

FIRST CAPITAL EQUITIES LIMITED

FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
30 SEPTEMBER 2023**

**FIRST CAPITAL EQUITIES LIMITED
COMPANY INFORMATION**

Board of Directors	Malik Safeer Raza Awan (Chairman) Shabana Atta (Chief Executive) Muhammad Jamil Mohsin Iqbal Saeed Iqbal Muhammad Aslam Bhatti Asad Yar Khan	Non-Executive Executive Non-Executive Non-Executive Non-Executive Independent Independent
Chief Financial Officer	Saeed Iqbal	
Audit Committee	Asad Yar Khan (Chairman) Muhammad Jamil (Member) Malik Safeer Raza Awan (Member)	
Human Resource and Remuneration (HR&R) Committee	Asad Yar Khan (Chairman) Shabana Atta (Member) Muhammad Jamil (Member)	
Company Secretary	Shahzad Jawahar	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	M/s. Ibrahim and Ibrahim Barristers and Corporate Consultants Lahore	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited Soneri Bank Limited Silk Bank Limited United Bank Limited	
Registered Office	First Capital House 96-B/1, Lower Ground Floor M.M. Alam Road, Gulberg-III Lahore, Pakistan Tele: + 92-42-35778217-18	
Main Corporate Office	4 th Floor, Block B,C & D Lakson Square Building No. 1 Sarwar Shaheen Road, Karachi Tele: + 92-21-111 226 226 Fax: +92-21-5656710	
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town, Lahore Tele: + 92-42-5839182	

FIRST CAPITAL EQUITIES LIMITED

DIRECTOR'S REPORT

The Board of Directors of First Capital Equities Limited ("the Company" or "FCEL") are pleased to present the Director's report along with financial statements of the Company for the period ended September 30, 2023.

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

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of the Company for the period ended September 30, 2023

Particulars	July to Sep 2023	July to Sep 2022
	Rupees	
Unrealized gain / (loss) on re-measurement of investments at Investments at fair value through profit or loss	(4,410,983)	(910,222)
Profit /(Loss) after taxation from continuing operations	(4,606,215)	(1,264,852)
(Loss) after taxation from discontinued operations	(802,950)	(872,560)
Earnings / (loss) Per Share (EPS) Rs		
- continuing operations	(0.03)	(0.01)
- discontinued operations	(0.01)	(0.01)
	(0.04)	(0.02)

The Company reported a loss of Rs 5.41 million in 1QFY24 vs. a loss of Rs. 2.14 million in 1QFY23. During the period due to discontinuation of operations, the brokerage income of your Company is NIL in both periods. Further, the company recorded capital gain / (loss) of Rs NIL against Rs. NIL last year. The Unrealized loss on re-measurement of investment is recorded at Rs. 4.41 million. Operating expenses decreased 19% during the period under review.

FUTURE OUTLOOK

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

Once the surrender process is completed and changes in the Object clause III of Memorandum of Association of the Company are approved the Company will resume its commercial activities as real estate Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Lahore

Dated: October 27, 2023

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Director

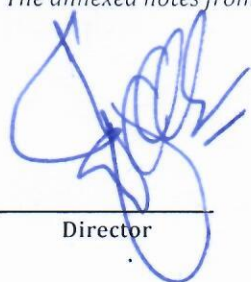
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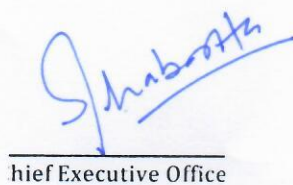
CEO/Director

