

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**CONDENSED INTERIM UN-CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED  
31 DECEMBER 2013  
(Un-Audited)**

**VISION**

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier media, real estate 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.

# Contents

***Page Five***

Company information

***Page Seven***

Directors' review

***Page Nine***

*Review report*

***Page Ten***

*Balance sheet*

***Page Eleven***

Profit & loss account

***Page Twelve***

Statement of comprehensive income

***Page Thirteen***

Cash flow statement

***Page Fourteen***

Statement of changes in equity

***Page Fifteen***

Notes to the accounts

***Page Twenty One***

Consolidated accounts

# FIRST CAPITAL SECURITIES CORPORATION LIMITED

## COMPANY'S INFORMATION

<b>Board of Directors</b>	Aamna Taseer (Chairman & Chief Executive Officer) Shehryar Ali Taseer Maheen Ghani Taseer Shehrebano Taseer Kanwar Latafat Ali Khan Sulaiman Ahmed Saeed Al-Hoqani Jamal Said Al-Ojaili	Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Independent
<b>Chief Financial Officer</b>	Saeed Iqbal	
<b>Audit Committee</b>	Shehryar Ali Taseer (Chairman) Maheen Ghani Taseer Shehrebano Taseer	
<b>Human Resource and Remuneration (HR&amp;R) Committee</b>	Shehryar Ali Taseer (Chairman) Aamna Taseer Shehrebano Taseer	
<b>Company Secretary</b>	Sajjad Ahmad	
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants	
<b>Legal Advisers</b>	Mazhar Law Associates Advocates & Solicitors	
<b>Bankers</b>	Allied Bank Limited Bank Al-Falah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited	
<b>Registrar and Shares Transfer Office</b>	THK Associates (Pvt.) Limited Ground Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road, Karachi. ☎ (021) 111 000 322	
<b>Registered Office/Head Office</b>	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan ☎ (042) 36623005/6/8 Fax: (042) 36623121-36623122	

## FIRST CAPITAL SECURITIES CORPORATION LIMITED

### DIRECTORS' REVIEW

We on behalf of the Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") feel immense pleasure to present the auditors' reviewed financial statements of the Company for the six months ended 31 December 2013.

#### Operational Results

The operating results of the Company are summarized as follows:

<b>Financial overview</b>	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Revenue	<b>10,721,502</b>	10,288,329
Unrealized gain/(loss) on short term investments	<b>(25,865,496)</b>	32,690,374
Operating Expenses	<b>11,249,246</b>	12,319,216
Impairment loss on available-for-sale investments	<b>113,307,062</b>	2,163,260,352
Finance and other costs	<b>3,872,871</b>	3,337,256
(Loss)/profit after Taxation	<b>(143,502,621)</b>	(2,128,483,472)
(Loss)/earnings per Share (basic and diluted)	<b>(0.45)</b>	(6.72)

The company has reported revenue of Rs.10.72 million other than unrealized loss of Rs.25.87 million. Operating expenses remained at 11.25 million as compared to Rs.12.32 million during the same period last year. Fluctuations in the market affecting the shares price of one of its subsidiaries "MDTL" forced the company to recognize an impairment of Rs.113.31 million as compared to 2.16 billion in the corresponding period. The company showed a loss of Rs.143.50 million and per share loss was Rs.0.45 in comparison with a loss of Rs.2.13 billion and per share loss Rs.6.72 last year.

The subsidiaries of FCSC showed the following results during the last six months under review. First Capital Equities Limited (FCEL) reported revenue of Rs. 21.30million, operating expenses were reported Rs. 72.91 million in comparison with the corresponding period Rs.50.94 million. Loss per share stood at Rs.1.22 as compared to earning Rs.1.26 in the corresponding period. Lanka Securities (Pvt.) Limited ("LSL") generated a gross revenue of Rs. 21.77 million and loss of Rs.8.75 million during the period while EPS stood at Rs. (0.50). First Capital Investments Limited (FCIL) has reported an after tax profit of Rs.11.99 million as compared to Rs. 4.67 million last year. Another subsidiary of your Company namely World Press (Pvt.) Limited earned revenue of Rs. 23.88 million while showed an after tax profit of Rs.2.99 million as compared to a loss of Rs. 9.23 million for the same period last year. Falcon commodities (FCL) generated revenue of Rs.1.13 million reported a profit of Rs. 2.73 million.

#### Future Outlook

Where 2013 was a year of change on the political front, we expect 2014 to be a year of relative stability. With all the key institutions changing guard for new tenures in 2013 we eye major political stories of 2014 to emerge from the region i.e. US pullout, Iran's nuclear deal with the West and elections in neighboring country, that hold major implications for the domestic policy environment. Furthermore, break-through on relationship with radical fractions will definitely act as a catalyst to further enhance the investors' confidence and foster the investment climate.

A smooth political transition, with new government coming into power, has propelled the KSE (Karachi Stock Exchange) to be amongst the top ten (10) best performing equity markets. Support to the sentiment also came from Pakistan's re-entry in the IMF program to avert the looming balance of payment crisis. Other factors contributing to this impressive bull run includes higher foreign participation and minimal change in interest rates leading to increase in the depth of the equity market.

#### Election of Directors

Securities and Exchange Commission of Pakistan ("SECP") vide its order no. EMD/233/14/02-534 dated 21 December 2012 has accepted the matter of pending succession of late Mr. Salmaan Taseer as a valid impediment in holding of election of directors. SECP also advised the Company to take steps to remove the impediment and file a report of its actions taken to remove the impediment. Consequent to above order the Company has filed a report on the actions taken for removal of impediment.

