

First Capital Securities Corporation Limited

**CONDENSED INTERIM UN-CONSOLIDATED
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
30 SEPTEMBER 2017**

First Capital Securities Corporation Limited

First Capital Securities Corporation Limited

VISION

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier telecom and financial services group.

MISSION

At First Capital Securities Corporation Limited we are committed to provide high quality services in a positive environment that encourages innovation, creativity and teamwork, promotes ethical and efficient behavior and enables shareholders to maximize the returns on their investments.

First Capital Securities Corporation Limited

First Capital Securities Corporation Limited

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First Capital Securities Corporation Limited

First Capital Securities Corporation Limited

COMPANY INFORMATION

Board of Directors

Aamna Taseer (Chairman & Chief Executive Officer)
Shehryar Ali Taseer
Shahbaz Ali Taseer
Maheen Taseer
Shehribano Taseer
Kanwar Latafat Ali Khan
Jamal Said Al-Ojaili

Executive
Non-Executive
Non-Executive
Non-Executive
Non-Executive
Non-Executive
Independent

Chief Financial Officer

Saeed Iqbal

Audit Committee

Shehryar Ali Taseer (Chairman)
Maheen Taseer
Shehribano Taseer

Human Resource and Remuneration (HR&R)
Committee

Shehryar Ali Taseer (Chairman)
Aamna Taseer
Shehribano Taseer

Company Secretary

Sajjad Ahmad

Auditors

Nasir Javaid Maqsood Imran
Chartered Accountants

Legal Advisers

Mazhar Law Associates
Advocates & Solicitors

Bankers

Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Bank Islami
MCB Bank Limited
Standard Chartered Bank (Pakistan)
Limited
Soneri Bank Limited

Registrar and Shares Transfer Office

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6
P.E.C.H.S. Karqchi-75400
Tel: +(021) 111-000-322

Registered Office/Head Office

2nd Floor, Pace Shopping Mall
Fortress Stadium, Lahore Cantt
Lahore, Pakistan
Tel: (042)36623005/6/8
Fax: (042)36623121-36612122

First Capital Securities Corporation Limited

DIRECTORS' REVIEW

I, on behalf of the Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") am pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended 30 September, 2017.

Operational Results

The operating results of the Company are summarized as follows:

| Financial Overview | 30 September 2017 Rupees | 30 September 2016 Rupees |
|--|-----------------------------|-----------------------------|
| Revenue | 4,550,493 | 54,446,375 |
| Impairment on 'available-for-sale' investment | (102,459,258) | 31,465,216 |
| Unrealized Gain/(loss) on short term investments | 466,166 | 51,197,428 |
| Operating Expenses | 9,933,723 | 9,625,403 |
| Operating (Loss)/Profit | (107,842,488) | 76,286,187 |
| Finance and other costs | 6,106 | 6,725 |
| Profit/(Loss) after Taxation | (105,027,384) | 78,684,204 |
| Earning/(loss) per Share (basic and diluted) | (0.33) | 0.25 |

The Company reported after tax loss of Rs. 105 million as compared to after tax profit of Rs. 78.68 million in the corresponding quarter of last year primarily due to impairment on "available for sale" investment of Rs. 102.45 million and an unrealized Gain of Rs. 51.2 million in the previous year on its short term investments. Importantly, core income improved by 43.4% YoY to PKR4 million in the 1QFY18. Operating expenses were contained at Rs. 9.9 million in comparison with Rs. 9.6 million in same quarter of last year. On net basis, per share loss of the Company arrived at Rs. 0.33 in comparison with earnings of Rs. 0.25 in the same quarter of last year.

The financial results of subsidiaries of "FCSC" during the period under review are given hereunder:

First Capital Equities Limited ("FCEL") has reported after tax loss of Rs. 28.95 million as compared to the profit of Rs. 58.34 million in the corresponding quarter. Loss per share has clocked in at Rs. 0.20 as compared to Earnings per share of Rs. 0.41 in same period last year.

Lanka Securities (Pvt.) Limited ("LSL") generated a total income of LKR. 28.36 million and net profit of LKR. 8.96 million during the quarter which translates into an EPS of LKR. 0.51.

First Capital Investments Limited ("FCIL") earned a loss after tax of Rs 20.39 million as against a profit of Rs 8.79 million of the same period last year. The earnings were dented by weak performance at the bourse that resulted in the company recording a loss of Rs. 3 million on its short term investments whereas loss from associates was recorded at Rs 15.1mn.

Evergreen Water Valley (Pvt.) Limited ("EGWV") posted a net profit of Rs.1.051 million as compared to a net profit of Rs.10.31 million during the same period last year.

Outlook

Pakistan's economy has improved significantly in the past few years with GDP likely to remain elevated at above 5% in the medium term. This has also been communicated by international lenders, donors & rating agencies. The improvement is a direct result of major reforms undertaken by the Government and improvement in law and order situation that enhanced business confidence in the country. The same is reflected through foreign companies looking to establish operations in the country.

Looking ahead, we expect development to the take front seat as 2018 election looms and political uncertainty evades. Inflation for FY18 is forecasted to clock-in at 4.7% and resultantly we do not expect interest rates to increase in the near future. We do not expect any surge in oil prices, however, the recent hike in food inflation has tilted future direction of inflation on domestic conditions. Where exchange rate is expected to remain stable at 2018 and depreciate at a normal pace ahead, the prospects to achieve higher growth levels appear promising on the back of improved law & order, enhanced power situation & increased foreign investors' confidence. Despite these positives, government continues to face some serious

First Capital Securities Corporation Limited

challenges on external front where it should make significant efforts to revive the falling exports.