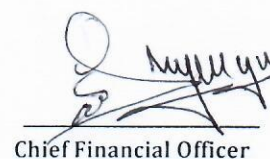
FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	Un-Audited SEPTEMBER 2023 Rupees	Audited JUNE 2023 Rupees
NON - CURRENT ASSETS			
Property plant and equipment	4	295,137	315,526
Investment property	5	824,776,000	824,776,000
Long term investments	6	16,541,582	17,710,531
		841,612,719	842,802,057
CURRENT ASSETS			
Stock in trade		290,053,500	290,053,500
Trade debts	7	174,162,671	174,162,671
Short term investments	8	29,624,308	32,866,297
Advances, deposits, prepayments and other receivables		4,571,849	4,571,849
Advance tax		6,287,364	6,287,364
Cash and bank balances		275,712	248,662
		504,975,404	508,190,343
ASSETS HELD FOR SALE			
		-	-
TOTAL ASSETS		1,346,588,123	1,350,992,400
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid-up capital		1,413,355,000	1,413,355,000
Unappropriated loss		(1,083,997,204)	(1,078,588,039)
TOTAL EQUITY		329,357,796	334,766,961
NON - CURRENT LIABILITIES			
Long term financing		-	-
Deferred liabilities		-	-
		-	-
CURRENT LIABILITIES			
Trade and other payables	10	191,454,241	190,449,353
Current portion of long term financing	9	825,776,086	825,776,086
		1,017,230,327	1,016,225,439
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES		1,346,588,123	1,350,992,400

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


 Director


 Chief Executive Officer


 Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

CONTINUING OPERATION
INCOME

Unrealized gain/(loss) on remeasurement of investments at fair value through profit or loss

EXPENDITURE

Operating and administrative expenses
 Finance cost

OPERATING LOSS

OTHER INCOME

NET PROFIT BEFORE TAXATION

Taxation

LOSS AFTER TAXATION FROM CONTINUING OPERATIONS

DISCONTINUED OPERATIONS

LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS

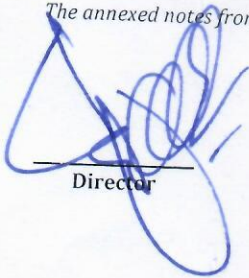
LOSS AFTER TAXATION FOR THE YEAR

LOSS PER SHARE - BASIC AND DILUTED

- continuing operations
 - discontinued operations

	JUL - SEP 2023	JUL - SEP 2022
	Rupees	Rupees
	(4,410,938)	(910,222)
	(4,410,938)	(910,222)
	195,277	354,630
	-	-
	195,277	354,630
	(4,606,215)	(1,264,852)
	-	-
	(4,606,215)	(1,264,852)
	-	-
	(4,606,215)	(1,264,852)
	(802,950)	(872,560)
	(5,409,165)	(2,137,412)
	(0.03)	(0.01)
	(0.01)	(0.01)
	(0.04)	(0.02)

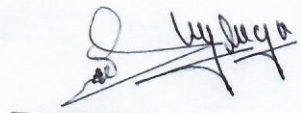
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 Director



 Chief Executive Officer



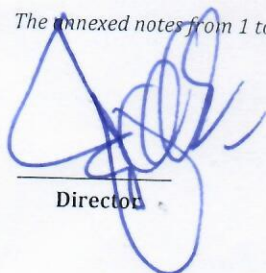
 Chief Financial Officer

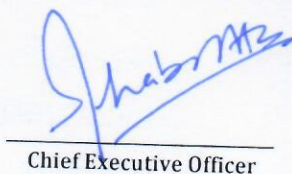
FIRST CAPITAL EQUITIES LIMITED
 CONDENSED INERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED SEPTEMBER 30, 2023

JUL - SEP 2023 Rupees	JUL - SEP 2022 Rupees
-----------------------------	-----------------------------

Loss after taxation for the period	(5,409,165)	(2,137,412)
Other comprehensive income / (loss) for the period		
<u>Items that will never be reclassified to profit or loss:</u>		
<u>Items that are or may be reclassified to profit or loss:</u>		
Total other comprehensive income - net of tax		
Total comprehensive loss	<u>(5,409,165)</u>	<u>(2,137,412)</u>

