



**FIRST CAPITAL EQUITIES LIMITED**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR NINE MONTHS PERIOD ENDED  
31ST MARCH 2017**

## 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 associates 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, Safety, 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

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# FIRST CAPITAL EQUITIES LIMITED

# FIRST CAPITAL EQUITIES LIMITED

## COMPANY INFORMATION

Board of Directors	Mian Ehsan Ul Haq, Chairman & CEO Ahsan Zia Waseem Ul Hassan Abdul Samad Malik Safeer Raza Awan Zuhaib Khan Raja Suhail Qurban	Executive Executive Executive Executive Non-Executive Independent Independent
Chief Financial Officer	Waseem Ul Hassan	
Audit Committee	Raja Suhail Qurban (Chairman) Zuhaib Khan Malik Safeer Raza Awan	
Human Resource and Remuneration (HR&R) Committee	Waseem Ul Hasan (Chairman) Mian Ehsan Ul Haq Abdul Samad	
Company Secretary	Tariq Majeed	
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 NIB Bank Limited Soneri Bank Limited Summit Bank Limited United Bank Limited	
Registered Office	2 <sup>nd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan ☎ : + 92-42-36623005/6/8 Fax: + 92-42-36623121, 36623122	
Main Corporate Office	4 <sup>th</sup> Floor, Block B,C & D Lakson Square Building No. 1 Sarwar Shaheen Road, Karachi ☎ : + 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 ☎ : + 92-42-5839182	

# FIRST CAPITAL EQUITIES LIMITED

# FIRST CAPITAL EQUITIES LIMITED

## DIRECTORS' REVIEW

The Directors of First Capital Equities Limited are pleased to present the un-audited condensed interim financial statements of the Company for the nine months ended March 31, 2017.

## CAPITAL MARKET REVIEW

In the nine months of FY17, Pakistan stock market's benchmark KSE-100 index yielded an impressive return of 27.5%, closing at 48,156 points. However, 3QFY17 performance remained relatively dull (3QFY17 return of 0.73%) primarily due to 1) political uncertainty emanating from the Panamagate case proceedings and 2) regulatory uncertainties particularly with regards to a potential margin financing product and action against few brokers. Average daily turnover (ADT) during 9MFY17 was recorded at 372.40 million shares, with ADT during 3QFY17 slightly down at 347.47 million. Outperformers in 9MFY17 included Multi-utilities (up 160%YTD), Paper & Board (up 90%YTD), Automobile & Parts (up 76%YTD), Textiles (up 38%YTD) and Construction & Materials (up 33%YTD). Laggards included Electricity (up 2%YTD), Telecom (up 8%YTD) and Oil & Gas (up 19%YTD). Foreigners remained net sellers during nine months of current fiscal year with an aggregate outflow of USD389 million (outflow of USD163 million in 3QFY17). Sectors which witnessed major foreign outflows during 9MFY17 included Cements (USD112 million), Fertilizers (USD88 million), Food & Personal Care (USD44 million) and Power (USD29 million).

With political uncertainty a backdrop story, the market is likely to take its cue from i) foreign flows as PSX eyes entry into the MSCI Emerging Market Index, ii) continued local liquidity and iii) clarity on regulatory actions. Budget'18 is likely to be a key check point for market momentum where a potentially market friendly budget in view of 2018 elections should provide further impetus to index performance.

## FINANCIAL HIGHLIGHTS

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

Particulars	July to Mar 2017	July to Mar 2016
	Rupees	
Brokerage income	59,395,407	36,564,323
Capital gain - net	47,774,981	186,222
Other operating income	579,673	146,860,672
Unrealized gain on re-measurement of investments at fair value through profit or loss	44,452,775	8,746,137
Operating expenses	84,264,388	64,179,977
Finance costs	57,125,116	170,371,298
Profit / (loss) after taxation	11,057,853	(41,257,333)
Earnings / (loss) per share	0.07	(0.29)

