United Bank Limited	
Registered Office	First Capital House 96-B/1, Lower Ground Floor M.M. Alam Road, Gulberg-III Lahore, Pakistan Tele: + 92-42-35778217-18	
Main Corporate Office	4 th 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

DIRECTOR'S REPORT

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 nine months period ended March 31, 2024.

Earlier, the Board of the Directors of the Company decided to change the Principal line of Business of the Company from stock broker to real estate Company and surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange. An application for surrender was submitted to PSX and surrendering process is in progress.

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of the Company for the nine months period ended March 31, 2024.

Particulars	July - March 2024	July - March 2023
	Rupees	
Unrealized gain / (loss) on re-measurement of investments at Investments at fair value through profit or loss	7,652,825	(9,176,872)
Profit /(Loss) after taxation from continuing operations	7,489,470	(9,875,174)
(Loss) after taxation from discontinued operations	(1,028,115)	(915,450)
Earnings / (loss) Per Share (EPS) Rs		
- continuing operations	0.05	(0.07)
- discontinued operations	(0.007)	(0.006)
	0.05	(0.08)

The Company reported a profit of Rs 7.49 million in 3QFY24 as compare to loss of Rs. 9.88 million in 3QFY23. During the period due to discontinuation of operations, the brokerage income of the Company is NIL in both periods. Further, the Company recorded capital gain / (loss) of Rs NIL against Rs. NIL last year. The Un-realized gain on re-measurement of investment is recorded at Rs. 7.65 million. Operating expenses decreased 26% during the period under review.

FUTURE OUTLOOK

In order to change the principal line of business of the Company from a Brokerage company to Real Estate Company, necessary changes have been made in the Object clause III of Memorandum of Association of the Company, which are in process of approval from concerned authorities.

The Company is also in process oof negotiations with financial institutions for settlement of its liabilities. Once the surrender process is completed and changes in the Object clause III of Memorandum of Association of the Company are approved the Company will resume its commercial activities as real estate Company.

ACKNOWLEDGEMENT

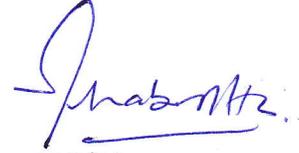
The Board of Directors wish to place on record their thanks and appreciation to all the shareholders for their continued support. The Board also wishes to place on record its appreciation for the guidance and support extended by the Securities and Exchange Commission of Pakistan (SECP) as well the Pakistan Stock Exchange Limited.

For and on behalf of the Board of Directors

Lahore

Dated: April 29, 2024

Director



CEO/Director

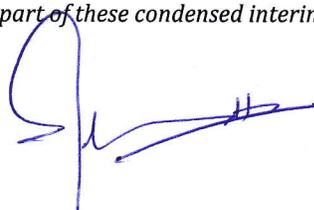


FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF FINANCIAL POSITION
AS AT March 31, 2023

		Un-Audited	Audited
	Note	March 2023 Rupees	JUNE 2023 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	254,360	315,526
Investments property	5	824,776,000	824,776,000
Long term investments	6	18,489,881	17,710,531
		843,520,241	842,802,057
CURRENT ASSETS			
Stock in trade		290,053,500	290,053,500
Trade debts	7	174,162,671	174,162,671
Short term investments	8	39,739,772	32,866,297
Advances, deposits, prepayments and other receivables		4,571,849	4,571,849
Advance income tax		6,287,364	6,287,364
Cash and bank balances		268,829	248,662
		515,083,985	508,190,343
TOTAL ASSETS		1,358,604,226	1,350,992,400
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital 152,000,000 shares (June 2023: 152,000,000 shares) of Rs. 10 each		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital 141,335,500 shares (June 2023: 141,335,500 shares) of Rs. 10 each		1,413,355,000	1,413,355,000
Unappropriated loss		(1,072,126,684)	(1,078,588,039)
TOTAL EQUITY		341,228,316	334,766,961
NON - CURRENT LIABILITIES			
Long term financing		-	-
Deferred liabilities		-	-
CURRENT LIABILITIES			
Trade and other payables	10	191,599,824	190,449,353
Current portion of long term financing	9	825,776,086	825,776,086
		1,017,375,910	1,016,225,439
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES		1,358,604,226	1,350,992,400