#### Acknowledgement

The directors 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 February 2014

**Aamna Taseer**  
Chairman and Chief Executive Officer

## FIRST CAPITAL SECURITIES CORPORATION LIMITED

### Independent Report on Review of Condensed Interim Financial Information to the members

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **First Capital Securities Corporation Limited** ("the Company") as at 31 December 2013 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

#### Scope of Review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### Other matter

The figures for the quarters ended 31 December 2013 and 31 December 2012 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Lahore  
27 February 2014

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
(Bilal Ali)

## FIRST CAPITAL SECURITIES CORPORATION LIMITED CONDENSED INTERIM UN-CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

		(UN-AUDITED) 31 December 2013 Rupees	(AUDITED) 30 June 2013 Rupees (RE-STATE)
	Note		
<b>Non Current Assets</b>			
Property and equipment	5	139,388,215	139,574,926
Investment property	6	284,934,600	284,934,600
Long term investments	7	4,294,509,564	4,474,875,122
Long term deposits		37,500	37,500
		<b>4,718,869,879</b>	<b>4,899,422,148</b>
<b>Current assets</b>			
Trade debts		1,299,125	2,007,784
Loans and advances		1,629,000	154,500
Prepayments		-	5,728
Short term investments	8	163,209,728	182,316,334
Tax refunds due from the Government		30,387,456	30,468,166
Cash and bank balances		18,285,908	1,116,306
		<b>214,811,217</b>	<b>216,068,818</b>
<b>Current liabilities</b>			
Trade and other payables		27,381,980	34,993,390
Mark-up accrued		1,033,838	-
Current portion of long term loan	9	22,428,000	18,346,400
		<b>50,843,818</b>	<b>53,339,790</b>
<b>Working capital employed</b>		<b>163,967,399</b>	<b>162,729,028</b>
		<b>4,882,837,278</b>	<b>5,062,151,176</b>
<b>Non-current liabilities</b>			
Deferred liabilities		6,190,735	5,665,735
Long term loan	9	8,446,598	21,985,739
		<b>14,637,333</b>	<b>27,651,474</b>
Contingencies and commitments	10		
<b>Net capital employed</b>		<b>4,868,199,945</b>	<b>5,034,499,702</b>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		3,166,101,120	3,166,101,120
Reserves		-	22,797,136
Retained earnings		1,702,098,825	1,845,601,446
		<b>4,868,199,945</b>	<b>5,034,499,702</b>

The annexed notes 1 to 16 form an integral part of this condensed interim un-consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM UN-CONSOLIDATED PROFIT AND LOSS**  
**ACCOUNT (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Note	Six months period ended		Three months period ended	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		Rupees	Rupees	Rupees	Rupees
<b>Revenue</b>					
Operating (loss) / revenue	11	(15,168,558)	42,978,703	12,771,627	(3,553,853)
Gain on Investment property- net		-	16,496,500	-	16,496,500
		<u>(15,168,558)</u>	<u>59,475,203</u>	<u>12,771,627</u>	<u>12,942,647</u>
<b>Expenses</b>					
Impairment loss on 'available-for-sale' investments		(113,307,062)	(2,163,260,352)	(25,316,831)	(2,163,260,352)
Operating and administrative expenses		(11,249,246)	(12,319,216)	(5,200,297)	(5,426,850)
Other income		905,969	7,545,267	441,853	2,912,898
Finance costs		(3,872,871)	(3,337,256)	(2,796,386)	(3,217,297)
		<u>(142,691,768)</u>	<u>(2,111,896,354)</u>	<u>(20,100,034)</u>	<u>(2,156,048,954)</u>
<b>Loss before taxation</b>		<b>(142,691,768)</b>	<b>(2,111,896,354)</b>	<b>(20,100,034)</b>	<b>(2,156,048,954)</b>
Taxation		(810,853)	(225,026)	(789,922)	(55,535)
		<u>(143,502,621)</u>	<u>(2,112,121,380)</u>	<u>(20,889,956)</u>	<u>(2,156,104,489)</u>
<b>Loss after taxation</b>		<b>(143,502,621)</b>	<b>(2,112,121,380)</b>	<b>(20,889,956)</b>	<b>(2,156,104,489)</b>
<b>Loss per share - basic and diluted</b>		<b>(0.45)</b>	<b>(6.67)</b>	<b>(0.07)</b>	<b>(6.81)</b>

The annexed notes 1 to 16 form an integral part of this condensed interim un-consolidated financial information.

LAHORE: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF**  
**COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Six months period ended		Three months period ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	Rupees	Rupees (RE-STATE)	Rupees	Rupees (RE-STATE)
<b>Loss after taxation</b>	<b>(143,502,621)</b>	<b>(2,112,121,380)</b>	<b>(20,889,956)</b>	<b>(2,156,104,489)</b>
<b>Other comprehensive (loss) / profit for the period</b>				
<b><u>Items that will never be reclassified to profit or loss:</u></b>				
Remeasurement of defined benefit plan	-	(385,762)	-	(385,762)
<b><u>Items that are or may be reclassified to profit or loss:</u></b>				
Net change in fair value of 'available-for-sale' financial assets reclassified to profit and loss account	(2,818,530)	-	-	113,753,195
Net change in fair value of 'available-for-sale' financial assets	(19,978,606)	113,753,195	-	-
Other comprehensive loss for the period	(22,797,136)	113,753,195	-	113,753,195
<b>Total comprehensive loss for the period</b>	<b>(166,299,757)</b>	<b>(1,998,753,947)</b>	<b>(20,889,956)</b>	<b>(2,042,737,056)</b>