The Company in order to strengthen itself remained completely focused on maintaining its growth momentum. The management is monitoring its resources and making earnest efforts to reap the maximum benefits from them for its shareholders. This involves optimizing revenue generation from core operations, treasury management whilst at the same time rationalizing the cost base.

The Board of Directors also wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the Company.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the year ended 30 June 2017.

Acknowledgement

Directors of the company place on record their sincere appreciation for the assistance and co-operation provided by financial institutions, government authorities and other stake holders in attaining such commendable performance. The directors also appreciate the committed services of the employees of the Company.

For and on behalf of the Board of Directors

Lahore
27 October 2017

Director

Director

First Capital Securities Corporation Limited

ڈائریکٹرز کا جائزہ

میں فرسٹ کیپٹل سیکورٹیز کارپوریشن لمیٹڈ ("کمپنی"، "FCSC") کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2017 کو اختتام پزیر سہ ماہی کے لئے مجموعی عبوری مالیاتی بیانات (غیر پڑتا شدہ) پیش کرنے پر منحصر خصوصیات کرتا ہوں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کا خلاصہ حسب ذیل ہے:

| تفصیلات | جولائی تا ستمبر 2017ء | جولائی تا ستمبر 2016ء |
|--|-----------------------|-----------------------|
| آمدنی / ریونیو | 4,550,493 | 54,446,375 |
| برائے فروخت سرمایہ داری پر نقصان | (102,459,258) | 31,465,216 |
| غیر موصول آمدنی / (نقصان) قلیل مدتی سرمایہ داری پر | 466,166 | 51,197,428 |
| آپریٹنگ اخراجات | 9,933,723 | 9,625,403 |
| آپریٹنگ (نقصان) / منافع | (107,842,488) | 76,286,187 |
| قرضوں پر لاگت | 6,106 | 6,725 |
| نفع / (نقصان) علاوہ ٹیکس | (105,027,384) | 78,684,204 |
| فی حصص آمدنی / (نقصان) (روپے) (بنیاد یا ورڈائی لیوڈ) | (0.33) | 0.25 |

کمپنی نے اپنی قلیل مدتی سرمایہ داری پر 51.2 ملین روپے کے غیر موصول شدہ منافع کی وجہ سے گزشتہ سال کی اسی مدت میں 78.68 ملین روپے کے منافع علاوہ ٹیکس کے مقابلہ میں 105 ملین روپے کا نقصان علاوہ ٹیکس درج کیا۔ خصوصاً مالی سال 2018 کی پہلی سہ ماہی میں 43.4 فی صد کے حساب سے 4 ملین روپے کی آمدنی میں بہتری آئی۔ گزشتہ سال کی اسی سہ ماہی میں 9.6 ملین روپے کے آپریٹنگ اخراجات کے مقابلہ میں رواں سال 9.9 ملین روپے رہے۔ مجموعی طور پر، گزشتہ سال کی اسی مدت میں 0.25 روپے کی فی حصص آمدنی کے مقابلہ میں رواں سال کی سہ ماہی میں فی حصص 0.33 روپے کا نقصان درج ہوا۔

زیر جائزہ مدت کے دوران "FCSC" کی ذیلی کمپنیوں کے مالی نتائج حسب ذیل ہیں:

فرسٹ کیپٹل ایکویٹیز ("FCEL") نے گزشتہ سال کی اسی سہ ماہی میں 58.34 ملین روپے کے نفع کے مقابلہ میں 28.95 ملین روپے کا نقصان علاوہ ٹیکس درج کیا۔ گزشتہ سال کی اسی مدت میں 0.41 روپے کی فی حصص آمدنی کے مقابلہ میں رواں سال کی سہ ماہی میں 0.20 روپے کا نقصان فی حصص درج کیا گیا۔

لنکا سیکورٹیز پرائیویٹ لمیٹڈ ("LSL") نے رواں سہ ماہی میں 28.36 ملین لنکن روپے کی کل آمدنی اور 8.96 ملین لنکن روپے کا منافع حاصل کیا جس کی وجہ سے فی حصص آمدنی 0.51 لنکن روپے درج ہوئی۔

فرسٹ کیپٹل ایویسٹمنٹ لمیٹڈ ("FCIL") نے گزشتہ سال کی اسی مدت کے دوران 8.79 ملین روپے کے منافع علاوہ ٹیکس کے مقابلہ میں رواں سال کی سہ ماہی میں 20.39 ملین روپے کا نقصان علاوہ ٹیکس درج کیا۔ اور حصص بازار میں بری کارکردگی کی وجہ سے آمدنی متاثر ہوئی جس کی وجہ سے کمپنی کی قلیل مدتی سرمایہ داری میں 3 ملین روپے کا نقصان درج ہوا۔ جب کہ معاون کمپنیوں کا نقصان 15.1 ملین روپے ریکارڈ کیا گیا۔

ایوگرین واٹر وولی (پرائیویٹ) لمیٹڈ ("EGWV") نے گزشتہ سال کی اسی مدت میں 10.31 ملین روپے کے مجموعی منافع کے مقابلہ میں 1.051 ملین روپے کا مجموعی منافع درج کیا۔

First Capital Securities Corporation Limited

مستقبل کے امکانات

گذشتہ کئی برسوں سے درمیانی مدت میں 5 فی صد سے زائد کی مجموعی ملکی پیداوار کے استحکام کی وجہ سے پاکستان کی معیشت نمایاں طور پر بہتر ہوئی۔ بین الاقوامی قرض خواہان، عطیات دہندگان اور درجہ بندی کرنے والی ایجنسیوں نے بھی اس کی توثیق کی ہے۔ یہ پیش رفت حکومت کی جانب سے بھاری اصلاحات کے نفاذ اور نظم و ضبط کی صورت حال کی بہتری کے نتیجے میں سامنے آئی جس کی وجہ سے ملک میں کاروباری حلقہ میں اعتماد بڑھا۔ اسی تناظر میں ملکی کمپنیاں بھی پاکستان میں سرمایہ میں دلچسپی لے رہی ہیں۔