Your Company's bottom-line successfully turned positive and earned a profit after tax of Rs 11.06 million in 3QFY17 as against net losses of Rs 41.26 million incurred in 3QFY16. This translates into EPS of Rs 0.07 for the current 3QFY17 versus LPS of Rs 0.29 in the same period of last year. The brokerage income of your Company has increased almost 62.45% as compared to same period of last year. The Un-realized gain on re-measurement of investments is recorded at Rs 44.12 million while other income arrived at Rs 0.58 million during the 3QFY17. The Company booked a Capital gain of Rs 44.77 million. On overall basis, the income segment depicted buoyant performance and ended

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the 3QFY17 with an income of Rs 152.45 million. Operating expenses has increased 31.29%YoY, while financial expenses registered declines of 66.47%YoY during the 3QFY17 under review. That said, the company ended the 3QFY17 with net profit of Rs 10.46 million.

## FUTURE OUTLOOK

With a new management at the helm, FCEL has already started making positive strides with core revenue showing marked improvement and the company's profile continuing to ascend in the industry. Going forward, the company is expected to advance at a faster pace with performance ameliorating in all aspects of business, bringing the company closer to its goal of become the leading player amongst its peers.

## 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 the guidance and support extended by the 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 members for their continued hard work.

For and on behalf of the Board

Lahore  
April 27, 2017

**Mian Ehsan ul Haq**  
**Chairman and Chief Executive Officer**



## FIRST CAPITAL EQUITIES LIMITED

### ڈائریکٹرز کا جائزہ

فرسٹ کیپٹل ایکویٹیز لمیٹڈ کے ڈائریکٹرز 31 مارچ 2017 کو ختم ہونے والے نو ماہ کے دورانیہ کے لیے کمپنی ہذا کے غیر محاسب شدہ عارضی اہمالی کیفیت نامے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### سرمایے کے بازار کا جائزہ

مالیاتی سال 2017 کے نو ماہ میں پاکستان سٹاک مارکیٹ کے KSE-100 انڈیکس نے 48,156 پوائنٹس کے ساتھ 27.5% کا متاثر کن ریٹن دیا۔ تاہم مالیاتی سال 2017 کی پہلی تین سہ ماہی کی کارکردگی نسبتاً کم رہی (0.73% کے ریٹرن کے ساتھ)۔ اس کی بنیادی وجہ پانامہ کیس کی عدالتی کارروائی کی وجہ سے ہونے والی سیاسی غیر یقینیت؛ پراڈکٹ فنڈنگ اور چند ایک بروکرز کے خلاف ایکشن کی وجہ سے ضوابطی (ریگولیشن) غیر یقینیت ہے۔ مالیاتی سال 2017 کے نو ماہ میں روزانہ اوسط کاروبار 372.40 ملین شیئرز رہا جبکہ پہلی تین سہ ماہی میں 347.47 ملین شیئرز کے ساتھ ڈرام تھا۔ مالیاتی سال 2017 کے نو ماہ میں عمدہ ترین کارکردگی دکھانے والوں میں ملٹی پوائنٹی (اب تک 160% اضافہ)؛ کاغذ اور گنتہ (اب تک 90% اضافہ)؛ آئمو ہائل اور پاپرس (اب تک 76% اضافہ)، ٹیکسٹائل (اب تک 38% اضافہ) اور تعمیرات اور تعمیراتی سازوسامان (اب تک 33% اضافہ) شامل ہیں۔ پیچھے رہ جانے والے شعبوں میں بجلی (اب تک 2% اضافہ)، ٹیلی کام (اب تک 8% اضافہ) اور تیل و گیس (اب تک 19% اضافہ) شامل ہیں۔ مالیاتی سال 2017 کے نو ماہ میں غیر ملکی فروخت کنندگان غالب رہے اور بیرون ملک سرمایے کی ترسیل 389 ملین امریکی ڈالر رہی (مالیاتی سال 2017 کی تین سہ ماہی میں 163 ملین امریکی ڈالر تھی)۔ جن شعبوں میں مالیاتی سال 2017 کے نو ماہ میں بیرون ملک سرمایے کی ترسیل سب سے زیادہ رہی ان میں سینٹ (112 ملین امریکی ڈالر)، کھادیں (88 ملین امریکی ڈالر)، خوراک اور ذاتی استعمال کی اشیا (44 ملین امریکی ڈالر) اور توانائی (29 ملین امریکی ڈالر) شامل ہیں۔

