



FIRST CAPITAL EQUITIES LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED

DECEMBER 31, 2016

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*

Contents

Page Five

Company Information

Page Seven

Directors' Review

Page Eleven

Auditors' Review Report

Page Twelve

Condensed Interim Balance Sheet

Page Thirteen

Condensed Profit & Loss Account

Page Fourteen

Condensed Interim Statement of Comprehensive Income

Page Fifteen

Condensed Interim Statement of Cash Flow

Page Sixteen

Condensed Interim Statement of Changes in Equity

Page Seventeen

Notes to the Condensed Interim Financial Information

COMPANY INFORMATION

Board of Directors	Mian Ehsan ul Haq <i>Chairman & CEO</i> 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 Aamir 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	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan. Tel: (042) 36623000-3, 5/6/8 Fax: (042) 36623121-36623122	
Corporate Office	4 th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tel: (021) 111 226 226 Fax: (021) 35656710, 35656725	
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade,1-K, Commercial Model Town, Lahore. Tel: (042) 35839182	

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 six months ended December 31, 2016.

CAPITAL MARKET REVIEW

In the opening half of FY17, Pakistan stock market continued to make history by exhibiting an unprecedented bull run as the benchmark KSE-100 index closed at 47,807 points - an impressive return of 27% YTD, making it one of the best performing markets in the world. This historic growth can be attributed to a plethora of factors including i) positive decision on PSX's inclusion in the MSCI Emerging Market Index, ii) successful divestment of PSX shareholding to Chinese investors, iii) economic growth recognition from highly reputed international institutions such as the IMF, WB and others, iv) CPEC related economic activity leading to expansionary projects by the Construction & Materials manufacturers, v) expansionary monetary policy resulting in increased liquidity and appetite for equity investments and finally vi) improved law and order situation in the aftermath of Operation Zarb-e-Azab as well as a relatively stable political landscape.

Average volumes during 1HFY17 were recorded at 385.7 million shares whereas major contribution towards PSX's ascension came from Multi-utilities (up 77%YTD), Automobile & Parts (up 74%YTD), Construction & Materials (up 34%YTD), Textiles (up 32%YTD), Banks (up 29%YTD) and Oil & Gas (up 28%YTD). Laggards included Electricity (up 4%YTD), Chemicals (up 11%YTD) and Telecom (up 16%YTD). Foreigners remained net sellers during the half of current fiscal year with an aggregate outflow of USD298 million. Sectors which witnessed major foreign outflows were Fertilizer (USD97 million), Cements (USD65 million) and Oil and Gas exploration companies (USD64 million).

FINANCIAL HIGHLIGHTS

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

Particulars	July to Dec 2016	July to Dec 2015
	Rupees	
Brokerage income	36,076,650	27,705,752
Capital gain / (loss) - net	12,309,525	(98,856)
Other operating income	416,329	81,176,619
Unrealized gain on re-measurement of investments at fair value through profit or loss	68,123,882	22,374,104
Operating expenses	52,460,067	49,731,015
Finance costs	39,078,359	115,344,140
Profit / (loss) after taxation	25,203,501	(33,258,106)
Earnings / (loss) per share	0.18	(0.24)

Your Company's bottom-line successfully turned positive and earned a profit after tax of Rs 25.20 million in 1HFY17 as against net losses of Rs 33.26 million incurred in 1HFY16. This translates into EPS of Rs 0.18 for the current half year versus LPS of Rs 0.24 in the same period of last year. The brokerage income of your Company has increased almost 30% as compared to same period of last year. The Un-realized gain on re-measurement of investments is recorded at Rs 68.12 million while other income arrived at Rs 0.416 million during the 1HFY17. The

Company booked a Capital gain of Rs 12.31 million. On overall basis, the income segment depicted buoyant performance and ended the 1HFY17 with an income of Rs 116.92 million. Operating expenses has increased 5.49%YoY, while financial expenses registered declines of 66%YoY during the 1HFY17 under review. That said, the company ended the 1HFY17 with net profit of Rs 25.20 million.

FUTURE OUTLOOK

Recently, your Company has undergone management restructuring in order to bring significant improvement to the operations of the company. With a new vigor and determination, the management has been continuously striving to improve all aspects of the business in order to achieve its aim of becoming the very best in brokerage.