2018ء کے الیکشن کا انعقاد اور ملک میں سیاسی غیر یقینی کی صورت حال کا خاتمہ پر ملک میں خاطر خواہ ترقی متوقع ہے۔ مالی سال 2018ء میں افراط زر کی شرح 4.7 فی صد رہنے کی توقع ہے اور نتیجتاً ہمیں آئندہ سالوں میں سود کی شرح میں اضافہ نظر نہیں آ رہا۔ تیل کی قیمتوں میں بھی اضافہ بھی متوقع نہیں، تاہم، خوراک کی قیمت میں اضافہ نے مقامی صورت حال پر اضافہ کوئی ست دی ہے۔ جہاں 2018ء میں آنکھچھڑ رہے متحکم رہنے کی توقع ہے اور اس میں کی بھی دیکھی جارہی ہے اور لائیو اسٹاک کی بہتر صورت حال، توانائی کے شعبہ میں بہتری اور غیر ملکی سرمایہ داری میں اضافہ کی وجہ سے نمو کی سطح اونچی ہونے کے امکانات روشن ہیں۔

ان مثبت رجحانات کے باوجود حکومت کو بیرونی محاذ پر سنجیدہ قسم کے چیلنجز کا سامنا کرنا پڑ رہا ہے۔ اس سے نبرد آزما ہونے کے لئے حکومت کو برآمدات میں اضافہ کے لئے نمایاں اقدامات کرنا ہوں گے۔

استحکام کے حصول کے لئے کمپنی کو اپنی پیداواری رفتار کو برقرار رکھنے کے لئے بھرپور توجہ دے رہی ہے۔ انتظامیہ اپنے وسائل کی گمرانی کر رہی ہے اور اپنے حصص داران کے فائدہ کے لئے ان کی تھک محنت کر رہی ہے۔ ان اقدامات میں بنیادی آپریشنز سے خاطر خواہ آمدنی کا حصول، مالیات کا انتظام شامل ہیں۔ لاگت میں کمی بھی کمپنی کی اولین ترجیح ہے۔ بورڈ آف ڈائریکٹرز اپنے حصص داران کی مسلسل حمایت کے شکر گزار ہیں اور اپنے ملازمین کے اپنی کمپنی کے لئے عزم اور دلولہ کو قدر کی نگاہ سے دیکھتے ہیں۔

بورڈ آف ڈائریکٹرز

30 جون 2017ء کو اختتام پزیر سال کے لئے کمپنی کی سابقہ شائع کردہ رپورٹ میں بورڈ آف ڈائریکٹرز کی ترکیب میں کوئی تبدیلی نہ کی گئی ہے۔

اعتراف

ڈائریکٹرز کمپنی کی اس قابل فخر کارکردگی کے حصول میں مالی اداروں، حکومتی اتھارٹیز اور دیگر سٹیک ہولڈرز کی معاونت اور تعاون کو قدر کی نگاہ سے دیکھتے ہیں۔ ڈائریکٹرز کمپنی کے ملازمین کی پر عزم سرگرمیوں کی بھی قدر کرتے ہیں۔

بورڈ آف ڈائریکٹرز (کے لئے/کی جانب سے)

لاہور

ڈائریکٹر

27 اکتوبر 2017ء

First Capital Securities Corporation Limited

CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2017

(Un-Audited) (Audited)
30 September 30 June
2017 2017

Note

Rupees

NON-CURRENT ASSETS

| | | | |
|-------------------------------|---|----------------------|----------------------|
| Property, plant and equipment | 6 | 142,931,764 | 147,356,780 |
| Investment properties | | 163,092,400 | 163,092,400 |
| Long term investments | 7 | 1,772,194,482 | 1,873,748,445 |
| Long term deposits | | 37,500 | 37,500 |
| | | <u>2,078,256,146</u> | <u>2,184,235,125</u> |

CURRENT ASSETS

| | | | |
|--|---|--------------------|--------------------|
| Trade debts - unsecured, considered good | | 3,393,108 | 2,673,997 |
| Loans, advances, prepayments and other receivables | | 71,050,526 | 68,524,173 |
| Short term investments | 7 | 68,633,926 | 69,421,355 |
| Income tax receivable | | 31,224,708 | 31,009,439 |
| Cash and bank balances | | 1,069,648 | 1,159,924 |
| | | <u>175,371,916</u> | <u>172,788,888</u> |

CURRENT LIABILITIES

| | | | |
|---------------------------|--|----------------------|----------------------|
| Trade and other payables | | 32,873,278 | 32,231,722 |
| NET CURRENT ASSETS | | <u>142,498,638</u> | <u>140,557,166</u> |
| | | <u>2,220,754,784</u> | <u>2,324,792,291</u> |

NON-CURRENT LIABILITIES

| | | | |
|-----------------------------------|---|----------------------|----------------------|
| Staff retirement benefits payable | | 10,775,196 | 10,367,949 |
| Long term payable | | 890,400 | 890,400 |
| | | <u>11,665,596</u> | <u>11,258,349</u> |
| Contingencies and commitments | 8 | <u>2,209,089,188</u> | <u>2,313,533,942</u> |