سیاسی غیر یقینی فضا کے ساتھ مارکیٹ درج ذیل عوامل سے متاثر ہوگی: غیر ملکی سرمایے کا بہاؤ کیونکہ پاکستانی اسٹاک انڈیکس MSCI ایبرجنگ مارکیٹ انڈیکس میں شامل ہونے پر نظر رکھے ہوئے ہے؛ مسلسل مقامی سیالیت؛ اور ضوابطی عوامل کی شفافیت۔ 2018 کا بجٹ ممکنہ طور پر مارکیٹ کے تحریک میں بنیادی رہے گا کیونکہ 2018 کے انتخابات کے تناظر میں مارکیٹ دوست بجٹ انڈیکس کارکردگی پر مثبت اثرات مرتب کرے گا۔

### مالیاتی خلاصہ

آپ کی کمپنی کا کلیدی مالیاتی خلاصہ برائے دورانیہ ہذا درج ذیل ہے:

مندرجات	جولائی تا مارچ 2017	جولائی تا مارچ 2017
دلالی سے آمدن	59,395,407	36,564,323
سرمایہ کا نفع۔ خالص	47,774,981	186,222
دیگر عملیاتی آمدن	579,673	146,860,672

## FIRST CAPITAL EQUITIES LIMITED

8,746,137	44,452,775	غیر حاصل شدہ نفع/ (خسارہ) سرمایہ کاریوں کی نفع یا
		نقصان کے ذریعے فیغیر ویلیو پرازنو پیکس
64,179,977	84,264,388	عملیاتی اخراجات
170,371,298	57,125,116	مالیاتی لاگتیں
(41,257,333)	11,057,853	نفع/ (خسارہ) بعد از ٹیکس
(0.29)	0.07	کمائی/ (خسارہ) فی حصص

آپ کی کمپنی کی بنیاد کامیابی سے مثبت ہوئی اور بعد از ٹیکس 11.06 ملین منافع برائے تین مالیاتی سہ ماہی 2017 کمایا جبکہ تین سہ ماہی 2016 میں خالص خسارہ 41.26 ملین روپے تھا۔ اس کا مطلب یہ کہ فی حصص آمدن برائے تین سہ ماہی 0.07 روپے رہی جبکہ گذشتہ سال کے متعلقہ دورانیہ میں خسارہ فی حصص 0.29 روپے تھا۔ گذشتہ سال کے متعلقہ دورانیہ کے مقابلے میں کمپنی کی دلالی آمدن %62.45 بڑھی۔ سرمایہ کاریوں کی ازسرنو پیکس پر غیر حاصل شدہ منافع 44.12 ملین روپے ریکارڈ کیا گیا جبکہ دیگر آمدن 0.58 ملین روپے تک پہنچ گئی۔ کمپنی نے 44.77 ملین روپے کا سرمایہ منافع درج کیا۔ مجموعی طور پر آمدن کے شعبے میں بہتر کارکردگی ظاہر ہوئی اور مالیاتی سال 2017 کی پہلی تین سہ ماہی کا اختتام 152.45 ملین آمدن پر ہوا۔ عملیاتی اخراجات میں %31.29 کا سالانہ اضافہ ہوا جبکہ مالیاتی اخراجات میں %66.47 کی کمی آئی۔ اس طرح کمپنی ہڈا کے مالیاتی سال 2017 کی تین سہ ماہی کا اختتام 10.46 ملین روپے کے خالص نفع پر ہوا۔