CHANGES IN THE BOARD OF DIRECTORS

Election of directors was held during the month of December 2016 and all the retiring / existing directors were re-elected except Mr. Farooq Bin Habib, Mr. Muhammad Junaid and Mr. Mazhar Abbas.

Mr. Raja Suhail Qurban, Mr. Zuhaib Khan and Mr. Malik Safeer Raza Awan were elected on the Board of the Company in place of the out going directors.

AUDIT COMMITTEE

During the period the Board reconstitutes the audit committee which comprises the following audit committee members:

Mr. Raja Suhail Qurban	Chairman
Mr. Zuhaib Khan	Member
Malik Safeer Raza Awan	Member

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
February 27, 2017


Mian Ehsan Ul Haq
Chairman and Chief Executive Officer

ڈائریکٹرز کا جائزہ

فرسٹ کیپٹل ایکویٹیٹی لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لیے کمپنی ہذا کے غیر محاسب شدہ اجمالی کیفیت نامے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

سرمایے کے بازار کا جائزہ

مالیاتی سال 2017 کی افتتاحی ششماہی میں پاکستان سٹاک مارکیٹ نے مسلسل ترقی کے رجحان کے ساتھ تاریخ رقم کرنا جاری رکھا اور KSE-100 انڈیکس 47807 پوائنٹس تک پہنچ گیا یہ YTD کا متاثر کن 27% ریٹرن ہے، جس سے پاکستان کی سٹاک مارکیٹ دنیا کی بہترین کارکردگی والی مارکیٹوں میں سے ایک ہے۔ اس تاریخ ساز ترقی کا سہرا کئی عوامل کے سرے جن میں یہ شامل ہیں:

پاکستان سٹاک ایکسچینج کی MSCI ایمرجنگ مارکیٹ انڈیکس میں شمولیت کا مثبت فیصلہ، پاکستان سٹاک ایکسچینج حصص کی چینی سرمایہ کاروں کو کامیاب فروخت، بلند شہرت والے مالیاتی اداروں مثلاً آئی ایم ایف اور ورلڈ بینک کی طرف سے معاشی ترقی تسلیم کیا جانا، سی پیک سے متعلقہ معاشی سرگرمی جو تعمیراتی اور میٹریل مینوفیکچررز کے لیے توسیعی پراجیکٹس کا باعث بنی، توسیعی زری پالیسی جس کے نتیجے میں سیالیات اور سرمایے کی سرمایہ کاری کا رجحان بڑھا اور ضرب عضب اور نسبتاً مستحکم سیاسی منظر نامے کے نتیجے میں امن وامان کی صورت حال بہتر رہی۔

پہلی ششماہی 2017 کے دوران اوسط حجم 385.7 ملین حصص رہا جبکہ پاکستان سٹاک ایکسچینج کے عروج میں بڑا حصہ ملی یونیٹی کی طرف سے ہوا (77%)، آٹوموبائل اور پارٹس (74%)، تعمیرات اور میٹیریلز (34%)، ٹیکسٹائل (32%)، بینک (29%) اور تیل و گیس (28%)۔ مندی کا رجحان رکھنے والے شعبوں میں بجلی (4%)، کیمیکلز (11%) اور ٹیلی کام (16%) شامل ہیں۔ حالیہ مالیاتی سال کی ششماہی میں غیر ملکی فروخت کنندگان زیادہ رہے اور سرمایے کا مجموعی بیرون ملک بہاؤ 298 ملین امریکی ڈالر رہا۔ جن شعبوں میں زیادہ سرمایے کا بیرون ملک بہاؤ ہوا ان میں ٹھکانے (97m)، سیمنٹ (65m) اور تیل و گیس کی تلاش والی کمپنیاں (64m) شامل ہیں۔

مالیاتی خلاصہ

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

مندرجات	جولائی تا دسمبر 2016	جولائی تا دسمبر 2015
	(روپوں میں)	(روپوں میں)
بروکرینج سے آمدن	36,076,650	27,705,752
سرمایہ کا خسارہ۔ خالص	12,309,525	(98,856)
غیر حاصل شدہ نفع/ (خسارہ) سرمایہ کاروں کی نفع یا نقصان کے ذریعے فیئر ویلیو پراز سر نو پیکائش	68,123,882	22,374,104
عملیاتی اخراجات	52,460,067	49,731,015
مالیاتی لاگتیں	39,078,359	115,344,140
نفع/ (خسارہ) بعد از ٹیکس	25,203,501	(33,258,106)
کمانی/ (خسارہ) فی حصص	0.18	(0.24)