The annexed notes 1 to 16 form an integral part of this condensed interim un-consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONDENSED INTERIM UN-CONSOLIDATED CASH FLOW  
STATEMENT (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	31 December 2013	31 December 2012
Note	Rupees	Rupees
<b>Cash flow from operating activities</b>		
Loss before taxation	(142,691,768)	(2,111,896,354)
Adjustments for:		
Finance costs	3,872,871	3,337,256
Dividend income	(48,615)	(1,824,225)
Unrealized loss / (gain) on re-measurement of investments at 'fair value through profit or loss'	25,890,060	(32,690,374)
Impairment loss on 'available-for-sale' investments	113,307,062	2,163,260,352
Gain on investment property	-	(16,496,500)
Depreciation	186,711	384,372
Gain on disposal of property and equipment	-	(400,000)
Gain on disposal of investment	(3,276,380)	-
Interest income	(739,376)	(6,987,521)
Provision for staff retirement benefits	647,155	1,173,991
	<u>139,839,488</u>	<u>2,109,757,351</u>
<b>Loss before working capital changes</b>	<b>(2,852,280)</b>	<b>(2,139,003)</b>
<b>Changes in working capital</b>		
Trade debts	708,659	(1,638,037)
Loans and advances	(1,474,500)	(13,293)
Prepayments	5,728	100,978
Other receivables	-	-
Trade and other payables	(7,358,371)	(4,002,329)
	<u>(8,118,484)</u>	<u>(5,552,681)</u>
<b>Net cash used in operations</b>	<b>(10,970,764)</b>	<b>(7,691,684)</b>
Staff retirement benefits paid	(375,194)	(25,000)
Finance cost paid	(2,839,033)	(34,924)
Taxes paid	(730,143)	(786,277)
	<u>(3,944,370)</u>	<u>(846,201)</u>
<b>Net cash used in operating activities</b>	<b>(14,915,134)</b>	<b>(8,537,885)</b>
<b>Cash flows from investing activities</b>		
Dividend received	48,615	1,824,225
Proceeds from disposal of property and equipment	-	400,000
Long term loans and advances -net	-	(7,010,002)
Proceeds from disposal of long term investments	45,629,740	-
Short term investments - net	(6,783,454)	(8,791,249)
Interest received	739,376	7,288,450
<b>Net cash generated/(used) investing activities</b>	<b>41,542,277</b>	<b>(6,288,576)</b>
<b>Cash flows from financing activities</b>		
Long term loan repaid	(9,457,541)	(3,000,001)
<b>Net cash used in financing activities</b>	<b>(9,457,541)</b>	<b>(3,000,001)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>17,169,602</b>	<b>(17,826,462)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,116,306</b>	<b>18,880,959</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>18,285,908</b>	<b>1,054,497</b>

The annexed notes 1 to 16 form an integral part of this condensed interim un-consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

13

**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Share capital	Capital reserve Fair value reserve	Revenue reserve Retained earnings	Total
	----- Rupees -----			
<b>Balance at 01 July 2012- as previously reported</b>	3,166,101,120	305,478,367	4,412,696,360	7,884,275,847
Change in accounting policy for recognition of actuarial gains	-	-	579,106	579,106
<b>Balance at 1 July 2012 - as (Restated)</b>	<u>3,166,101,120</u>	<u>305,478,367</u>	<u>4,413,275,466</u>	<u>7,884,854,953</u>
<b>Comprehensive loss for the period</b>				
Loss for the period	-	-	(2,112,121,380)	(2,112,121,380)
Other comprehensive income	-	113,753,195	-	113,753,195
Total comprehensive loss for the period	-	113,753,195	(2,112,121,380)	(1,998,368,185)
<b>Balance at 31 December 2012</b>	3,166,101,120	419,231,562	2,301,154,086	5,886,486,768
<b>Comprehensive loss for the year</b>				
Loss for the period	-	-	(455,938,402)	(455,938,402)
Other comprehensive loss	-	(396,434,426)	-	(396,434,426)
Total comprehensive loss for the period	-	(396,434,426)	(455,938,402)	(852,372,828)
<b>Balance at 30 June 2013</b>	3,166,101,120	22,797,136	1,845,215,684	5,034,113,940
Change in accounting policy for recognition of actuarial gains	-	-	385,762	385,762
<b>Balance at 30 June 2013 - (Restated)</b>	<u>3,166,101,120</u>	<u>22,797,136</u>	<u>1,845,601,446</u>	<u>5,034,499,702</u>
<b>Comprehensive loss for the period</b>				
Loss for the period	-	-	(143,502,621)	(143,502,621)
Other comprehensive loss	-	(22,797,136)	-	(22,797,136)
Total comprehensive loss for the period	-	(22,797,136)	(143,502,621)	(166,299,757)
<b>Balance at 31 December 2013</b>	<u>3,166,101,120</u>	<u>-</u>	<u>1,702,098,825</u>	<u>4,868,199,945</u>

The annexed notes 1 to 16 form an integral part of this condensed interim un-consolidated financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

14

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM UN-CONSOLIDATED**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

**1 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 Karachi, Lahore and Islamabad stock exchanges. 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 Statement of compliance**

These unconsolidated condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

The unconsolidated condensed interim financial statements has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984. This condensed interim financial statements does not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2013.

**3 Estimates**

The preparation of unconsolidated condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to in the financial statements for the year ended 30 June 2013.

**4 Accounting policies**

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended 30 June 2013, except as described below.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

As a result of the amendments in IAS 19 (2011) Employee benefits, the Company has changed its accounting policy with respect to the base for determining the income or expense related to its post employment defined benefit plans. The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this

change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19 and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. Previously actuarial gains and losses in excess of the corridor limit were recognized in profit or loss account over the remaining service life of employee. The change in accounting policy has been accounted for retrospectively and comparative figures have been restated accordingly.