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Director


Chief Executive Officer


Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2024

**CONTINUING OPERATION
INCOME**

Unrealized Gain/loss on remeasurement of investments at fair value through profit or loss

EXPENDITURE

Operating and administrative expenses
Finance cost

OPERATING PROFIT/ (LOSS)

OTHER INCOME

NET PROFIT/(LOSS) BEFORE TAXATION

PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

DISCONTINUED OPERATIONS

EXPENDITURE

Operating and administrative expenses

PROFIT/(LOSS) BEFORE TAXATION FOR THE PERIOD

Taxation

PROFIT/(LOSS) AFTER TAXATION FOR THE PERIOD

PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED

- continuing operations
- discontinued operations

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees			
Unrealized Gain/loss on remeasurement of investments at fair value through profit or loss	7,652,825	(9,176,872)	(7,050,381)	(2,343,579)
EXPENDITURE				
Operating and administrative expenses	162,704	698,002	56,829	162,934
Finance cost	651	300	450	-
	163,355	698,302	57,279	162,934
OPERATING PROFIT/ (LOSS)	7,489,470	(9,875,174)	(7,107,660)	(2,506,513)
OTHER INCOME	-	-	-	-
NET PROFIT/(LOSS) BEFORE TAXATION	7,489,470	(9,875,174)	(7,107,660)	(2,506,513)
PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS	7,489,470	(9,875,174)	(7,107,660)	(2,506,513)
DISCONTINUED OPERATIONS				
EXPENDITURE				
Operating and administrative expenses	(1,028,115)	(915,450)	(18,424)	(57,000)
PROFIT/(LOSS) BEFORE TAXATION FOR THE PERIOD	6,461,355	(10,790,624)	(7,126,084)	(2,563,513)
Taxation	-	-	-	-
PROFIT/(LOSS) AFTER TAXATION FOR THE PERIOD	6,461,355	(10,790,624)	(7,126,084)	(2,563,513)
PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED				
- continuing operations	0.05	(0.07)	(0.05)	(0.02)
- discontinued operations	(0.0073)	(0.006)	(0.0001)	(0.0004)
	0.046	(0.08)	-0.05	(0.02)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2024**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees-----			
Profit/(Loss) after taxation for the period	6,461,355	(10,790,624)	(7,126,084)	(2,563,513)
Other comprehensive income for the period				
Items that will never be reclassified to profit and loss:	-	-	-	-
Items that are may be reclassified to profit and loss:	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive Profit/(loss) for the period	6,461,355	(10,790,624)	(7,126,084)	(2,563,513)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Director



Chief Executive Officer



Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2024

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	Rupees		
Balance as at July 01, 2022	1,413,355,000	(1,060,511,279)	352,843,721
Loss for the period after taxation	-	(10,790,624)	(10,790,624)
Balance as at March 31, 2023	1,413,355,000	(1,071,301,903)	342,053,097
Loss for the period after taxation	-	(7,286,136)	(7,286,136)
Balance as at June 30, 2023	1,413,355,000	(1,078,588,039)	334,766,961
Profit for the period after taxation	-	6,461,355	6,461,355
Balance as at March 31, 2024	1,413,355,000	(1,072,126,684)	341,228,316

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Director


Chief Executive Officer


Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2024

'NINE MONTHS PERIOD ENDED	
JUL - MAR	JUL - MAR
2024	2023
Rupees	Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Gain/(loss) before taxation **6,461,355** (10,790,624)

Adjustments for:

Depreciation
Gain/(Loss) on re-measurement of investments
at fair value through profit and loss - net
Deposits written off
Accrued interest written back
Return on deposit accounts
Finance cost
(Gain) on sale of property and equipment
Provision for bad debts
Provision for gratuity

61,166	161,642
(7,652,825)	9,176,872
-	-
-	-
-	-
651	300
-	-
-	-
-	-
(7,591,008)	9,338,814
(1,129,653)	(1,451,810)