### مستقبل کا منظر نامہ

نئی پرجوش انتظامیہ کے ساتھ FCEL نے پہلے ہی مثبت عروج دکھانا شروع کر دیا ہے، مرکزی ریونیو میں قابل ذکر بہتری آئی اور انڈسٹری میں کمپنی کی پروفائل بہتر ہوتی ہو رہی۔ مستقبل میں کمپنی زیادہ تیز رفتاری سے ترقی کرے گی اور کاروبار کے تمام پہلوؤں میں بہتر کارکردگی دکھائے گی، اس طرح کمپنی اپنی معاصر کمپنیوں میں نمایاں کھلاڑی بننے کے بنیادی ہدف کے قریب پہنچ جائے گی۔

### اقرار نامہ

بورڈ آف ڈائریکٹرز تمام حصص کنندگان اور بینکوں کی مسلسل قابل قدر حمایت پر ان کا مشکور و ممنون ہے۔ بورڈ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رہنمائی اور وسیع تر معاونت پر ان کا مشکور ہے۔ آخر میں بورڈ تمام سٹاف ممبران کی مسلسل محنت کو سراہتا ہے۔

بورڈ کی جانب سے

میاں احسان الحق

چیئر مین اور چیف ایگزیکٹو آفیسر

27 اپریل 2017 لاہور

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INERIM BALANCE SHEET AS AT MARCH 31, 2017

