

FIRST CAPITAL EQUITIES LIMITED
FINANCIAL STATEMENTS AS AT SEPTEMBER 30,2021

- ✓ *STATEMENT OF FINANCIAL POSITION*
- ✓ *STATEMENT OF PROFIT OR LOSS*
- ✓ *STATEMENT OF COMPREHENSIVE INCOME*
- ✓ *STATEMENT OF CASH FLOWS*
- ✓ *STATEMENT OF CHANGES IN EQUITY*
- ✓ *NOTES TO THE FINANCIAL STATEMENTS*

FIRST CAPITAL EQUITIES LIMITED
COMPANY INFORMATION

Board of Directors	Mian Ehsan Ul Haq, (Chief Executive) Waseem ul Hasan Azhar Ahmad Batla Malik Safeer Raza Awan (Chairman) Muhammad Ahmad Saroya Shabana Atta Asad Yar Khan	Executive Non-Executive Non-Executive Non-Executive Non-Executive Independent Independent
Chief Financial Officer	Waseem Ul Hassan	
Audit Committee	Asad Yar Khan (Chairman) Muhammad Ahmad Saroya Malik Safeer Raza Awan	
Human Resource and Remuneration (HR&R) Committee	Asad Yar Khan (Chairman) Mian Ehsan Ul Haq Muhammad Ahmad Saroya	
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 Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited MIB 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
CONDENSED INERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		Un-Audited	Audited
	Note	SEPTEMBER	June
		2021	2021
		Rupees	Rupees
ASSETS			
NON - CURRENT ASSETS			
Property plant and equipment	5	776,259	874,395
Investment property	6	824,712,000	824,712,000
Long term investments	7	34,733,715	48,032,622
		860,221,974	873,619,017
CURRENT ASSETS			
Stock in trade		290,053,500	290,053,500
Trade debts	8	175,602,157	175,602,157
Short term investments	9	64,936,210	96,628,964
Advances, deposits, prepayments and other receivables		4,571,849	4,571,849
Advance tax		6,287,364	6,287,364
Interest accrued		-	-
Cash and bank balances		313,499	302,160
		541,764,579	573,445,994
TOTAL ASSETS		1,401,986,553	1,447,065,011
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
152,000,000 shares (June 2021: 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 2019: 141,335,500 shares) of Rs. 10 each		1,413,355,000	1,413,355,000
Other reserves		-	-
Unappropriated loss		(1,027,371,701)	(980,909,325)
TOTAL EQUITY		385,983,299	432,445,675
NON - CURRENT LIABILITIES			
Long term financing		-	-
Interest Accrued		-	-
Deferred liabilities		-	-
		-	-
CURRENT LIABILITIES			
Trade and other payables	10	190,227,168	188,843,250
Current portion of long term financing		825,776,086	825,776,086
Provision for taxation		-	-
		1,016,003,254	1,014,619,336
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES		1,401,986,553	1,447,065,011
		-	-

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

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	JUL - SEP 2021 Rupees	JUL - SEP 2020 Rupees
CONTINUING OPERATION		
INCOME		
Dividend income	-	-
Realised gain/(loss) on sale of investments at fair value	-	-
Unrealised gain/(loss) on remeasurement of investments at fair value through profit or loss	(44,991,661)	18,380,063
	(44,991,661)	18,380,063
EXPENDITURE		
Operating and administrative expenses	713,654	710,396
Finance cost	106	-
	713,760	710,396
OPERATING LOSS	(45,705,421)	17,669,667
OTHER INCOME	-	-
NET (LOSS) / PROFIT BEFORE TAXATION	(45,705,421)	17,669,667
Taxation	-	2,875,161
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS	(45,705,421)	14,794,506
DISCONTINUED OPERATIONS		
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	(756,955)	(1,791,955)
PROFIT/(LOSS) AFTER TAXATION FOR THE YEAR	(46,462,376)	13,002,551
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED		
- continuing operations	(0.32)	0.10
- discontinued operations	(0.0054)	(0.0127)
	(0.33)	0.09