Cumulative effect upto 30 June 2013	Effect for the year ended 30 June 2013	Cumulative effect upto 30 June 2012
----- Rupees -----		

**Statement of changes in equity**

Actuarial gains on retirement benefit plans included in other comprehensive income	964,868	385,762	579,106
--	---------	---------	---------

**Balance sheet**

Decrease in deferred liabilities	964,868	385,762	579,106
----------------------------------	---------	---------	---------

The effect on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the half year ended 31 December 2013 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim statement of cash flows.

Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after 1 July 2013. None of those amendments are expected to have significant impact on this condensed interim financial information.

Note	(Un-Audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
<b>5 Property and equipment</b>		
Property and equipment	728,465	915,176
Capital work in progress	5.1 138,659,750	138,659,750
	<u>139,388,215</u>	<u>139,574,926</u>

5.1 This represents advance against purchase of property in Pace Tower Gulberg, Lahore and Pace Barka Lahore amounting to Rs. 133,634,515 (June 2013: Rs. 133,634,515) and Rs. 5,025,235 (June 2013: Rs. 5,025,235) respectively. Construction work on the said properties is in progress at 31 December 2013.

Note	(Un-Audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
<b>6 Investment property</b>		
Balance at 1 July	6.1 284,934,600	144,269,000
Acquisitions during the year	-	135,299,600
Change in fair value	-	5,366,000
Balance at 30 June	<u>284,934,600</u>	<u>284,934,600</u>

6.1 Investment property comprises of fifteen commercial properties, out of which nine properties are leased to third parties for rental income.



7 Long term investments - available-for-sale	Note	(Un-Audited)	(Audited)
		31 December 2013 Rupees	30 June 2013 Rupees
<b>Investment in related parties</b>			
Subsidiary companies - at cost	7.1	186,060,738	186,060,738
Associated companies - at cost	7.2	547,313,110	547,313,110
Associated company - at fair value	7.3	202,534,646	-
Subsidiary company - at fair value	7.4	3,358,601,070	3,741,501,274
		<b>4,294,509,564</b>	<b>4,474,875,122</b>

#### 7.1 Subsidiary companies - at cost

##### Unquoted

31 December 2013	30 June 2013		(Un-audited) 31 December 2013	(Audited) 30 June 2013
-----Number of shares-----			-----Rupees-----	
11,124,634 76.39% equity	11,124,634 76.39% equity	First Capital Investments Limited	101,681,450	101,681,450
1,949,041 65% equity	1,949,041 65% equity	World Press (Private) Limited	19,490,410	19,490,410
10,455,000 51.00% equity	10,455,000 51.00% equity	Trident Construct (Private) Limited	10,200,000	10,200,000
3,150,000 100% equity	3,150,000 100% equity	Falcon Commodities Limited	8,451,602	8,451,602
8,912,250 51.00% equity	8,912,250 51.00% equity	Lanka Securities (Private) Limited	46,229,683	46,229,683
1,000 100% equity	1,000 100% equity	Ozer Investments Limited	7,593	7,593
			<b>186,060,738</b>	<b>186,060,738</b>

All subsidiary companies have been incorporated in Pakistan except for Lanka Securities (Private) Limited and Ozer Investments Limited, which are incorporated in Sri Lanka.

#### 7.2 Associated companies - at cost

##### Unquoted

31 December 2013	30 June 2013		Note	(Un-audited) 31 December 2013	Audited 30 June 2013
-----Number of shares-----				-----Rupees-----	
11,250 0.07% equity	11,250 0.07% equity	Pace Super Mall (Private) Limited		112,500	112,500
54,790,561 17.95% equity	54,790,561 17.95% equity	Pace Barka Properties Limited		547,200,610	547,200,610
				<b>547,313,110</b>	<b>547,313,110</b>

#### 7.3 Associated company - at fair value

##### Quoted

31 December 2013	30 June 2013			
-----Number of shares-----				
74,461,267 41.88% equity	84,900,267 47.47% equity	Media Times Limited		382,900,204
				202,534,646

#### 7.4 Subsidiary company - at fair value

##### Quoted

31 December 2013	30 June 2013			
-----Number of shares-----				
70,190,200 64.97% equity	70,190,200 64.97% equity	First Capital Equities Limited		3,358,601,070

#### 8 Short term investments

Investments at fair value through profit or loss	8.1	154,138,349	173,230,759
Market treasury bills - Held to maturity		9,071,379	9,085,575
		<b>163,209,728</b>	<b>182,316,334</b>

#### 8.1 Investments at 'fair value through profit or loss'

##### Held for trading

Related parties	136,491,912	74,380,454
Others	43,536,497	38,845,603
	<b>180,028,409</b>	<b>113,226,057</b>
Unrealized (loss) / gain on remeasurement to fair value	(25,890,060)	60,004,702
	<b>154,138,349</b>	<b>173,230,759</b>

	(Un-Audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
<b>9 Long term loan</b>		
<b><u>From banking company - secured</u></b>		
Long term loan	40,332,139	47,332,139
Payment made during the year	(9,457,541)	(7,000,000)
	<b>30,874,598</b>	40,332,139
Current portion	(22,428,000)	(18,346,400)
	<b>8,446,598</b>	21,985,739

#### 10 Contingencies and commitments

There is no change in contingencies and commitments from those disclosed in the published financial statements of the Company for the year ended 30 June 2013.