	Note	Un-Audited MARCH 2017 Rupees	Audited June 2016 Rupees
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property plant and equipment	5	45,307,231	49,085,029
Intangible assets		12,500,000	12,500,000
Long term investments	6	91,290,162	34,288,815
Long term deposits, receivables and prepayments	7	9,120,428	5,512,559
		<b>158,217,821</b>	<b>101,386,403</b>
<b>CURRENT ASSETS</b>			
Trade debts	8	1,796,356,770	1,990,328,119
Short term investments	9	112,650,450	84,440,219
Advances, deposits, prepayments and other receivables		29,696,806	7,766,551
Advance income tax		37,140,293	37,707,271
Interest accrued		-	319,972
Cash and bank balances		131,853,268	52,114,391
		<b>2,107,697,587</b>	<b>2,172,676,523</b>
<b>ASSETS HELD FOR SALE</b>			
Investment property		1,608,469,500	1,608,469,500
<b>TOTAL ASSETS</b>		<b><u>3,874,384,908</u></b>	<b><u>3,882,532,426</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital (141,355,000 shares of Rs. 10/- each) (June 2016: 141,355,000)		1,413,355,000	1,413,355,000
Other reserves		18,449,803	(48,292,434)
Unappropriated loss		(1,279,054,316)	(1,289,518,215)
<b>TOTAL EQUITY</b>		<b><u>152,750,487</u></b>	<b><u>75,544,351</u></b>
<b>NON - CURRENT LIABILITIES</b>			
Long term financing	10	1,713,212,202	1,914,925,617
Interest accrued		383,812,325	371,670,346
Deferred liabilities		37,636,579	32,284,579
		<b>2,134,661,106</b>	<b>2,318,880,542</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	247,021,489	165,988,912
Short term borrowings		621,601,617	634,157,148
Current portion of long term financing		257,638,754	246,506,008
Interest accrued		453,661,049	434,999,013
Provision for taxation		7,050,406	6,456,452
		<b>1,586,973,315</b>	<b>1,488,107,533</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>3,874,384,908</u></b>	<b><u>3,882,532,426</u></b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	Note	NINE MONTHS ENDED		THREE MONTHS ENDED	
		Jul - Mar	Jul - Mar	Jan - Mar	Jan - Mar
		2017	2016	2017	2016
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Brokerage income		59,395,407	36,564,323	23,318,757	8,858,571
Capital gain - net		47,774,981	186,222	35,465,456	285,078
Dividend income		244,521	936,488	43,027	-
Gain / (loss) on re-measurement of investments at fair value through profit or loss - net	9	44,452,775	8,746,137	(23,671,107)	(13,627,967)
		<u>151,867,684</u>	<u>46,433,170</u>	<u>35,156,133</u>	<u>(4,484,318)</u>
<b>EXPENDITURE</b>					
Operating and administrative expenses		84,264,388	64,179,977	31,804,321	14,448,962
Finance cost		57,125,116	170,371,198	18,046,757	55,027,058
		<u>141,389,504</u>	<u>234,551,175</u>	<u>49,851,078</u>	<u>69,476,020</u>
<b>OPERATING PROFIT / (LOSS)</b>		<u>10,478,180</u>	<u>(188,118,005)</u>	<u>(14,694,945)</u>	<u>(73,960,338)</u>
<b>OTHER INCOME</b>					
		579,673	146,860,672	163,344	65,684,054
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<u>11,057,853</u>	<u>(41,257,333)</u>	<u>(14,531,601)</u>	<u>(8,276,284)</u>
Taxation		593,954	365,643	208,001	88,585
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<u>10,463,899</u>	<u>(41,622,976)</u>	<u>(14,739,602)</u>	<u>(8,364,869)</u>
<b>EARNING / (LOSS) PER SHARE - BASIC AND DILUTED</b>	15	<u>0.07</u>	<u>(0.29)</u>	<u>(0.10)</u>	<u>(0.06)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	Jul - Mar	Jul - Mar	Jan - Mar	Jan - Mar
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation for the period	10,463,899	(41,622,976)	(14,739,602)	(8,364,869)
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 or may be reclassified to profit and loss:</u>				
Unrealised gain / (loss) on remeasurement of investment available for sale	66,742,237	(5,217,927)	46,841,290	(1,880,878)
Other comprehensive income / (loss) for the period	66,742,237	(5,217,927)	46,841,290	(1,880,878)
<b>Total comprehensive income / (loss) for the period</b>	<b>77,206,136</b>	<b>(46,840,903)</b>	<b>32,101,688</b>	<b>(10,245,747)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	Jul - Mar 2017 Rupees	Jul - Mar 2016 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	11,057,853	(41,257,333)
<b>Add: Items not involved in movement of funds</b>		
Depreciation	4,252,526	3,290,265
Gain on re-measurement of investments at fair value through profit or loss - net	(44,452,775)	(8,746,137)
Provision for Doubt ful debts written back	-	(65,000,000)
Dividend income	(244,521)	(936,488)
Accrued interest written back	-	(78,878,237)
Interest accrued	(579,173)	(973,435)
Interest expense	57,125,116	170,371,198
Gain on sale of property and equipment	-	(1,190,000)
Provision for gratuity	6,500,000	5,040,662
	<u>22,601,173</u>	<u>22,977,828</u>
	33,659,026	(18,279,505)
<b>Decrease / (Increase) in current assets</b>		
Investments at fair value through profit or loss	16,242,544	(73,113,239)
Trade debts - unsecured	193,971,349	153,678,515
Advances, deposits, prepayments and other receivables	(21,930,255)	6,491,648
	<u>188,283,638</u>	<u>87,056,924</u>
<b>(Increase) / decrease in current liabilities in trade and other payables</b>	<u>81,032,577</u>	<u>(9,491,193)</u>
<b>Cash generated in operations</b>	302,975,241	60,222,714
Interest received	899,145	1,321,665
Dividend received	244,521	936,488
Finance cost paid	(274,039)	(106,363)
Gratuity paid	(1,148,000)	(1,353,500)
Refund received / (taxes paid)	566,978	(3,440,011)
<b>Net cash generated in operating activities</b>	303,263,846	57,580,993
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(474,728)	(902,500)
Proceeds from sale of property, plant and equipment	-	1,190,000
Investments available for sale	9,740,890	-
Investments property	-	9,290,400
Long term deposits and advances	(3,607,869)	(1,793,159)
<b>Net cash generated in investing activities</b>	5,658,293	7,784,741
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finance paid	(216,627,731)	(42,182,340)
Short term borrowings	(12,555,531)	-
<b>Net cash (used in) financing activities</b>	<u>(229,183,262)</u>	<u>(42,182,340)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	79,738,877	22,246,912
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	52,114,391	10,077,092
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>131,853,268</u>	<u>32,324,004</u>