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Jul - Sep	Jul - Sep
	2021	2020
	Rupees	Rupees
Profit / (loss) after taxation for the period	(46,462,376)	13,002,551
Other comprehensive (loss) / income for the period		
<u>Items that will never be reclassified to profit and loss:</u>		
<u>Items that are may be reclassified to profit and loss:</u>		
Other comprehensive (loss) / income for the period	-	-
Total comprehensive income / (loss) for the period	<u>(46,462,376)</u>	<u>13,002,551</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

	Jul - Sep 2021 Rupees	Jul - Sep 2020 Rupees
Profit/(Loss) before taxation	(46,462,376)	15,877,712
Adjustments for:		
Depreciation	98,136	123,490
Gain on sale of available for sale investment reclassified	-	-
Loss on re-measurement of investments at fair value through profit and loss - net	44,991,661	(18,380,063)
Dividend income	-	-
Impairment loss on 'available for sale' investments	-	-
Accrued interest written back	-	-
Interest accrued	-	-
Interest expense	-	-
Gain on sales of investment property	-	-
Gain on sale of property plant and equipment	-	-
Provision for gratuity	-	43,750
	45,089,797	(18,212,823)
	(1,372,579)	(2,335,111)
Decrease / (Increase) in current assets		
Investments at fair value through profit or loss	-	-
Trade debts - unsecured	-	6,181
Advances, deposits, prepayments and other receivables	-	226,317
	-	232,498
(Increase) / decrease in trade and other payables	1,383,918	2,030,097
Cash generated in operations	11,339	(72,516)
Interest received	-	-
Dividend received	-	-
Finance cost paid	-	-
Gratuity paid	-	-
(Taxes paid) / Refund received	-	-
Net cash generated/(used) from/in operating activities	11,339	(72,516)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property plant and equipment	-	-
Acquisition of investment property	-	-
Proceeds from sale of property plant and equipment	-	-
Proceeds from sale of investment property	-	-
Proceeds from sale of investment available for sale	-	-
Long term deposits and advances	-	-
Net cash generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans paid	-	-
Short term borrowings	-	-
Net cash (used in) financing activities	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	11,339	(72,516)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	302,160	330,221
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	313,499	257,705

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

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	Rupees		
Balance as at June 30, 2020	1,413,355,000	(1,071,039,553)	342,315,447
Loss for the period after taxation	-	13,002,551	13,002,551
Balance as at September 30, 2020	<u>1,413,355,000</u>	<u>(1,058,037,002)</u>	<u>355,317,998</u>
Balance as at July 01, 2021	1,413,355,000	(980,909,325)	432,445,675
Profit for the period after taxation	-	(46,462,376)	(46,462,376)
Balance as at September 30, 2021	<u>1,413,355,000</u>	<u>(1,027,371,701)</u>	<u>385,983,299</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

Director

Chief Executive

Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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% (2017: 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 under:

Lahore - Head Office

96 B1 First Capital House, MM Alam Road Gulberg III
Lahore.

Karachi - Corporate Office

4th Floor, Block B,C & D Lakson Square
Building No. 01, Sarwar Shaheed Road,
Karachi.

- 1.2** During the period company reported loss of Rs. 45.71 Million and accumulated losses of the company stand at Rs. 1,027.37 Million as at September 30, 2021 (June 2020: 980.91 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 474.24 Million. Board of the Directors of the Company owing to the continuous loss and adverse market conditions, in their meeting held on June 28, 2019 decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and seize brokerage operation of the Company and to change the Principal objective of the Company from stock broker to real estate Company. Application for surrender of TREC was submitted to PSX and surrendering process was initiated.

The management of the Company is continuously in process of negotiating its loan facilities with Banks and as a result of this Company settled its liability against loan from JS Bank Limited in preceeding year. 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 are unaudited and 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, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended 30 June 2021.

3.1 Standards, Amendments and interpretations adopted during the period

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.2 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

There are certain standards, amendments and interpretations to approved accounting standards that are effective in the current year but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial statements.

3.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the

There are certain standards, amendments and interpretations to approved accounting standards that are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

4 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, 2021.

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, 2021.