	<b>Six months period ended</b>	
	31 December 2013 Rupees	31 December 2012 Rupees
<b>11 Operating revenue</b>		
Money market services	4,278,340	7,490,784
Dividend income	48,615	1,824,225
Investment property rentals	2,244,731	973,320
Gain on sale of investments	4,149,816	-
Unrealized (loss)/ gain on remeasurement of 'investments at fair value through profit and loss'	(25,890,060)	32,690,374
	<b>(15,168,558)</b>	42,978,703

#### 12 Transactions and balances 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:

	<b>Six months period ended</b>	
	31 December 2013 Rupees	31 December 2012 Rupees
<b>12.1 Transaction during the period</b>		
<b><u>Subsidiary companies</u></b>		
<b>First Capital Equities Limited</b>		
Long term loan given	-	7,010,000
Mark up income	-	6,534,524
Brokerage commission	359,349	-
<b>World Press (Private) Limited</b>		
Purchase of goods / services	577,182	534,470

	<b>Six months period ended</b>	
	31 December 2013 Rupees	31 December 2012 Rupees
<b>Media Times Limited</b>		
Mark up Income	-	257,836
Purchase of goods / services	26,000	11,800
<b><u>Associated companies</u></b>		
<b>Pace Pakistan Limited</b>		
Service charges	818,435	271,941
<b>First Capital Mutual Fund Limited</b>		
Dividend income received	15,495	1,824,225
	<b>(Un-Audited) 31 December 2013 Rupees</b>	<b>(Audited) 30 June 2013 Rupees</b>

#### 12.2 Amount Outstanding at period end

##### **Subsidiary companies**

##### **World Press (Private) Limited**

Payable against services

481,562      362,172

##### **Associated companies**

##### **Pace (Pakistan) Limited**

Payable against purchase of investment property

6,681,123      6,681,123

#### 13 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2013.

#### 14 Capital management

The Company's capital management objectives and policies are consistent with those disclosed in the audited annual separate financial statements of the Company as at and for the year ended 30 June 2013.

#### 15 Date of authorization for issue

These un-audited unconsolidated condensed interim financial statements for the half year ended 31 December 2013 were authorized for issue on 27 February 2014 by the Board of Directors of the Company.

#### 16 General

Figures have been rounded off to the nearest rupee.

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE SIX MONTHS PERIOD ENDED  
31 DECEMBER 2013  
(Un-Audited)**

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2013**

	Note	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		442,628,412	1,286,048,664
Intangible assets		19,043,680	177,373,570
Investment property		1,748,686,100	1,748,686,100
Investment in equity - accounted investees	6	725,707,092	522,985,114
Long term investments	7	24,156,320	40,073,830
Long term deposits and advances		14,836,531	26,920,861
Deferred tax assets		3,534,380	173,632,991
		<u>2,978,592,515</u>	<u>3,975,721,130</u>
<b>Current assets</b>			
Stock in trade		9,390,539	12,795,823
Trade debts		2,753,476,909	3,109,601,160
Loans and advances		215,992,878	230,831,491
Prepayments		1,446,952	1,640,608
Interest accrued		-	337,079
Deposits and other receivables		86,105,576	63,364,413
Short term investments	8	172,926,688	214,984,370
Tax refund due from Government		70,850,722	71,423,680
Cash and bank balances		356,083,194	284,333,261
		<u>3,666,273,458</u>	<u>3,989,311,885</u>
<b>Current liabilities</b>			
Trade and other payables		626,268,450	901,136,538
Mark-up accrued		91,872,875	142,279,019
Short term borrowings		172,726,049	250,409,378
Current portion of long term loan		187,858,000	169,908,220
Liability against repurchase agreement		-	48,111,520
Current portion of liabilities against assets subject to finance lease		5,882,736	19,396,885
		<u>1,084,608,110</u>	<u>1,531,241,560</u>
<b>Working capital employed</b>			
		<u>2,581,665,348</u>	<u>2,458,070,325</u>
		<u>5,560,257,863</u>	<u>6,433,791,455</u>
<b>Non-current liabilities</b>			
Deferred liabilities		71,747,932	129,441,600
Long term loan	9	3,016,368,928	3,230,594,001
Liabilities against assets subject to finance lease		13,858,367	15,489,830
		<u>3,101,975,227</u>	<u>3,375,525,431</u>
<b>Contingencies and commitments</b>			
	10		
<b>Net capital employed</b>			
		<u>2,458,282,636</u>	<u>3,058,266,024</u>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		3,166,101,120	3,166,101,120
Exchange translation reserve		36,839,462	28,672,594
Reserves capitalised		572,590,308	572,590,308
Retained earnings		(1,868,026,843)	(1,575,342,672)
<b>Equity attributable to owners of the Company</b>		<u>1,907,504,047</u>	<u>2,192,021,350</u>
<b>Non-controlling interests</b>			
		<u>550,778,589</u>	<u>866,244,674</u>
		<u>2,458,282,636</u>	<u>3,058,266,024</u>