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


 Director

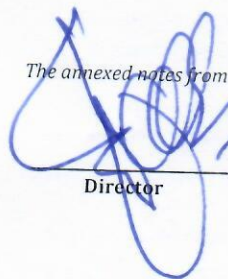

 Chief Executive Officer

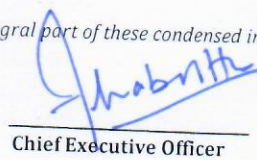

 Chief Financial Officer

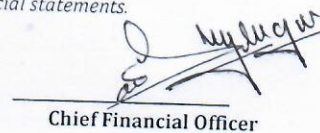
FIRST CAPITAL EQUITIES LIMITED
CONDENSED INERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	JUL - SEP 2023 Rupees	JUL - SEP 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(5,409,165)	(2,137,412)
Add: Items not involved in movement of funds and others		
Depreciation	20,389	96,410
Gain on re-measurement of investments at fair value through profit or loss - net	4,410,938	910,222
Provision for gratuity	-	-
	<u>4,431,327</u>	<u>1,006,632</u>
	(977,838)	(1,130,780)
Decrease / (Increase) in current assets		
Trade debts - unsecured	-	-
Advances, deposits, prepayments and other receivables	-	-
	-	-
Decrease in current liabilities in trade and other payables	1,004,888	1,130,780
Cash generated in operations	27,050	-
Interest received	-	-
Taxes paid	-	-
Net cash (used) / generated in operating activities	27,050	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	-
Acquisition of investments property	-	-
Proceeds from sale of investments property	-	-
Net cash generated in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans paid	-	-
Net cash used in financing activities	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	27,050	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	248,662	252,121
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>275,712</u>	<u>252,121</u>

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


Director


Chief Executive Officer


Chief Financial Officer

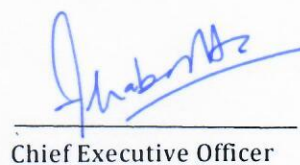
FIRST CAPITAL EQUITIES LIMITED
 CONDENSED INERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	Rupees		
Balance as at July 01, 2021	1,413,355,000	(1,060,511,279)	352,843,721
Loss for the period after taxation	-	(2,137,412)	(2,137,412)
Balance as at September 30, 2022	1,413,355,000	(1,062,648,691)	350,706,309
Loss for the period after taxation	-	(15,939,348)	(15,939,348)
Balance as at June 30, 2023	1,413,355,000	(1,078,588,039)	334,766,961
Loss for the period after taxation	-	(5,409,165)	(5,409,165)
Balance as at September 30, 2023	1,413,355,000	(1,083,997,204)	329,357,796

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



Director



Chief Executive Officer



Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

1 THE COMPANY AND ITS OPERATION

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

Geographical locations and addresses of all business units are as under:

Lahore - Head Office

First Capital House, 96-B/1 Lower Ground Floor, M.M.
Alam Road Gulberg-III, Lahore, Pakistan.

Karachi - Corporate Office

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

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

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

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

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

2 BASIS OF PREPARATION

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

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

4 PROPERTY PLANT AND EQUIPMENT

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

	Un-Audited September 30, 2023	Audited June 30, 2023
	-----Rupees-----	
	315,526	483,032
	-	(1,450,000)
	-	1,450,000
	(20,389)	(167,506)
	<u>295,137</u>	<u>315,526</u>

5 INVESTMENT PROPERTY

Opening balance
Acquisition during the period/year

Disposal during the period/year

(Decrease) / Increase in fair value
Closing balance

	824,776,000	824,712,000
	-	-
	824,776,000	824,712,000
	-	-
	824,776,000	824,712,000
	-	64,000
	<u>824,776,000</u>	<u>824,776,000</u>

5.1 The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Fairwater Property Valuers & Surveyors (Pvt) Ltd. as at June 30, 2023. Fair value is determined keeping in view the location of the land and inquiries in the vicinity, the trend and tone of sale / purchase of property in the respective areas.