*The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.*

# FIRST CAPITAL EQUITIES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

	Issued, subscribed and paid up capital	Share Premium	Capital Reserve Reserve for issue of bonus shares	Fair value reserve	Reserve Unappropriated Profit	Total
	Rupees					
Balance as at June 30, 2015	1,413,355,000	-	-	(43,559,896)	(1,320,227,022)	49,568,083
Loss for the period after taxation	-	-	-	-	(41,622,976)	(41,622,976)
<b>Other comprehensive income for the period</b>						
Fair value reserve realised	-	-	-	-	-	-
Deficit on remeasurement of investment available for sale to fair value				(5,217,927)		(5,217,927)
Total other comprehensive income for the period - net of tax	-	-	-	(5,217,927)	-	(5,217,927)
Total comprehensive loss for the period	-	-	-	(5,217,927)	(41,622,976)	(46,840,903)
<b>Balance as at March 31, 2016</b>	<b>1,413,355,000</b>	<b>-</b>	<b>-</b>	<b>(48,777,823)</b>	<b>(1,361,849,998)</b>	<b>2,727,177</b>
Balance as at June 30, 2016	1,413,355,000	-	-	(48,292,434)	(1,289,518,215)	65,298,601
Profit for the period after taxation	-	-	-	-	10,463,899	10,463,899
<b>Other comprehensive income for the period</b>						
Fair value reserve realised	-	-	-	-	-	-
Remeasurement of defined benefit plan					-	-
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 profit for the period	-	-	-	66,742,237	10,463,899	77,206,136
<b>Balance as at March 31, 2017</b>	<b>1,413,355,000</b>	<b>-</b>	<b>-</b>	<b>18,449,803</b>	<b>(1,279,054,316)</b>	<b>142,504,735</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

# FIRST CAPITAL EQUITIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2017

### 1 THE COMPANY AND ITS OPERATION

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 2016: 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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information is un-audited and are prepared in accordance with the requirements of International Accounting Standards (IAS) 34 "Interim Financial Reporting" and the provision of and directives issued under the Companies Ordinance 1984, where the requirements differ the directives/provision of the Companies Ordinance 1984 take precedence. These financial statements are being presented to share holders under section 245 of Companies Ordinance, 1984. The disclosures in the condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2016. This also do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding in the changes of the balance sheet and profit and loss since the last financial statements.

This condensed interim financial information comprises of condensed interim balance sheet as at March 31, 2017 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 ended March 31, 2017.

### 3 ACCOUNTING POLICIES

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, 2016.

### 4 JUDGMENTS AND ESTIMATES

4.1 The preparation of the condensed interim financial information requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2016.

#### 4.2 Measurement of fair values

The Company has an established a control framework for measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Finance Officer. The team regularly reviews significant unobservable inputs and valuation adjustments (If required). If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are also reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