REPRESENTED BY

EQUITY

SHARE CAPITAL AND RESERVES

| | | | |
|--|--|----------------------|----------------------|
| Authorized share capital: 320,000,000 (2016: 320,000,000) ordinary shares of Rs 10 each | | <u>3,200,000,000</u> | <u>3,200,000,000</u> |
| Issued, subscribed and paid-up capital | | 3,166,101,120 | 3,166,101,120 |
| Reserves | | 64,728,621 | 63,823,326 |
| Retained earnings | | (1,021,740,553) | (916,390,504) |
| | | <u>2,209,089,188</u> | <u>2,313,533,942</u> |

The annexed notes 1 to 13 form an integral part of these financial statements.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2017

| | | September 2017 | September 2016 |
|--|------|----------------------|-------------------|
| | Note | Rupees | |
| Revenue | | | |
| Money market services | | 4,033,307 | 2,813,099 |
| Dividend income | | - | 339,848 |
| Investment property rentals | | 96,000 | 96,000 |
| Gain on disposal of short term investments | | (44,980) | - |
| Unrealized | 7 | 466,166 | 51,197,428 |
| | | <u>4,550,493</u> | <u>54,446,375</u> |
| Expenses | | | |
| Impairment | 7 | (102,459,258) | 31,465,215 |
| Operating and administrative expenses | | (9,933,723) | (9,625,403) |
| Operating loss | | <u>(107,842,488)</u> | <u>76,286,187</u> |
| Other income | | 2,821,210 | 2,855,742 |
| Finance cost | | (6,106) | (6,725) |
| Loss before taxation | | <u>(105,027,384)</u> | <u>79,135,204</u> |
| Taxation | | (322,665) | (451,000) |
| Loss after taxation | | <u>(105,350,049)</u> | <u>78,684,204</u> |
| (Loss)/earnings per share - basic and diluted | | <u>(0.33)</u> | <u>0.25</u> |

The annexed notes 1 to 13 form an integral part of these financial statements.

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Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2017

| | September 2017 | September 2016 |
|--|----------------------|--------------------|
| | ----- Rupees ----- | |
| Loss after taxation | (105,350,049) | 78,684,204 |
| Other comprehensive (loss)/income for the year: | | |
| Items that may subsequently reclassified to profit and loss: | | |
| Change in fair value of available-for-sale financial assets | 905,295 | 33,495,930 |
| Other comprehensive income for the year - net of tax | <u>905,295</u> | <u>33,495,930</u> |
| Total comprehensive loss for the year - net of tax | <u>(104,444,754)</u> | <u>112,180,134</u> |

The annexed notes 1 to 13 form an integral part of these financial statements.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2017

| | Note | September 2017 Rupees | September 2016 |
|---|------|-----------------------------|-------------------|
| Cash generated/(used) from (in) operations | 9 | (808,440) | 804,681 |
| Increase in non-current liabilities: | | | |
| Staff retirement benefits paid | | - | (130,000) |
| Finance cost paid | | (6,106) | (6,725) |
| Taxes paid-net | | (537,934) | (451,794) |
| | | (544,040) | (588,519) |
| Net cash inflow/ (outflow) from operating activities | | (1,352,480) | 216,162 |
| Cash flows from investing activities | | | |
| Short term investments - net | | 1,253,595 | - |
| Interest received | | 8,609 | 5,742 |
| Net cash (outflow)/ inflow from investing activities | | 1,262,204 | 5,742 |
| Net increase/(decrease) in cash and cash equivalents | | (90,276) | 221,904 |
| Cash and cash equivalents at the beginning of the year | | 1,159,924 | 749,569 |
| Cash and cash equivalents at the end of the year | | 1,069,648 | 971,473 |

The annexed notes 1 to 13 form an integral part of these financial statements.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2017

| | Share Capital | Capital reserve Fair value reserve | Revenue reserve Retained earnings | Total |
|--|----------------------|---------------------------------------|--------------------------------------|----------------------|
| | Rupees | | | |
| Balance as at 30 June 2016 | 3,166,101,120 | - | 1,023,493,202 | 4,189,594,322 |
| Loss for the year | - | - | 78,684,204 | 78,684,204 |
| Other comprehensive income for the year - net of tax | - | 33,495,930 | - | 33,495,930 |
| Total comprehensive loss for the year - net of tax | - | 33,495,930 | 78,684,204 | 112,180,134 |
| Balance at 30 September 2016 | 3,166,101,120 | 33,495,930 | 1,102,177,406 | 4,301,774,456 |
| Balance as at 30 June 2017 | 3,166,101,120 | 63,823,326 | (916,390,504) | 2,313,533,942 |
| Loss for the year | - | - | (105,350,049) | (105,350,049) |
| Other comprehensive income for the year - net of tax | - | 905,295 | - | 905,295 |
| Total comprehensive income for the year - net of tax | - | 905,295 | (105,350,049) | (104,444,754) |
| Balance at 30 September 2017 | 3,166,101,120 | 64,728,621 | (1,021,740,553) | 2,209,089,188 |

The annexed notes 1 to 13 form an integral part of these financial statements.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2017

1 Legal status and nature of business

First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore. The Company is involved in making long and short term investments, money market operations and financial consultancy services.

2 Basis of preparation

2.1 This condensed interim unconsolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2017.

3 Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended 30 June 2017.

4 Significant accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed interim unconsolidated financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2017.