Decrease / (Increase) in current assets

Trade debts - unsecured
Advances, deposits, prepayments and other receivables

-	-
-	-

Decrease in trade and other payables

1,150,471 1,448,015

Cash generated in operations

20,818 (3,795)

Interest received
Finance cost paid
Taxes paid

-	-
(651)	(300)
-	-

Net cash generated/(used) from/in operating activities

20,167 (4,095)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property and equipment
Acquisition of investments property
Proceeds from sale of investments property

-	-
-	-
-	-

Net cash generated from investing activities

- -

CASH FLOWS FROM FINANCING ACTIVITIES

Loans paid
Issuance of new capital
Liabilities against repurchase agreements

-	-
-	-
-	-

Net cash generated from financing activities

- -

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

20,167 (4,095)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD

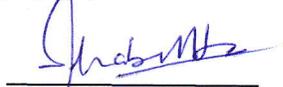
248,662 252,121

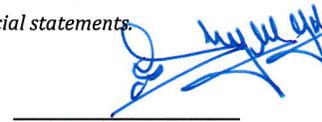
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

268,829 248,026

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Director


Chief Executive Officer


Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

1 THE COMPANY AND ITS OPERATION

- 1.1 First Capital Equities Limited (the "Company") was incorporated in Pakistan on January 26, 1995 as a private limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The Company is a subsidiary of First Capital Securities Corporation Limited, which owns 73.23% (June 2022: 73.23%) of the share capital of the Company. The principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shops, apartments, villas and commercial buildings.

Geographical locations and addresses of all business units are as First Capital House, 96-B/1 Lower Ground Floor, M.M . Alam Road Gulberg-III, Lahore, Pakistan.

- 1.2 The Board of the Directors of the Company in their meeting held on June 28, 2019, owing to the continuous loss and adverse market conditions, decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and discontinue its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company.

During the period company incurred loss amounting Rs. 5.49 Million and accumulated losses of the company stand at Rs. 1084.08 Million as at September 30, 2023 (June 2023: 1,078.59 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 512.34 Million (June 2023: 508.04 Million).

Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause significant doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows.

The management of the Company is confident that with change in principal activity and overall expertise of group in real estate sector will have positive impact on the financial performance of the company. Moreover, management is confident that the remaining loan payable to UBL will be settled by sale of properties. Resultantly, these financial statements are prepared on going concern basis. The financial statements consequently, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 shall prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2022.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, the management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2023.

4 PROPERTY PLANT AND EQUIPMENT

	Un-Audited March 31, 2023	Audited June 30, 2023
	-----Rupees-----	
Opening --Net Book Value	315,526	483,032
Disposal during the period/year	-	(1,450,000)
Disposal depreciation during the period/year	-	1,450,000
Depreciation during the period/year	(61,166)	(167,506)
	<u>254,360</u>	<u>315,526</u>

5 INVESTMENT PROPERTY

Opening balance	824,776,000	824,712,000
Acquisition during the period/year	-	-
	<u>824,776,000</u>	<u>824,712,000</u>
Disposal during the period/year	-	-
	<u>824,776,000</u>	<u>824,712,000</u>
(Decrease) / Increase in fair value	-	64,000
Closing balance	<u>824,776,000</u>	<u>824,776,000</u>

5.1 The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Fairwater Property Valuers & Surveyors (Pvt) Ltd. as at June 30, 2023. 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.

5.2 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. The Company has the intention to sell off this properties to pay off the bank borrowings.

6 LONG TERM INVESTMENT

Investment in related parties

At fair value through profit or loss

Media Times Limited - quoted shares
6,067,362 shares of MDTL (June 2023 : 6,067,362 shares)

Note	Un-Audited March 31, 2023	Audited June 30, 2023
	-----Rupees-----	
6.1	8,919,022	9,707,779

Other Investments

At fair value through profit or loss

Pakistan Stock Exchange Limited - quoted shares
1,081,453 shares of PSX (June 2023 : 1,081,453 shares)

6.2	9,570,859	8,002,752
	<u>18,489,881</u>	<u>17,710,531</u>

6.1 6,067,362 (June 2023 : 6,067,362) Fully paid ordinary shares of Rs. 10 each
Equity Held 3.39% (June 2023: 3.39%)