# FIRST CAPITAL EQUITIES LIMITED

5 PROPERTY PLANT AND EQUIPMENT		MARCH		JUNE	
		2017		2016	
		Rupees		Rupees	
Opening		49,085,029		53,626,132	
Additions		474,728		1,287,200	
Disposals		-		-	
Depreciation		(4,252,526)		(5,828,305)	
		<u>45,307,231</u>		<u>49,085,029</u>	
6 LONG TERM INVESTMENT		MARCH		JUNE	
		2017		2016	
		Rupees		Rupees	
Investment in related parties					
Available for sale					
Media Times Limited - quoted shares	6.1	24,330,122		10,132,495	
Other Investments					
Available for sale					
Pakistan Stock Exchange Limited - unquoted shares	6.2	66,960,040		24,156,320	
		2,391,430 shares of PSX (June 2016 : 4,007,383 shares)			
		<u>91,290,162</u>		<u>34,288,815</u>	
6.1	6,067,362 (June 2016 : 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.56% (June 2016 : 3.56%)	10,132,495		14,865,033	
Gain / (loss) on measurement of investment available for sale for the period / year		14,197,627		(4,732,538)	
		<u>24,330,122</u>		<u>10,132,495</u>	
6.2	2,391,430 shares of PSX (June 2016 : 4,007,383 shares)	14,415,430		24,156,320	
Gain on remeasurement of investment available for sale for the period / year		52,544,610		-	
		<u>66,960,040</u>		<u>24,156,320</u>	
7 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS					
Pakistan Stock Exchange Limited		7,615,028		3,653,159	
Central Depository Company of Pakistan Limited		100,000		100,000	
National Clearing Company of Pakistan Limited		400,000		400,000	
Other deposits and receivables	7.1	1,005,400		1,359,400	
		<u>9,120,428</u>		<u>5,512,559</u>	
7.1	This includes balance receivable from First Capital Securities Corporation Limited (Parent Company) Rs. 890,400/- (June 2016 : Rs 890,400/-).				
8 TRADE DEBTS - UNSECURED					
Trade debts against purchase of shares:		MARCH		JUNE	
		2017		2016	
		Rupees		Rupees	
Considered good - unsecured					
Clients					
Related parties	8.1	183,416,132		182,477,610	
Others		1,612,319,229		1,807,229,100	
Members		621,409		621,409	
		<u>1,796,356,770</u>		<u>1,990,328,119</u>	
Considered doubtful:					
Clients					
Members		1,092,901,226		1,092,901,226	
		3,911,979		3,911,979	
Members		1,096,813,205		1,096,813,205	
Less: Provision for doubtful debts	8.2	(1,096,813,205)		(1,096,813,205)	
		<u>1,796,356,770</u>		<u>1,990,328,119</u>	

# FIRST CAPITAL EQUITIES LIMITED

		<b>MARCH</b>	<b>JUNE</b>
		<b>2017</b>	<b>2016</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>8.1</b>	<b>Related Parties</b>		
	Salmaan Taseer	13,571,120	13,571,120
	Aamna Taseer	-	263,808
	Shehyar Ali Taseer	240	682,743
	Shahbaz Ali Taseer	3,079	-
	Suleman Al Houqani	167,944,259	167,944,259
	Pace Barka Properties Limited	5,000	5,000
	First Capital Mutual Fund Limited	1,892,434	10,680
		<b>183,416,132</b>	<b>182,477,610</b>
<b>8.2</b>	<b>Provision for doubtful debts</b>		
	Opening balance	1,096,813,205	1,096,813,205
	Provision for doubtful debts written back for the period / year	-	-
	Charge for the period / year	-	-
	Closing Balance	<b>1,096,813,205</b>	<b>1,096,813,205</b>
<b>8.3</b>	No provision has been charged against the related party balances. (2016: Nil)		
<b>9</b>	<b>SHORT TERM INVESTMENTS</b>		
		<b>MARCH</b>	<b>JUNE</b>
		<b>2017</b>	<b>2016</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>At fair value through profit or loss</b>		
	Quoted equity securities		
	Opening balance	84,440,219	299,524
	Additions	-	73,108,510
	Disposals	(16,242,544)	-
	Unrealised gain on remeasurement of investments for the period / year	44,452,775	11,032,185
		<b>112,650,450</b>	<b>84,440,219</b>
<b>10</b>	<b>LONG TERM FINANCING</b>		
		<b>MARCH</b>	<b>JUNE</b>
		<b>2017</b>	<b>2016</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>Note</b>		
	Secured	2,004,536,736	2,221,164,466
	Deferred notional income	(33,685,780)	(59,732,841)
		<b>1,970,850,956</b>	<b>2,161,431,625</b>
	Less: Current portion shown under current liability	(257,638,754)	(246,506,008)
		<b>1,713,212,202</b>	<b>1,914,925,617</b>
<b>10.1</b>	This includes agreements with different commercial banks with a mark up rate of 8.13% - 20% (June 2016 : 8.13% and 3 months kibar plus 3% to 4% ). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties.		
<b>10.2</b>	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 1% to 5% (June 2016 : 9.13% to 12.06%). Movement is as follows:		
		<b>MARCH</b>	<b>JUNE</b>
		<b>2017</b>	<b>2016</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>Deferred notional income</b>		
	As at beginning of the period / year	59,732,842	182,336,158
	Occurred during the period / year	-	-
	Amortized during the period / year	(26,047,062)	(122,603,316)
	As at end of the period / year	<b>33,685,780</b>	<b>59,732,842</b>