5 Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

| 6 | Property, plant and equipment | Sep 2017 | Sep 2016 |
|-----|--|-------------|-------------|
| | | Rupees | |
| 6.1 | Property, plant and equipment | 30,815,671 | 35,240,687 |
| 6.2 | Capital work in progress | 112,116,093 | 112,116,093 |
| | | 142,931,764 | 147,356,780 |
| 6.1 | Opening book value | 35,240,687 | 53,565,520 |
| | Net (Disposal)/Additions for the period/year | - | (423,359) |
| | | 35,240,687 | 53,142,161 |
| | Depreciation expense for the period/year | 4,425,016 | 17,901,474 |
| | Closing book value | 30,815,671 | 35,240,687 |

First Capital Securities Corporation Limited

6.2 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Circle, Lahore amounting to Rs 107,090,858 (June 2017: Rs 107,090,858) and Rs 5,025,235 (June 2017: Rs 5,025,235) respectively.

| | September 2017 Un-Audited | June 2017 Audited |
|--|---------------------------------|-------------------------|
| | Rupees | |
| 7 Investments | | |
| Carrying value of investments at the beginning of the period / year | 1,943,169,800 | 3,814,728,466 |
| Impairment loss during the period / year on Available for sale investments | (102,459,258) | (1,940,523,843) |
| Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss | 466,166 | 10,198,763 |
| Change in fair value of available-for-sale financial assets | 905,295 | 63,823,326 |
| | (101,087,797) | (1,866,501,754) |
| Investments disposed off during the period/year | (1,253,595) | (5,056,912) |
| Carrying value at the end of the period / year | 1,840,828,408 | 1,943,169,800 |
| Investments classified in current assets | 68,633,926 | 69,421,355 |
| Closing book value | 1,772,194,482 | 1,873,748,445 |

8 Contingencies and commitments

There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the Company for the year ended 30 June 2017.

| | September 2017 Un-Audited | September 2016 Audited |
|--|---------------------------------|------------------------------|
| | Rupees | |
| 9 Cash generated from/(used in) operations | | |
| Profit/(loss) before taxation | (105,027,384) | 79,135,204 |
| Adjustments for: | | |
| Finance cost | 6,106 | 6,725 |
| Dividend income | - | (339,848) |
| Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss' | (466,166) | (51,197,428) |
| Impairment loss on 'available-for-sale' investments | 102,459,258 | (31,465,215) |
| Depreciation | 4,425,016 | 4,486,966 |
| Interest income | (8,609) | (5,742) |
| Provision for staff retirement benefits | 407,247 | 380,865 |
| | 106,822,852 | (78,133,677) |
| Profit before working capital changes | 1,795,468 | 1,001,527 |
| Effect on cash flow due to working capital changes | | |
| (Increase)/decrease in current assets: | | |
| Loans, advances, prepayments and other receivables | (2,526,353) | (1,932,377) |
| Trade debts | (719,111) | 116,168 |
| (Decrease)/increase in current liabilities: | | |
| Trade and other payables | 641,556 | 1,619,363 |
| | (2,603,908) | (196,846) |
| Cash generated from operations | (808,440) | 804,681 |

First Capital Securities Corporation Limited

10 Transactions and balances with related parties

| Relationship with the related party | Nature of transactions | | |
|-------------------------------------|--------------------------------------|----------------------------------|--------------------------|
| Subsidiary companies | Rental income earned | 2,850,000 | - |
| Associated companies | Dividend income received | - | 254,840 |
| Key management personnel | Salaries and other employee benefits | 1,643,700 | 1,572,700 |
| Period / year end balances | | September 2017 Un-Audited | June 2017 Audited |
| | | Rupees | |
| Receivables from related parties | | 50,892,022 | 48,422,022 |
| Payables to related parties | | 8,241,565 | 7,851,165 |

11 Financial risk management

11.1 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.

The condensed interim 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 policies since year end.

11.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

11.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 30 September 2017.

First Capital Securities Corporation Limited

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------------|----------|----------|----------------------|
| | Rupees | | | |
| Assets | | | | |
| Available-for-sale investments | 969,309,329 | - | - | 969,309,329 |
| Investments at fair value through profit and loss | 68,633,926 | - | - | 68,633,926 |
| Total assets | <u>1,037,943,255</u> | <u>-</u> | <u>-</u> | <u>1,037,943,255</u> |
| Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2017.

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------------|----------|----------|----------------------|
| | Rupees | | | |
| Assets | | | | |
| Available-for-sale investments | 1,070,863,292 | - | - | 1,070,863,292 |
| Investments at fair value through profit and loss | 69,421,355 | - | - | 69,421,355 |
| Total assets | <u>1,140,284,647</u> | <u>-</u> | <u>-</u> | <u>1,140,284,647</u> |
| Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

There were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

12 Date of authorization for issue

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

13 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE QUARTER AND
THREE MONTHS PERIOD ENDED
30 SEPTEMBER 2017
(Un-Audited)**