آپ کی کمپنی کی بنیاد کامیابی سے مثبت ہوئی اور بعد از ٹیکس 25.20 ملین منافع برائے مالیاتی ششماہی اول 2017 کما گیا جبکہ مالیاتی ششماہی اول 2016 میں خالص خسارہ 33.26 ملین روپے تھا۔ اس کا مطلب یہ کہ فی حصص آمدن برائے حالیہ ششماہی 0.18 روپے رہی جبکہ گذشتہ سال کے متعلقہ دورانیہ میں خسارہ فی حصص 0.24 روپے تھا۔ ششماہی اول مالیاتی سال 2017 میں سرمایہ کاروں کی از سر نو پیکائش پر غیر حاصل شدہ منافع 68.12 ملین روپے ریکارڈ کیا گیا جبکہ دیگر آمدن 0.416 ملین روپے تک پہنچ گئی۔ کمپنی نے 12.31 ملین روپے کا سرمایہ منافع درج کیا۔ مجموعی طور پر آمدن کے شعبے میں بہتر کارکردگی ظاہر ہوئی اور مالیاتی سال 2017 کی اول ششماہی کا اختتام 116.92 ملین آمدن پر ہوا۔ مالیاتی سال 2017 کی اول ششماہی میں عملیاتی اخراجات میں 5.49% کا سالانہ اضافہ ہوا جبکہ مالیاتی اخراجات میں 66% کمی آئی۔ اس طرح کمپنی ہذا کے مالیاتی سال 2017 کی اول ششماہی کا اختتام 25.20 ملین روپے کے خالص نفع پر ہوا۔

مستقبل کا منظر نامہ

اس وقت آپ کی کمپنی میں انتظامی ڈھانچہ تبدیل ہوا ہے تاکہ کمپنی کے عملیات میں نمایاں بہتری لائی جائے۔ نئے عزم اور جوش سے انتظامیہ مسلسل کوشاں ہے کہ کاروبار کے تمام پہلوؤں میں بہتری لائی جائے تاکہ بروکرینج میں بہترین کمپنی بننے کا مقصد حاصل کیا جاسکے۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

دسمبر 2016 میں ڈائریکٹرز کا الیکشن ہوا اور تمام ریٹائرڈ اور موجودہ ڈائریکٹرز کا دوبارہ انتخاب کیا گیا سوائے مسٹر فاروق بن حبیب، مسٹر محمد جنید اور مسٹر مظہر عباس کے۔

مسٹر راجا سہیل قربان، مسٹر زویب خان اور مسٹر ملک سفیر رضا کو ریٹائر ہونے والے ڈائریکٹرز کی جگہ کمپنی کے بورڈ آف ڈائریکٹرز میں منتخب کیا گیا۔

آڈٹ کمیٹی

اس دورانیہ میں بورڈ نے آڈٹ کمیٹی کی تشکیل نو کی، اب کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

مسٹر سفیر رضا اعوان (چیئرمین)، مسٹر زویب خان (رکن)، مسٹر راجا سہیل قربان (رکن)

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 سٹاک ایکسچینج لمیٹڈ کی رہنمائی اور وسیع تر معاونت پر ان کا مشکور ہے۔ آخر میں بورڈ تمام شاف ممبران کی مسلسل محنت کو سراہتا ہے۔

بورڈ کی جانب سے

میاء احسان الحق

چیئرمین اور چیف ایگزیکٹو آفیسر

27 فروری 2017 لاہور

**FIRST CAPITAL EQUITIES LIMITED
AUDITOR'S REPORT TO THE MEMBERS ON
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Capital Equities Limited**, as at **December 31, 2016**, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the Quarter ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2016.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Emphasis of Matter Paragraph

Without qualifying our opinion, we draw attention to Note 1.2 in the annexed financial information which indicates that although the company has earned an after tax profit of Rs. 25.20 million, still accumulated losses of the company stand at Rs. 1,264.31 million as at December 31, 2016 (June 2016 : 1,289.51). Moreover, the company in order to carry on its business and to meet its current obligations required to generate sufficient profits. These conditions along with other matters as set forth in note 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Place : Lahore
Date : February 27, 2017

**NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS
MUHAMMAD MAQSOOD**

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016**

Note	Un-Audited		Audited	
	DECEMBER		June	
	2016		2016	
	Rupees		Rupees	
ASSETS				
NON - CURRENT ASSETS				
	5	46,399,953	49,085,029	
		12,500,000	12,500,000	
	6	54,189,762	34,288,815	
	7	5,158,559	5,512,559	
		118,248,274	101,386,403	
CURRENT ASSETS				
	8	1,801,117,163	1,990,328,119	
	9	136,321,557	84,440,219	
		13,830,153	7,766,551	
		35,809,911	37,707,271	
		123,003	319,972	
		110,945,104	52,114,391	
		2,098,146,891	2,172,676,523	
ASSETS HELD FOR SALE				
		1,608,469,500	1,608,469,500	
TOTAL ASSETS				
		3,824,864,665	3,882,532,426	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
		1,520,000,000	1,520,000,000	
		1,413,355,000	1,413,355,000	
		(141,355,000 shares of Rs. 10/- each) (June 2016: 141,355,000)		
		(28,391,487)	(48,292,434)	
		(1,264,314,714)	(1,289,518,215)	
TOTAL EQUITY				
		120,648,799	75,544,351	
NON - CURRENT LIABILITIES				
	10	1,741,241,608	1,914,925,617	
		379,828,540	371,670,346	
		35,576,579	32,284,579	
		2,156,646,727	2,318,880,542	
CURRENT LIABILITIES				
	11	222,083,381	165,988,912	
		621,905,664	634,157,148	
		249,436,754	246,506,008	
		447,300,935	434,999,013	
		6,842,405	6,456,452	
		1,547,569,139	1,488,107,533	
Contingencies and commitments				
	12	-	-	
TOTAL EQUITY AND LIABILITIES				
		3,824,864,665	3,882,532,426	

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

LAHORE:


CHIEF EXECUTIVE


DIRECTOR

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT-(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

Note	HALF YEAR ENDED		QUATER ENDED	
	December	December	December	December
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
INCOME				
Brokerage income	36,076,650	27,705,752	20,346,591	11,531,299
Capital gain / (loss) - net	12,309,525	(98,856)	12,353,774	(64,436)
Dividend income	201,494	936,488	200,369	936,488
Gain / (loss) on re-measurement of investments at fair value through profit or loss - net	9 68,123,882	22,374,104	(15,876,049)	40,125,724
	116,711,551	50,917,488	17,024,685	52,529,075
EXPENDITURE				
Operating and administrative expenses	52,460,067	49,731,015	29,625,700	24,670,474
Finance cost	39,078,359	115,344,140	20,188,025	94,911,866
	91,538,426	165,075,155	49,813,725	119,582,340
OPERATING PROFIT / (LOSS)	25,173,125	(114,157,667)	(32,789,040)	(67,053,265)
OTHER INCOME / (LOSS)	416,329	81,176,619	(115,591)	79,968,679
PROFIT / (LOSS) BEFORE TAXATION	25,589,454	(32,981,048)	(32,904,631)	12,915,414
Taxation	385,953	277,058	228,652	115,313
PROFIT / (LOSS) AFTER TAXATION	25,203,501	(33,258,106)	(33,133,283)	12,800,101
EARNING / (LOSS) PER SHARE - BASIC AND DILUTED	15 0.18	(0.24)	(0.23)	0.09

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

Lahore


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-
(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	HALF YEAR ENDED		QUATER ENDED	
	December	December	December	December
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation for the period	25,203,501	(33,258,106)	(33,133,283)	12,800,101
Other comprehensive (loss) / income for the period				
Items that will never be reclassified to profit or loss:				
Remeasurement of defined benefit plan	-	-	-	-
Items that are or may be reclassified to profit or loss:				
Unrealised gain / (loss) on remeasurement of investment available for sale	19,900,947	(3,337,049)	(182,021)	(1,759,535)
Other comprehensive income / (loss) for the period	19,900,947	(3,337,049)	(182,021)	(1,759,535)
Total comprehensive income / (loss) for the period	45,104,448	(36,595,155)	(33,315,304)	11,040,566

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

Lahore


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS-(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