The annexed notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)**

**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Six months ended		Three months ended	
	31 December 2013 Rupees	31 December 2012 Rupees	31 December 2013 Rupees	31 December 2012 Rupees
Operating revenue	123,631,814	259,215,935	55,009,389	112,057,662
Direct costs	(20,757,502)	(195,763,387)	(9,856,734)	(78,095,641)
<b>Gross profit</b>	<u>102,874,312</u>	<u>63,452,548</u>	<u>45,152,655</u>	<u>33,962,021</u>
		-	-	-
Loss on disposal of subsidiary	(13,223,237)			
Unrealized (loss)/gain on remeasurement of short	(23,653,538)	54,077,288	10,150,706	(15,098,941)
Operating and administrative expenses	(144,087,436)	(198,661,456)	(67,896,766)	(95,112,208)
Other income	100,330,078	406,772,155	94,205,444	397,860,365
	<u>22,240,179</u>	<u>325,640,535</u>	<u>81,612,039</u>	<u>321,611,237</u>
Finance costs	(173,652,175)	(268,508,842)	(87,515,570)	(147,261,588)
	<u>(151,411,996)</u>	<u>57,131,693</u>	<u>(5,903,531)</u>	<u>174,349,649</u>
Share of (loss) / profit of equity-accounted investee (net of tax)	(114,564,792)	8,799,583	(3,658,993)	4,813,779
<b>(Loss)/profit before taxation</b>	<u>(265,976,788)</u>	<u>65,931,276</u>	<u>(9,562,524)</u>	<u>179,163,428</u>
Taxation	8,985,495	(1,440,039)	9,373,316	(448,951)
<b>(Loss)/profit after taxation</b>	<u>(256,991,293)</u>	<u>64,491,237</u>	<u>(189,208)</u>	<u>178,714,477</u>
<b>(Loss)/profit attributable to:</b>				
-Equity holders of the parent	(210,326,399)	78,938,334	(4,247,871)	133,059,907
-Non-controlling interest	(46,664,894)	(14,447,097)	4,058,663	45,654,570
<b>(Loss)/profit for the period</b>	<u>(256,991,293)</u>	<u>64,491,237</u>	<u>(189,208)</u>	<u>178,714,477</u>
<b>(Loss)/profit per share attributable to Ordinary share holders - basic and diluted</b>	<u>(0.66)</u>	<u>0.25</u>	<u>(0.01)</u>	<u>0.42</u>

The annexed notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Six months ended		Three months ended	
	31 December	31 December	31 December	31 December
	2013	2012	2013	2012
	Rupees	Rupees	Rupees	Rupees
(Loss)/profit after taxation	(256,991,293)	64,491,237	(189,208)	178,714,477
<b>Other comprehensive income for the period</b>				
<b><u>Items that will never be reclassified to profit or loss:</u></b>				
Remeasurement of defined benefit plan		(13,069,839)		(13,069,839)
<b><u>Items that are or may be reclassified to profit or loss:</u></b>				
Foreign currency translation difference recognized as :				
- Currency translation reserve	8,166,868	11,048,584	278,713	4,858,461
- Non controlling interest	7,846,599	10,615,307	267,782	4,667,931
<b>Total comprehensive (Loss)/profit for the period</b>	<b>(240,977,826)</b>	<b>73,085,289</b>	<b>357,287</b>	<b>175,171,030</b>
<b>Total Comprehensive (Loss)/profit attributable to:</b>				
-Equity holders of the parent	(202,159,531)	76,917,079	(3,969,158)	124,848,529
-Non-controlling interest	(38,818,295)	(3,831,790)	4,326,445	50,322,501
	<b>(240,977,826)</b>	<b>73,085,289</b>	<b>357,287</b>	<b>175,171,030</b>

The annexed notes 1 to 15 form an integral part of this condensed interim un-consolidated financial information.

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013  
(UN-AUDITED)**

	31 December 2013 Rupees	31 December 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(265,976,788)	65,931,276
Adjustments for:		
Depreciation	12,014,586	75,368,502
Finance cost	155,787,603	147,277,988
Loss/(gain) on remeasurement of short term investments	23,653,538	(54,077,288)
Dividend income	(1,399,550)	(4,657,939)
Amortization of intangible assets	-	273,400
Gain on disposal of property, plant and equipment	(937,000)	(744,551)
Currency translation difference	8,166,868	21,663,891
Deferred notional income	-	(174,023,919)
Retirement benefits	3,568,067	8,547,948
Loss on sale of investment	13,223,237	-
Share of loss / (profit) of equity-accounted investee	114,564,792	(8,799,583)
Mark up income	(1,618,188)	(7,555,008)
	<b>327,023,953</b>	<b>3,273,441</b>
<b>Profit before working capital changes</b>	<b>61,047,165</b>	<b>69,204,717</b>
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	3,405,284	3,297,913
Trade debts	356,124,251	(42,699,437)
Loans and advances	14,838,613	(19,634,733)
Short term prepayments	193,656	(4,022,478)
Deposits and other receivables	(33,205,913)	(21,833,797)
Mark-up received	-	(208,342)
Increase/(decrease) in:		
Trade and other payables	(274,868,088)	7,393,191
Liability against repurchase agreement	(48,111,520)	-
Short term borrowings - net	(77,683,329)	(2,931,405)
	<b>(59,307,046)</b>	<b>(80,639,088)</b>
Cash generated/(used in) from operations	1,740,119	(11,434,371)
Long term deposits and advances	12,084,330	(790,500)
Retirement benefits paid	(710,544)	(1,157,837)
Finance costs paid	(5,525,077)	(100,504,732)
Taxes paid	161,686,074	(2,883,115)
<b>Net cash generated/(used in) from operating activities</b>	<b>169,274,902</b>	<b>(116,770,555)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(1,938,693)	(9,549,828)
Short term investments - net	18,404,144	(1,771,032)
Proceeds of property and equipment	937,000	1,570,000
Disposal of subsidiary	82,673,918	-
Dividend received	11,864,300	4,658,037
Investments - net	-	3,946,243
Investment property	-	17,577,000
Mark up received	1,955,267	8,100,718
<b>Net cash generated from investing activities</b>	<b>113,895,936</b>	<b>24,531,138</b>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease - net	(15,145,612)	(776,129)
Long term finance	(196,275,293)	30,841,622
<b>Net cash generated/(used in) from financing activities</b>	<b>(211,420,905)</b>	<b>30,065,493</b>
<b>Net increase in cash and cash equivalents</b>	<b>71,749,933</b>	<b>(62,173,924)</b>
<b>Cash and cash equivalents in the beginning of the period</b>	<b>284,333,261</b>	<b>329,052,967</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>356,083,194</b>	<b>266,879,043</b>