First Capital Securities Corporation Limited

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2017

| | Note | Un-Audited 30 September 2017 Rupees | Audited 30 June 2017 Rupees |
|--|------|---|-----------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 6 | 307,740,168 | 313,863,462 |
| Intangible assets | | 15,500,017 | 15,562,519 |
| Investment properties | | 1,765,542,000 | 1,765,542,000 |
| Investments accounted for using the equity method | 7 | 529,858,788 | 542,851,260 |
| Long term investments | | 36,531,300 | 41,163,833 |
| Long term deposits and advances - considered good | | 43,404,199 | 43,377,181 |
| Deferred taxation | | 717,257 | 292,619 |
| | | <u>2,699,293,729</u> | <u>2,722,652,874</u> |
| Current assets | | | |
| Stock in trade | | 10,077,444 | 10,077,444 |
| Trade debts | | 1,620,553,760 | 1,676,155,606 |
| Loans, advances and other receivables | | 219,061,377 | 226,759,921 |
| Prepayments | | 798,760 | 403,256 |
| Interest accrued | | 4,649 | 86,447 |
| Deposits and other receivables | | 25,200,579 | 25,159,697 |
| Short term investments | 7 | 365,057,390 | 331,144,302 |
| Tax refund due from Government | | 27,780,892 | 17,994,235 |
| Cash and bank balances | | 107,509,456 | 124,516,280 |
| | | <u>2,376,044,307</u> | <u>2,412,297,188</u> |
| Current liabilities | | | |
| Trade and other payables | | 347,404,750 | 368,568,017 |
| Short term borrowings - secured | | 5,344,035 | 9,148,723 |
| Current portion of long term loans - secured | | 5,515,000 | 2,206,000 |
| Current portion of liabilities against assets subject to finance lease | | 434,554 | 434,554 |
| | | <u>358,698,339</u> | <u>380,357,294</u> |
| Net current assets | | <u>2,017,345,968</u> | <u>2,031,939,894</u> |
| | | <u>4,716,639,697</u> | <u>4,754,592,768</u> |
| Non-current liabilities | | | |
| Deferred liabilities | | 67,421,814 | 62,541,530 |
| Long term loans - secured | | 2,905,229,516 | 2,902,580,552 |
| | | <u>2,972,651,330</u> | <u>2,965,122,082</u> |
| Contingencies and commitments | 8 | <u>1,743,988,367</u> | <u>1,789,470,686</u> |
| Represented by | | | |
| Equity | | | |
| Share Capital and Reserves | | | |
| Authorized share capital: | | | |
| 320,000,000 (2017: 320,000,000) ordinary shares of Rs 10 each | | <u>3,200,000,000</u> | <u>3,200,000,000</u> |
| Issued, subscribed and paid-up share capital | | 3,166,101,120 | 3,166,101,120 |
| Exchange translation reserve | | 19,175,524 | 17,990,368 |
| Reserves capitalised | | 480,054,923 | 480,054,923 |
| Retained earnings | | (2,181,426,156) | (2,143,982,701) |
| Equity attributable to owners of the Parent Company | | <u>1,483,905,411</u> | <u>1,520,163,710</u> |
| Non-controlling interests (NCI) | | <u>260,082,956</u> | <u>269,306,976</u> |
| | | <u>1,743,988,367</u> | <u>1,789,470,686</u> |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - (Un-Audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

| | July - September | |
|--|---------------------|--------------------|
| | 2017 | 2016 |
| | Rupees | Rupees |
| Operating revenue | 51,355,912 | 95,576,238 |
| Direct costs | (13,240,201) | (56,117,422) |
| Gross profit | 38,115,711 | 39,458,816 |
| Unrealized | (5,420,437) | 135,680,412 |
| Operating and administrative expenses | (59,001,816) | (46,526,842) |
| | (26,306,542) | 128,612,386 |
| Other income | 6,637,728 | 7,852,229 |
| Finance cost | (7,454,832) | (19,007,682) |
| | (27,123,646) | 117,456,933 |
| Share of gain/(loss) of equity accounted investees (net of tax) | (13,267,107) | 9,560,387 |
| Profit/(loss) before taxation | (40,390,753) | 127,017,320 |
| Taxation | (3,057,503) | (618,601) |
| Profit/(loss) after taxation from operations for the period | (43,448,256) | 126,398,719 |
| Basic and diluted earnings/(loss) per share | (0.11) | 0.33 |
| Profit/(loss) attributable to: | | |
| - Owners of the Parent Company | (34,325,686) | 103,952,250 |
| - Non-controlling interest | (9,122,570) | 22,446,469 |
| Profit/(loss) for the period | (43,448,256) | 126,398,719 |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - (Un-Audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

July - September
2017 2016
Rupees Rupees

Profit / (loss) after taxation (43,448,256) 126,398,719

Other comprehensive income for the period

Items that may be subsequently reclassified to profit or loss:

Share of other comprehensive income of
investments accounted for using the equity method - net of tax 274,635 -

| | | |
|---|-------------|---|
| Unrealized loss on remeasurement of investment available for sale | | |
| - Change in fair value of available-for-sale financial assets | (3,392,404) | - |
| - Non-controlling interests | (1,240,129) | - |
| | (4,632,533) | - |

Exchange differences on translation of foreign operations
recognised as:

| | | |
|---|---------------------|--------------------|
| - Exchange translation reserve | 1,185,156 | (52,886) |
| - Non-controlling interests | 1,138,679 | (50,812) |
| Other comprehensive income/(loss) for the period | 2,323,835 | (103,698) |
| Total comprehensive income/(loss) for the period | (45,482,319) | 126,295,021 |

Total comprehensive income/(loss) attributable to :

| | | |
|--------------------------------|---------------------|--------------------|
| - Owners of the Parent Company | (36,258,299) | 103,899,364 |
| - Non-controlling interests | (9,224,020) | 22,395,657 |
| | (45,482,319) | 126,295,021 |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - (Un-Audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