Note	HALF YEAR ENDED	
	DECEMBER 2016	DECEMBER 2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	25,589,454	(32,981,048)
Add: Items not involved in movement of funds		
Depreciation	2,922,502	2,638,279
(Gain) / Loss on re-measurement of investments at fair value through profit or loss - net	(68,123,882)	(22,374,104)
Dividend income	(201,494)	(936,488)
Accrued interest written back	-	(78,878,237)
Interest accrued	(367,871)	(698,882)
Interest expense	39,078,359	115,344,140
Gain on sale of property and equipment	-	(1,190,000)
Provision for gratuity	4,000,000	5,040,662
	<u>(22,692,386)</u>	<u>18,945,370</u>
	2,897,068	(14,035,678)
Decrease / (Increase) in current assets		
Investments at fair value through profit or loss	16,242,544	(73,172,319)
Trade debts - unsecured	189,210,950	175,906,391
Advances, deposits, prepayments and other receivables	(6,063,602)	(11,141,822)
	<u>199,389,892</u>	<u>91,592,250</u>
(Increase) / decrease in current liabilities in trade and other payables		
	<u>56,094,469</u>	<u>(32,482,641)</u>
Cash generated in operations	258,381,429	45,073,931
Interest received	564,840	905,529
Dividend received	201,494	936,488
Finance cost paid	(251,123)	(79,383)
Gratuity paid	(708,000)	(814,000)
Refund received / (taxes paid)	1,897,360	(2,396,388)
Net cash generated in operating activities	260,086,000	43,626,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(237,420)	(867,500)
Proceeds from sale of property, plant and equipment	-	1,190,000
Long term deposits and advances	354,000	(100,000)
Net cash generated in investing activities	116,580	222,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance paid	(189,120,383)	(42,053,340)
Short term borrowings	(12,251,484)	-
Net cash (used in) financing activities	(201,371,867)	(42,053,340)
Effects of exchange rate changes in cash and cash equivalents	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,830,713	1,795,338
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	52,114,391	10,077,094
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	110,945,104	11,872,432

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

Lahore


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY-(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Issued, subscribed and paid up capital	Capital Reserve		Revenue Reserve	Total	
		Share Premium	Reserve for issue of bonus shares	Fair value reserve		
				Unappropriated Profit		
Rupees						
Balance as at June 30, 2015	1,413,355,000	-	-	(43,559,896)	(1,320,227,022)	49,568,082
Loss for the period after taxation	-	-	-	-	(33,258,106)	(33,258,106)
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	-	-	-
Deficit on remeasurement of investment available for sale to fair value	-	-	(3,337,049)	-	-	(3,337,049)
Total other comprehensive income for the period - net of tax	-	-	(3,337,049)	-	-	(3,337,049)
Total comprehensive loss for the period	-	-	(3,337,049)	-	(33,258,106)	(36,595,155)
Balance as at December 31, 2015	1,413,355,000	-	(46,896,945)	(1,353,485,128)	(1,353,485,128)	12,972,927
Balance as at June 30, 2016	1,413,355,000	-	(48,292,434)	(1,289,518,215)	(1,289,518,215)	75,544,351
Profit for the period after taxation	-	-	-	-	25,203,501	25,203,501
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	-	-	-
Remeasurement of defined benefit plan	-	-	-	-	-	-
Surplus on remeasurement of investment available for sale to fair value	-	-	19,900,947	-	-	19,900,947
Total other comprehensive income for the period - net of tax	-	-	19,900,947	-	-	19,900,947
Total comprehensive profit for the period	-	-	19,900,947	-	25,203,501	45,104,448
Balance as at December 31, 2016	1,413,355,000	-	(28,391,487)	(1,264,314,714)	(1,264,314,714)	120,648,799

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

Lahore:


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

1 THE COMPANY AND ITS OPERATIONS

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 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.

1.2 The company has earned an after tax profit of Rs. 25.20 million, still accumulated losses of the company stand at Rs. 1,264.31 million as at December 31, 2016 (June 2016 : 1,289.51). The Company in order to carry on its business and to meet its current obligations requires generating sufficient 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 :

- Hiring of renowned traders from the market.
- Vigorously following the debtors for recovery.
- Change in top operations management to improve the operations of the company.
- 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

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 December 31, 2016 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 half year ended December 31, 2016.

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.