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

6 LONG TERM INVESTMENT

Investment in related parties

At fair value through profit or loss
Media Times Limited - quoted shares
6,067,362 shares of MDTL (June 2023 : 6,067,362 shares)

6.1 8,008,918 9,707,779

Other Investments

At fair value through profit or loss
Pakistan Stock Exchange Limited - quoted shares
1,081,453 shares of PSX (June 2023 : 1,081,453 shares)

6.2 8,532,664 8,002,752

16,541,582 17,710,531

6.1 6,067,362 (June 2022 : 6,067,362) Fully paid ordinary shares of Rs. 10 each
Equity Held 3.39% (June 2023: 3.39%)
Unrealized gain remeasurement of investment at fair value through profit or loss

9,707,779 12,074,050

(1,698,861) (2,366,271)

8,008,918 9,707,779

6.2 1,081,453 shares of PSX (June 2023 : 1,081,453 shares)
Unrealized gain remeasurement of investment at fair value through profit or loss

8,002,752 11,063,264

529,912 (3,060,512)

8,532,664 8,002,752

6.3 Shares having carrying value of Rs. 8,530,621 (June 2023: Rs.8,002,752/-) are freezed against Base Minimum Capital with Pakistan Stock Exchange.

7 TRADE DEBTS - UNSECURED

Trade debts against purchase of shares:
Considered good - unsecured
Clients
Considered doubtful:
Clients
Less: Provision for doubtful debts

	Un-Audited September 30, 2023	Audited June 30, 2023
	-----Rupees-----	
	174,162,671	174,162,671
	271,851,411	272,720,612
	(272,720,612)	(272,720,612)
	(272,720,612)	(272,720,612)
	<u>174,162,671</u>	<u>174,162,671</u>

7.1

7.1 Provision for doubtful debts		
Opening balance	271,851,411	271,851,411
Charge for the period / year		
Closing balance	271,851,411	271,851,411

8 SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities

Opening balance

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

Note	Un-Audited September 30, 2023	Audited June 30, 2023
	-----Rupees-----	
	32,866,297	44,512,874
	(3,241,989)	(11,646,577)
8.1	29,624,308	32,866,297

8.1 This includes Rs.24,975,535 (June 2023: Rs. 28,123,190/-) investments in related parties. Shares having market value of Rs.24,857,482 (June 2023:32,866,297 /-) are pledged as security with commercial banks against loan.

9 LONG TERM FINANCING

Loan from financial institute -- Secured

Less: Current portion shown under current liability

Note	Un-Audited September 30, 2023	Audited June 30, 2023
	-----Rupees-----	
	825,776,086	825,776,086
	(825,776,086)	(825,776,086)
10.1	191,454,241	190,449,353

10 TRADE AND OTHER PAYABLES - UNSECURED

10.1 This includes following balances payable to related parties:

Falcon Commodities (Pvt.) Ltd

Media Times Limited

Pace Pakistan Limited

	3,255,332	3,255,332
	1,702,548	1,702,548
	114,822,340	114,822,340

11 CONTINGENCIES AND COMMITMENTS

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

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company, related group companies, local associated undertakings, directors, key management personnel and their close family members. The Company in the normal course of business carries out transactions with various related parties. Closing balances of related parties are disclosed in respective notes of these financial statements. Significant transactions with related parties other than those disclosed elsewhere in the condensed interim financial statements are as follows:

QUARTER ENDED	
September 30, 2023	September 30, 2022
-----Rupees-----	

Key management personnel

Salaries and other employee benefits

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;

Financial Assets

Level 1:

Long term investments

Un-Audited September 30, 2023	Audited June 30, 2023
-----Rupees-----	

16,541,582

17,710,531

Short term investments		
Level 2:	29,624,308	32,866,297
Investment properties		
Level 3:	824,776,000	824,776,000
Financial Liabilities	870,941,890	875,352,828
	-	-
	-	-

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 27, 2023.

15 CORRESPONDING FIGURES

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

16 GENERAL

Figures have been rounded off to the nearest rupee.



Director



Chief Executive Officer



Chief Financial Officer