| | Attributable to owners of the Company | | | | | Total equity |
|--|---------------------------------------|------------------------------------|------------------------|----------------------|------------------------------|-----------------|
| | Share capital | Exchange translation reserve | Reserve capitalised | Retained earnings | Non-controlling interests | |
| | Rupees | | | | | |
| Balance at 30 June 2016 - (Audited) | 3,166,101,120 | 22,516,300 | 480,054,923 | (2,313,960,657) | 210,431,905 | 1,565,143,591 |
| Total comprehensive income/(loss) for the period | - | - | - | 103,952,250 | 22,446,469 | 126,398,719 |
| Loss for the period | - | (52,886) | - | - | (50,812) | (103,698) |
| Other comprehensive loss for the period | - | (52,886) | - | - | - | - |
| Total comprehensive loss for the period | - | (52,886) | - | 103,952,250 | 22,395,657 | 126,295,021 |
| Balance at 30 September 2016 | 3,166,101,120 | 22,463,414 | 480,054,923 | (2,210,008,407) | 232,827,562 | 1,691,438,612 |
| Balance at 30 June 2017 - (Audited) | 3,166,101,120 | 17,990,368 | 480,054,923 | (2,143,982,701) | 269,306,976 | 1,789,470,686 |
| Total comprehensive income / (loss) for the period | - | - | - | (34,325,686) | (9,122,570) | (43,448,256) |
| Income for the period | - | 1,185,156 | - | (3,117,769) | (101,450) | (2,034,063) |
| Other comprehensive income for the period | - | 1,185,156 | - | (37,443,455) | (9,224,020) | (45,482,319) |
| Total comprehensive income / (loss) for the period | - | 1,185,156 | - | (36,258,299) | (10,038,870) | (45,001,913) |
| Balance at 30 September 2017 | 3,166,101,120 | 19,175,524 | 480,054,923 | (2,181,426,156) | 260,082,956 | 1,743,988,367 |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 30 SEPTEMBER, 2017 *Note*

July - September

2017
Rupees

2016
Rupees

Cash flows from operating activities

| | | | |
|--|---|-------------------|--------------------|
| Cash generated from operations | 9 | 26,087,614 | 2,118,852 |
| Long term deposits and advances | | (27,018) | (2,451,666) |
| Retirement benefits paid - net | | 2,202,570 | (317,000) |
| Finance costs paid | | (1,939,832) | 441,001,455 |
| Taxes paid | | (13,268,798) | (9,832,777) |
| Net cash inflow from operating activities | | 13,054,536 | 430,518,864 |

Cash flows from investing activities

| | | | |
|---|--|---------------------|-------------------|
| Fixed capital expenditure | | (383,698) | (32,000) |
| Short term investments - net | | (39,333,525) | 25,428,270 |
| Proceeds from sale of property, plant and equipment | | 453,394 | 568,928 |
| Investment available for sale - net | | | - |
| Dividend received | | 68,216 | 8,540,086 |
| Interest received | | 6,367,454 | 7,502,285 |
| Net cash inflow/(out flow) from investing activities | | (32,828,159) | 42,007,569 |

Cash flows from financing activities

| | | | |
|--|--|---------------------|----------------------|
| Repayment of liabilities against assets subject to finance lease - net | | - | (306,717) |
| Receipt/(payment) of long term loan | | 442,964 | (441,258,830) |
| Net cash outflow from financing activities | | 442,964 | (441,565,547) |
| Net increase in cash and cash equivalents | | (19,330,659) | 30,960,886 |

| | | | |
|---|--|--------------------|--------------------|
| Cash and cash equivalents at the beginning of the period | | 124,516,280 | 124,540,549 |
| Effect of exchange translation reserve | | 2,323,835 | (103,698) |
| Cash and cash equivalents at the end of the period | | 107,509,456 | 155,397,737 |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director

First Capital Securities Corporation Limited

Notes to the Condensed Interim Consolidated Financial Statements - (Un-Audited) FOR THE QUARTER ENDED 30 SEPTEMBER 2017

1. Legal status and nature of business

First Capital Securities Corporation Limited (FCSC) ("the Parent Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Pakistan stock exchange. The registered office of the Parent Company is situated at 2nd Floor, Pace Shopping Mall Fortress Stadium, Lahore Cantt, Lahore. The Parent Company is involved in making long and short term investments, money market operations and financial consultancy services.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim consolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 30 June 2017.

2.2 Functional and presentation currency

This consolidated condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest rupee.

3 Significant accounting policies

Accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial report are the same as those applied in the preparation of audited annual consolidated financial statements of the Group for the preceding year ended 30 June 2017.

3.1 Initial application of standards, amendments or an interpretation to existing standards

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

3.1.1 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 Group operations and are, therefore, not detailed in this condensed interim financial information.

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

There are certain standards, amendments and interpretations to approved accounting standards that are mandatory for the Company's accounting periods beginning on or after 1 July 2018 or later periods, and the Company has not early adopted them therefore, not detailed in this condensed interim financial information.

4 Estimates

The preparation of these consolidated 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 expenses. The significant judgments made by management is in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 30 June 2017.

First Capital Securities Corporation Limited

5 Subsidiary companies

Following subsidiary companies have been consolidated in the financial information of the Parent Company:

| | Percentage of Holding | |
|--|------------------------------|-------------------------|
| | 30 September 2017 | 30 June 2017 |
| First Capital Investments Limited (FCIL) | 78.86 | 78.86 |
| Lanka Securities (Pvt.) Limited, Sri Lanka (LSL) | 51 | 51 |
| World Press (Pvt.) Limited (WPL) | 65 | 65 |
| First Capital Equities Limited (FCEL) | 73.23 | 73.23 |
| Ever Green Water Valley (Pvt.) Limited | 100 | 100 |
| Falcon Commodities (Pvt.) Limited (FCL) | 100 | 100 |
| Ozer Investments Limited | 100 | 100 |
| First Construction Limited | 100 | 100 |