The annexed notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

	Attributable to equity holders of the Parent company					Total Equity Rupees
	Share capital Rupees	Currency translation reserve Rupees	Reserves capitalised Rupees	Unappropriated profit/(loss) Rupees	Total Rupees	
Balance as at 01 July 2012	3,166,101,120	19,041,956	564,735,308	(1,491,531,691)	2,259,346,693	3,241,932,418
Change in accounting policy for recognition of actuarial gains	-	19,041,956	564,735,308	(1,478,461,852)	13,069,639	13,069,639
Balance at 1 July 2012 - as (Restated)	3,166,101,120	-	-	-	2,271,416,532	3,255,002,257
Comprehensive income/(loss) for the period	-	-	-	78,938,334	78,938,334	64,491,237
Loss for the period	-	11,048,584	-	-	11,048,584	21,663,891
Total other comprehensive income	-	11,048,584	-	-	11,048,584	21,663,891
Total comprehensive income / (loss) for the period	-	-	-	78,938,334	89,986,918	86,155,128
Changes in ownership interests in subsidiary	-	-	-	-	-	-
Issue of bonus share by subsidiary	-	-	7,855,000	(7,855,000)	-	-
Balance at 31 December 2012	3,166,101,120	30,090,540	572,590,308	(1,407,378,518)	2,361,403,450	3,341,157,385
Comprehensive loss for the period	-	(1,417,946)	-	(264,808,517)	(264,808,517)	(415,276,751)
Loss for the period	-	(1,417,946)	-	-	(1,417,946)	(2,780,286)
Total other comprehensive loss	-	(1,417,946)	-	(264,808,517)	(266,226,463)	(418,057,037)
Total comprehensive loss for the period in subsidiaries	-	-	-	(264,808,517)	(266,226,463)	(418,057,037)
Disposal of subsidiary without losing control - FCEL	-	-	88,166,923	-	88,166,923	100,000,000
Disposal of subsidiary without losing control - MTL	-	-	9,950,765	(268,476)	9,682,289	28,240,428
Increase in NCI of FCI	-	-	97,849,212	97,849,212	97,849,212	7,930,087
Balance at 30 June 2013	3,166,101,120	28,672,594	572,590,308	(1,574,337,823)	2,193,026,199	3,059,270,873
Balance at 01 July 2013	3,166,101,120	28,672,594	572,590,308	(1,574,337,823)	2,193,026,199	3,059,270,873
Change in accounting policy for recognition of actuarial gains	-	-	-	(1,004,849)	(1,004,849)	(1,004,849)
Balance at 01 July 2013 - as (Restated)	3,166,101,120	28,672,594	572,590,308	(1,575,342,672)	2,192,021,350	3,058,266,024
Total comprehensive income / (loss) for the period	-	8,166,868	-	(210,326,939)	(210,326,939)	(256,991,293)
Loss for the period	-	8,166,868	-	-	8,166,868	16,015,467
Total other comprehensive income	-	8,166,868	-	(210,326,939)	(210,326,939)	(244,970,826)
Total comprehensive income / (loss) for the period	-	-	-	(210,326,939)	(210,326,939)	(244,970,826)
Disposal of investment in subsidiary	-	-	-	(82,357,772)	(82,357,772)	(359,005,562)
Balance at 31 December 2013	3,166,101,120	36,839,462	572,590,308	(1,868,026,843)	1,907,504,047	2,458,282,636

The annexed notes 1 to 15 form an integral part of this condensed interim consolidated financial information.  
**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**  
**LAHORE**

**FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2013**

**1. 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 Karachi, Lahore and Islamabad stock exchanges. The registered office of the Parent Company is situated at 2nd Floor, Pace Shopping Mall, 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**

These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

The consolidated condensed interim financial statements has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984. This condensed interim financial statements does not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2013.

**2.2 Functional and presentation currency**

These 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 rupees.

**3. Accounting policies**

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim consolidated financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the preceding year ended 30 June 2013.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Group operations and did not have any impact on the accounting policies of the Group.

As a result of the amendments in IAS 19 (2011) Employee benefits, the Company has changed its accounting policy with respect to the base for determining the income or expense related to its post employment defined benefit plans. The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under

IAS 19 and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. Previously actuarial gains and losses in excess of the corridor limit were recognized in profit or loss account over the remaining service life of employee. The change in accounting policy has been accounted for retrospectively and comparative figures have been restated accordingly.

Cumulative effect upto 30 June 2013	Effect for the year ended 30 June 2013	Cumulative effect upto 30 June 2012
----- Rupees -----		

#### Statement of changes in equity

Actuarial gains on retirement benefit plans included in other comprehensive income	12,064,990	(1,004,849)	13,069,839
--	------------	-------------	------------

#### Balance sheet

Decrease in deferred liabilities	12,064,990	(1,004,849)	13,069,839
----------------------------------	------------	-------------	------------

The effect on the consolidated condensed interim profit and loss account and the consolidated condensed interim statement of comprehensive income for the half year ended 31 December 2013 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on consolidated condensed interim statement of cash flows.

Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after 1 July 2013. None of those amendments are expected to have significant impact on this consolidated condensed interim financial information.

#### 4 Estimates

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to in the financial statements for the year ended 30 June 2013.

#### 5. Subsidiary companies

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

	Percentage of Holding	
	31 December 2013	30 June 2013
First Capital Investments Limited (FCIL)	76.39	76.39
Lanka Securities (Pvt.) Limited, Sri Lanka (LSL)	51	51
World Press (Pvt.) Limited (WPL)	65	65
First Capital Equities Limited (FCEL)	64.97	64.97
Trident Construct (Pvt.) Limited (TCL)	51	51
Ever Green Water Valley (Pvt.) Limited	51	51
Falcon Commodities (Pvt.) Limited (FCL)	100	100
Ozer Investments Limited	100	100

5.1 During the period the company has dispose off shares of MDTL due to which it has not been consolidated and treated as an equity-accounted investee.