5 PROPERTY PLANT AND EQUIPMENT

Note	December 2016	June 2016
	Rupees	Rupees
Opening	49,085,032	53,626,132
Additions	237,420	1,287,200
Disposals	-	-
Depreciation	(2,922,501)	(5,828,305)
	<u>46,399,953</u>	<u>49,085,029</u>

6 LONG TERM INVESTMENT

Investment in related parties

Available for sale			
Media Times Limited - quoted shares	6.1	30,033,442	10,132,495

	Note	December 2016 Rupees	June 2016 Rupees
Other Investments			
Available for sale			
Pakistan Stock Exchange Limited - unquoted shares 4,007,383 shares of PSX (June 2016 : 4,007,383 shares)		24,156,320	24,156,320
		54,189,762	34,288,815
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 remeasurement of investment available for sale for the period / year		19,900,947	(4,732,538)
		30,033,442	10,132,495
7 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS			
Pakistan Stock Exchange Limited		3,653,159	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
		5,158,559	5,512,559
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:			
	Note	December 2016 Rupees	June 2016 Rupees
Considered good - unsecured			
Clients			
Related parties	8.1	181,525,670	182,477,610
Others		1,618,077,209	1,807,229,100
Members		621,409	621,409
		1,800,224,288	1,990,328,119
Considered doubtful:			
Clients			
Members		1,092,901,226	1,092,901,226
		3,911,979	3,911,979
		1,096,813,205	1,096,813,205
Less: Provision for doubtful debts	8.2	(1,096,813,205)	(1,096,813,205)
		-	-
		1,800,224,288	1,990,328,119

	Note	December 2016 Rupees	June 2016 Rupees
8.1 Related Parties			
Salmaan Taseer		13,571,120	13,571,120
Aamna Taseer		-	263,808
Shehyar Ali Taseer		-	682,743
Suleman Al Houqani		167,944,259	167,944,259
Pace Barka Properties Limited		5,000	5,000
First Capital Mutual Fund Limited		5,291	10,680
		181,525,670	182,477,610
8.2 Provision for doubtful debts			
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		1,096,813,205	1,096,813,205
8.3 No provision has been charged against the related party balances. (June 2016: Nil)			
9 SHORT TERM INVESTMENTS			
	Note	December 2016 Rupees	June 2016 Rupees
At fair value through profit or loss			
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		68,123,882	11,032,185
		136,321,557	84,440,219
10 LONG TERM FINANCING			
Secured	10.1	2,032,044,084	2,221,164,466
Deferred notional income	10.2	(41,365,722)	(59,732,841)
		1,990,678,362	2,161,431,625
Less: Current portion shown under current liability		(249,436,754)	(246,506,008)
		1,741,241,608	1,914,925,617
10.1 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.			
10.2 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:			

	December 2016 Rupees	June 2016 Rupees
Deferred notional income		
As at beginning of the period / year	59,732,842	182,336,158
Occurred during the period / year	-	-
Amortized during the period / year	(18,367,120)	(122,603,316)
As at end of the period / year	<u>41,365,722</u>	<u>59,732,842</u>
11 TRADE AND OTHER PAYABLES - UNSECURED	222,083,381	165,988,912

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

	December 2016 Rupees	June 2016 Rupees
Sale of Shares	1,010,677,794	50,148,207
Purchase of shares	1,041,257,090	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:

Six Months Ended December 31, 2016				
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties	
				Rupees

Brokerage Income	-	4,430	-	78,732
Salary and other employee benefits	-	-	15,352,446	-
Trade debts received	-	-	-	946,551

Six Months Ended December 31, 2015				
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties	
				Rupees

Brokerage Income	-	-	-	22,765
Advance against purchase of investment property	-	4,400,000	-	-
Salary and other employee benefits	-	-	14,867,004	-
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.

14.3.1 Assets

	Note	December 2016 Rupees	June 2016 Rupees
Level 1			
- Non-current assets			
Long term investments (Available for sale)	14.3.1.1	30,033,442	10,132,495
- Current assets			
Short term investments (Fair value through profit and loss)		136,318,314	84,440,219
Level 2		-	-
Level 3		-	-
Total		<u>166,351,756</u>	<u>94,572,714</u>

14.3.1.1

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

14.3.2 Liabilities

-	-
---	---

Note	December 2016 Rupees	December 2015 Rupees
15 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED		
Earning / (loss) after taxation attributable to ordinary share holders - Rupees	<u>25,203,501</u>	<u>(33,258,106)</u>
Number of ordinary shares	<u>141,335,500</u>	<u>141,335,500</u>
Earning / (loss) per share - Basic and Diluted (Rupees per share)	<u>0.18</u>	<u>(0.24)</u>

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 **February 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