| | Note | 30 September 2017 Rupees | 30 June 2017 Rupees |
|---|-------------|---|------------------------------------|
| 6 Property, plant and equipment | | | |
| Property, plant and equipment | 6.1 | 109,689,075 | 115,812,369 |
| Capital work in progress | 6.2 | 198,051,093 | 198,051,093 |
| | | 307,740,168 | 313,863,462 |
| 6.1 Opening book value | | 115,812,369 | 148,292,513 |
| Additions for the period/year | | 383,693 | 34,851,298 |
| Effect of movement in exchange rate | | 425,374 | (1,446,534) |
| Disposal for the period/year net book value | | (38,873) | (37,010,902) |
| | | 116,582,563 | 144,686,375 |
| Depreciation expense for the period/year | | 6,479,520 | 30,020,094 |
| Effect of movement in exchange rate | | 413,968 | (1,146,088) |
| Closing book value | | 109,689,075 | 115,812,369 |
| 6.2 This represents advance against purchase of property in Pace Tower Gulberg, Lahore, and Pace Circle. | | | |
| | | 30 September 2017 Rupees | 30 June 2017 Rupees |
| 7 Investments | | | |
| Carrying value of investments at the beginning of the period / year | | 915,159,395 | 851,543,464 |
| Investments made during the period / year | | | |
| - Others | | - | (18,496,277) |
| Share of loss of equity accounted investees (net of tax) | | (13,267,107) | (24,108,618) |
| Equity accounted investees- share of other comprehensive income | | 274,635 | 1,098,540 |
| Unrealized loss on remeasurement of investment available for sale | | (4,632,533) | 31,501,305 |
| Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss | | (5,420,437) | 18,463,867 |
| Less Dividends | | - | (11,821,650) |
| | | (23,045,442) | 15,133,444 |
| Investments disposed off during the period/year | | 39,333,525 | 66,978,764 |
| Carrying value at the end of the period / year | | 931,447,478 | 915,159,395 |
| Investments classified in current assets | | 365,057,390 | 331,144,302 |
| Closing book value | | 566,390,088 | 584,015,093 |

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8 Contingencies and commitments

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

| | 30 September 2017 Rupees | 30 June 2017 Rupees |
|---------------------|--------------------------------|---------------------------|
| Commitments | | |
| Sale of Shares | 1,275,240,936 | 900,562,615 |
| Purchase of shares | 1,281,757,464 | 836,092,776 |
| Capital expenditure | 21,825,103 | 21,825,103 |
| Ijarah lease rental | 438,096 | 2,955,350 |

9 Cash generated from operations

| | July to September 2017 Un-Audited | 2016 Un-Audited |
|--|---|----------------------|
| Profit / (loss) before taxation | (40,390,753) | 127,017,320 |
| Adjustments for: | | |
| Depreciation | 6,479,520 | 7,475,616 |
| Finance cost | 7,454,832 | 19,007,682 |
| (Gain) / loss on remeasurement of short term investments | 5,420,437 | (135,680,412) |
| Dividend income | (68,216) | (1,520,970) |
| Amortization | 62,502 | - |
| Gain on disposal of property, plant and equipment | (414,521) | (175,394) |
| Retirement benefits | 2,677,714 | 1,490,340 |
| Share of (profit)/loss of equity-accounted investee | 13,267,107 | (9,560,386) |
| Mark up income | (6,285,656) | (7,182,315) |
| | 28,593,719 | (126,145,839) |
| Profit before working capital changes | (11,797,034) | 871,481 |

Effect on cash flow due to working capital changes:

(Increase)/decrease in:

| | | |
|---------------------------------------|-------------------|------------------|
| Inventories | - | 6,363,363 |
| Trade debts | 55,590,445 | 401,236 |
| Loans and advances | 7,698,544 | (32,190,179) |
| Short term prepayments | (395,504) | 225,540 |
| Deposits and other receivables | (40,882) | (9,657,336) |
| Increase/(decrease) in: | | |
| Trade and other payables | (21,163,267) | 43,423,557 |
| Short term borrowings - net | (3,804,688) | (7,318,810) |
| | 37,884,648 | 1,247,371 |
| Cash generated from operations | 26,087,614 | 2,118,852 |

10 Transactions with related parties

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, subsidiary undertakings, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

10.1 Transaction during the period

| | July to September 2017 Rupees | 2016 Rupees |
|--------------------------------------|-------------------------------------|----------------|
| Associated companies | | |
| Purchase of goods / services | - | 16,423 |
| Service charges | 167,940 | 167,940 |
| Dividend income | - | 8,453,953 |
| Asset management fee | - | 1,030,255 |
| Construction revenue | 2,529,921 | 33,532,834 |
| Key management personnel | | |
| Salaries and other employee benefits | 16,249,251 | 5,999,408 |

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| 10.2 Period / year end balances | | 30 September 2017 Rupees | 30 June 2017 Rupees |
|---------------------------------|----------------------------------|--------------------------------|---------------------------|
| Associated companies | Receivables from related parties | 55,330,590 | 31,651,692 |
| | Payables to related parties | 9,851,358 | 6,963,286 |
| | Retention money | 18,898,729 | 63,985,539 |

11 Financial risk management

11.1 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.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at 30 June 2017.

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

11.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

11.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group assets and liabilities that are measured at fair value at 30 September 2017.

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|---------|---------|-------------|
| | | | Rupees | |
| Assets | | | | |
| Investments at fair value through profit and loss | 365,057,390 | - | - | 365,057,390 |
| Total assets | 365,057,390 | - | - | 365,057,390 |
| Liabilities | - | - | - | - |

There were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

12 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim consolidated balance sheet and condensed interim consolidated statement of changes in equity have been compared with the balances of annual consolidated audited

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financial statements of preceding financial year, whereas, the condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

13 Date of authorization for issue

This un-audited consolidated condensed interim financial information for the quarter ended 30 September 2017 were authorized for issue on 27 October 2017 by the Board of Directors.

14 General

Figures have been rounded off to the nearest rupee.

The Chief Executive is out of Pakistan and in her absence these financial statement have been signed two directors as required under section 232 of the Companies Act 2017.

Director

Chief Finance Officer

Director