Unrealized gain remeasurement of investment at fair value through profit or loss

	9,707,779	12,074,050
	(788,757)	(2,366,271)
	<u>8,919,022</u>	<u>9,707,779</u>

6.2 1,081,453 shares of PSX (June 2023 : 1,081,453 shares)

Unrealized gain remeasurement of investment at fair value through profit or loss

	8,002,752	11,063,264
	1,568,107	(3,060,512)
	<u>9,570,859</u>	<u>8,002,752</u>

6.3 Shares having market value of Rs. 9,568,567 (June 2023: Rs.8,000,836/-) are freezed against Base Minimum Capital with Pakistan Stock Exchange. Shares having market value of Rs. 11,345,967/- (June 2023: Rs.9,707,779/-) have been pledged with various commercial banks against long term financing.

7 TRADE DEBTS - UNSECURED

Trade debts against purchase of shares:

Considered good - unsecured

Clients

Considered doubtful:

Clients

Less: Provision for doubtful debts

Note	Un-Audited March 31, 2023	Audited June 30, 2023
	-----Rupees-----	
	174,162,671	174,162,671
	272,720,612	272,720,612
	(272,720,612)	(272,720,612)
	-	-
	<u>174,162,671</u>	<u>174,162,671</u>

	174,162,671	174,162,671
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	272,720,612	272,720,612
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	(272,720,612)	(272,720,612)
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	-	-
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	<u>174,162,671</u>	<u>174,162,671</u>
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7.1 Provision for doubtful debts

Opening balance

Charge for the period / year

Closing balance

	272,720,612	271,851,411
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	-	869,201
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	<u>272,720,612</u>	<u>272,720,612</u>
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	Un-Audited March 31, 2023	Audited June 30, 2023
Note	-----Rupees-----	
8 SHORT TERM INVESTMENTS		
At fair value through profit or loss		
Quoted equity securities		
Opening balance	32,866,297	44,512,874
Unrealized gain/(loss) remeasurement of investment at fair value through profit or loss	6,873,475	(11,646,577)
8.1	39,739,772	32,866,297

8.1 This includes Rs.27,461,688 (June 2023: Rs. 22,617,021/-) investments in related parties. Shares having market value of Rs.34,373,768 (June 2023:32,771,566/-) are pledged as security with commercial banks against loan.

	Un-Audited March 31, 2023	Audited June 30, 2023
Note	-----Rupees-----	
9 LONG TERM FINANCING		
Loan from financial institute -- Secured	825,776,086	825,776,086
Less: Current portion shown under current liability	<u>(825,776,086)</u>	<u>(825,776,086)</u>
	<u>-</u>	<u>-</u>
10 TRADE AND OTHER PAYABLES - UNSECURED	191,599,824	190,449,353
10.1 This includes following balances payable to related parties:		
Falcon Commodities (Pvt.) Ltd	3,255,332	3,255,332
Media Times Limited	1,702,548	1,702,548
Pace Pakistan Limited	114,822,340	114,822,340

11 CONTINGENCIES AND COMMITMENTS

There has been no material change in the status of contingencies disclosed in Company's financial statements for the year ended June 30, 2023.

12 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. The Company in the normal course of business carries out transactions with various related parties. Closing balances of related parties are disclosed in respective notes of these financial statements. There are not any significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements.

13 FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets and liabilities at fair value;

	Un-Audited March 31, 2023	Audited June 30, 2023
	-----Rupees-----	
Financial Assets		
Level 1:		
Long term investments	18,489,881	17,710,531
Short term investments	39,739,772	32,866,297
Level 2:		
Investment properties	824,776,000	824,776,000
Level 3:		
	-	-
	<u>883,005,653</u>	<u>875,352,828</u>
Financial Liabilities		
	-	-

There is no movement between level 1, 2 and 3 during the period.

14 DATE OF AUTHORIZATION

This condensed interim financial statements were authorized for issue by the Board of Directors on April 29, 2024.

15 CORRESPONDING FIGURES

Corresponding Figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no significant re-classification have been made.

16 GENERAL

Figures have been rounded off to the nearest rupee.



Director



Chief Executive Officer



Chief Financial Officer