	31 December 2013 Rupees	30 June 2013 Rupees
<b>6. Investment in associates</b>		
Opening balance	522,985,114	588,043,276
Add: Acquisition of additional shares	-	3,674,437
Add effect of conversion of subsidiary into associate	327,751,520	-
	<b>850,736,634</b>	591,717,713
Share of loss for the period	(114,564,792)	(64,487,124)
Less Dividends	(10,464,750)	(4,245,475)
Closing balance	<b>725,707,092</b>	522,985,114

#### 7 Long term investments

##### Unquoted Shares

Karachi Stock Exchange Limited		
4,007,383 shares of KSE (June 2013 : 4,007,383 shares) 7.1	<b>24,156,320</b>	<b>40,073,830</b>

7.1 During the year 2012-13, the demutualization of the Karachi Stock Exchange Limited (KSE), the ownership rights in the Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the FCEL received shares and TREC from Karachi Stock Exchange against its membership card. The FCEL has also recorded a gain on exchange of intangible asset Rs. 21,873,830/-.

The Karachi Stock Exchange Limited (KSE) vide its notice # KSE/N-5639 dated October 10, 2013 to its TREC holders states that, "Nature and value of the asset given up (membership card) is similar to the nature and value of the asset acquired (shares and TREC). Therefore, exchange of asset will not result in any gain or loss. Further, it can be argued that de-recognition of the membership card has not accrued because the rights of the card holders were not lost any point during the exchange".

In this connection, paragraph 45 of IAS 38, Inter-alla states that where the fair value of neither the asset received nor the asset given up can be really measured, the cost of asset received should be measured at the carrying amount of the asset given up, and no gain or loss arise.

KSE is therefore of the view that there will not be any gain or loss recorded in the accounts of TREC holder on conversion of membership card at the time of acquisition of shares and TREC of KSE, after its demutualization.

Keeping in view the above guide lines of KSE, the management of the FCEL has decided to reverse the gain on exchange of intangible asset Rs. 21,873,820/- and it has been routed through statement of changes in equity.

The 4,007,383 shares of KSE to its members including the FCEL has been determined on the basis of the fair valuation of the underlying asset and liabilities of the Stock exchange in accordance with requirements of the demutualization Act. In other words, shares of Rs. 40,073,830/- received by the FCEL represents its share in the fair value of the net assets of the KSE. Under these circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has also introduced a minimum capital regime for the brokers, and for this purpose have valued TREC at Rs. 15 million as per the decision of the BOD of the KSE. This face indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and safeguard the investor's interest. In the absence of an active market of TREC, this assigned value of Rs. 15 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair value of KSE shares (Rs. 40,073,830/-) and TREC (Rs. 15,000,000), the FCEL has allocated its carrying value in the ratio of 0.7276 to shares and 0.2724 to TREC.

	<b>31 December 2013 Rupees</b>	30 June 2013 Rupees
<b>8 Short term investments</b>		
Investments measured at fair value through profit and loss account		
Carrying value of investments	<b>196,580,226</b>	205,898,795
Un-realised loss on remeasurement of investments	<b>(23,653,538)</b>	9,085,575
	<b><u>172,926,688</u></b>	<u>214,984,370</u>
<b>9 Long term loan</b>		
Term finance facility	<b>3,204,226,928</b>	2,692,420,411
Accrued mark-up classified as long term	<b>-</b>	708,081,810
	<b><u>3,204,226,928</u></b>	<u>3,400,502,221</u>
Less: Current portion	<b>187,858,000</b>	169,908,220
	<b><u>3,016,368,928</u></b>	<u>3,230,594,001</u>

This includes agreements with different commercial banks with a mark up rate ranging from 8% to 20% and 3 months kibar plus 3% to 4% p.a (June 2013 : 8% to 20% and 3 months kibar plus 3% to 4%). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties.

#### 10 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, 2013 except for the following commitments:

	<b>31 December 2013 Rupees</b>	31 December 2012 Rupees
<b>Commitments</b>		
Sale of Shares	<b>102,487,661</b>	410,322,357
Purchase of shares	<b>170,338,275</b>	419,558,295

#### 11 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:

	<b>31 December 2013 Rupees</b>	31 December 2012 Rupees
<b>11.1 Transaction during the period</b>		
<b>Associated companies</b>		
<b>First Capital Mutual Fund Limited</b>		
Income from financial consultancy services	<b>4,137,711</b>	2,872,849
<b>Pace Pakistan Limited</b>		
Service charges	<b>818,435</b>	369,496
Building rent	<b>-</b>	2,821,500
<b>Worldcall Telecom Limited</b>		
Building Rent	<b>-</b>	524,814
Purchase of goods & services	<b>-</b>	297,015
	<b>Un-audited 31 December 2013 Rupees</b>	Audited 30 June 2013 Rupees
<b>11.2 Amount Outstanding at period end</b>		
<b>Associated companies</b>		
<b>Pace Pakistan Limited</b>		
Payable against purchase of investment property	<b>6,681,123</b>	6,681,123
<b>12 Financial risk management</b>		
The Group financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2013.		
<b>13 Capital management</b>		
The Group capital management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2013.		
<b>14 Date of authorization for issue</b>		
This un-audited consolidated condensed interim financial information for the half year ended 31 December 2013 were authorized for issue on 27 February 2014 by the Board of Directors of the Parent Company.		
<b>15 General</b>		
Figures have been rounded off to the nearest rupee.		