# FIRST CAPITAL EQUITIES LIMITED

	MARCH		JUNE	
	2017		2016	
	Rupees		Rupees	
<b>11 TRADE AND OTHER PAYABLES - UNSECURED</b>	<b>247,021,489</b>		<b>165,988,912</b>	

This includes balance payable to associated company i.e Falcon Commodities (Pvt) Limited Rs. 3,750,000/- (June 2016 : Rs. 3,750,000/-)

## 12 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2016 except for the following:

### 12.1 COMMITMENTS

	MARCH		JUNE	
	2017		2016	
	Rupees		Rupees	
Sale of Shares	1,489,598,011		50,148,207	
Purchase of shares	1,493,873,232		57,630,577	

## 13 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:

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	-	124,612
Salary and other employee benefits	-	-	24,050,542	-
Trade debts received	-	-	-	957,231

Brokerage Income	-	23,916	-	124,612
Salary and other employee benefits	-	-	24,050,542	-
Trade debts received	-	-	-	957,231

Nine Months Ended March 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	-	-	-	399,399
Sale of investment property	-	9,290,400	-	-
Salary and other employee benefits	-	-	21,572,422	-
Trade debts received	-	-	-	-

Brokerage Income	-	-	-	399,399
Sale of investment property	-	9,290,400	-	-
Salary and other employee benefits	-	-	21,572,422	-
Trade debts received	-	-	-	-

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

## 14 Financial risk management

### 14.1 Financial risk factors

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

This condensed 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 2016.

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

### 14.2 Liquidity risk

Compared to year end, there was no material change.

### 14.3 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.

# FIRST CAPITAL EQUITIES LIMITED

## 14.3.1 Assets

	Note	MARCH	JUNE
		2017	2016
		Rupees	Rupees
<b>Level 1</b>			
- Non-current assets			
Long term investments (Available for sale)	14.3.1.1	91,290,162	10,132,495
- Current assets			
Short term investments (Fair value through profit and loss)		112,650,450	84,440,219
<b>Level 2</b>		-	-
<b>Level 3</b>		-	-
<b>Total</b>		<b>203,940,612</b>	<b>94,572,714</b>

### 14.3.1.1

Non current investments (available for sale) includes unquoted shares of Pakistan Stock Exchange Limited (PSX) which are measured at net releasable value.

## 14.3.2 Liabilities

-	-
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## 15 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

	MARCH	MARCH
	2017	2016
	Rupees	Rupees
Earning / (loss) after taxation attributable to ordinary share holders - Rupees	10,463,899	(41,622,976)
Number of ordinary shares	141,335,500	141,335,500
Earning / (loss) per share - Basic and Diluted (Rupees per share)	0.07	(0.29)

15.1 No figure for diluted earnings per share has been disclosed as the Company has not issued any instrument which would have an impact on earnings per share, when exercised.

## 16 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on April 27, 2017.

## 17 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.

## 18 GENERAL

18.1 Figures have been rounded off to the nearest rupee.

Lahore

Chief Executive

Director