5 PROPERTY PLANT AND EQUIPMENT

Opening --Net Book Value
Additions during the period/year
Disposal during the period/year
Depreciation for the period/year

Un - audited	Audited
September	JUNE
2021	2021
Rupees	Rupees
874,395	1,332,569
-	-
-	-
(98,136)	(458,174)
776,259	874,395

6 INVESTMENT PROPERTY

Opening balance
Acquisition during the period/year

Disposal during the period/year

(Decrease) / Increase in fair value
Closing balance

824,712,000	824,712,000
-	-
824,712,000	824,712,000
-	-
824,712,000	824,712,000
-	-
824,712,000	824,712,000

6.1 The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators as at June 30, 2021. Fair value is determined keeping in view the location of the land and inquiries in the vicinity, the trend and tone of sale / purchase of property in the respective areas.

6.2 Investment Property comprises various shops / counters in various shopping malls situated at Gujranwala and Gujrat. These properties are under mortgage by banks against the borrowings. The Company has the intention to sell off this properties to pay off the bank borrowings.

7 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 2021 : 6,067,362 shares)

7.1 **14,986,384** 23,905,406

Other Investments

At fair value through profit or loss
Pakistan Stock Exchange Limited - quoted shares
1,081,453 shares of PSX (June 2021 : 1,081,453 shares)

7.2 **19,747,331** 24,127,216

34,733,715 **48,032,622**

7.1 6,067,362 (June 2021 : 6,067,362) Fully paid ordinary shares of Rs. 10 each
Equity Held 3.39% (June 2021 : 3.39%)

Gain / (loss) on measurement of investment available
for sale charged to P&L/OCI for the period / year

23,905,406 8,008,918

(8,919,022) 15,896,488
14,986,384 **23,905,406**

7.2 1,081,453 shares of PSX (June 2021 : 1,081,453 shares)

Loss on Remeasurement of investment available
for sale for the period / year charged to P&L/OCI for the period / year

24,127,216 10,706,385

(4,379,885) 13,420,831
19,747,331 **24,127,216**

7.3 Shares having value of Rs. 14,986,384/- (June 2021: Rs. 23,905,406/-) have been pledged with various commercial banks against long term financing.

8 TRADE DEBTS - UNSECURED

	Note	Un - audited	Audited
		September	JUNE
		2021	2021
		Rupees	Rupees
Trade debts against purchase of shares:			
Considered good - unsecured			
Clients		175,602,157	175,602,157
Considered doubtful:			
Clients		271,851,411	271,851,411
Less: Provision for doubtful debts	8.1	(271,851,411)	(271,851,411) #
		<u>175,602,157</u>	<u>175,602,157</u> #
8.1 Provision for doubtful debts			
Opening balance		271,851,411	271,851,411
Charge for the period / year		-	-
Closing balance		<u>271,851,411</u>	<u>271,851,411</u>

9 SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities			
Opening balance		96,628,964	31,377,184
Unrealized (loss) / gain on Remeasurement of investments for the period/year		(31,692,754)	65,251,780
	9.1	<u>64,936,210</u>	<u>96,628,964</u>

9.1 This includes Rs. 82,483,544 (June 2021: Rs. 26,624,422/-) investments in related parties. Shares having market value of Rs. 55,953,576 (June 2021: 82,483,544/-) are pledged as security with commercial banks against loan.

10 TRADE AND OTHER PAYABLES - UNSECURED

	Note	Un - audited	Audited
		September	JUNE
		2021	2021
		Rupees	Rupees
	10.1	<u>190,227,168</u>	<u>188,843,250</u>
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 is no change in contingencies and commitments disclosed in the condensed interim financial statements for the year ended June 30, 2021.

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. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements are as follows:

	3 Months Ended	
	September 2021	September 2020
	Rupees	
Associated companies		
Purchase of goods / services	-	-
Key management personnel		
Salaries and other employee benefits	-	1,428,750

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	Audited
	September	JUNE
	2021	2021
	Rupees	Rupees
Financial Assets		
Level 1:		
Long term investments	34,733,715	48,032,622
Short term investments	64,936,210	96,628,964
Level 2:	-	-
Investment properties	824,712,000	824,712,000
Level 3:	-	-
	924,381,925	969,373,586
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 October 29, 2021.

15 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

16 GENERAL

Figures have been rounded off to the nearest rupee.

Director

Chief Executive

Chief Financial Officer