

FIRST CAPITAL SECURITIES CORPORATION LIMITED

FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2019

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		Unaudited	Audited
		30 September	30 June
		2019	2019
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	133,139,844	133,198,056
Investment properties	7	2,052,619,045	2,052,619,045
Long term investments	8	2,366,358,172	1,766,869,692
Long term deposits		37,500	37,500
		<u>4,552,154,561</u>	<u>3,952,724,293</u>
CURRENT ASSETS			
Trade debts - unsecured, considered good		1,108,751	1,528,578
Loans, advances, prepayments and other receivables		13,517,702	11,126,702
Short term investments	8	20,304,840	19,255,828
Advance tax		7,507,362	7,437,979
Cash and bank balances		322,399	356,006
		<u>42,761,054</u>	<u>39,705,093</u>
CURRENT LIABILITIES			
Trade and other payables		48,230,815	43,144,896
Loan payable		1,600,000,000	1,600,000,000
Rental payable		241,308,364	181,516,802
		<u>1,889,539,179</u>	<u>1,824,661,698</u>
NET CURRENT ASSETS		<u>2,705,376,436</u>	<u>2,167,767,688</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits payable		8,117,385	7,618,472
Deferred tax liability		22,434,684	22,434,684
		<u>30,552,069</u>	<u>30,053,156</u>
Contingencies and commitments	9	<u>2,674,824,367</u>	<u>2,137,714,532</u>
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (2018: 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
Retained earnings		<u>(491,276,753)</u>	<u>(1,028,386,588)</u>
		<u>2,674,824,367</u>	<u>2,137,714,532</u>

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended	
		30 September 2019	30 September 2018
		Rupees	
Revenue			
Money market services		1,066,518	1,073,151
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	8	600,537,492	(2,805,732)
		<u>601,604,010</u>	<u>(1,732,581)</u>
Expenses			
Operating and administrative expenses		(7,475,455)	(12,039,308)
Operating profit/ (loss)		<u>594,128,555</u>	<u>(13,771,889)</u>
Other income		2,901,344	3,499,436
Finance cost		(59,792,082)	(39,972,319)
Profit/(Loss) before taxation		<u>537,237,817</u>	<u>(50,244,772)</u>
Taxation		(127,982)	(85,852)
Profit/(Loss) after taxation		<u>537,109,835</u>	<u>(50,330,624)</u>
Earnings / (loss) per share			
- basic and diluted		<u>1.70</u>	<u>(0.16)</u>

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	30 September 2019	30 September 2018
	Rupees	
Profit/(Loss) after taxation	537,109,835	(50,330,624)
Other comprehensive (loss)/income for the year:		
<i>Items that may subsequently reclassified to profit or loss:</i>		
Change in fair value of investments at fair value through OCI	-	(9,958,249)
Other comprehensive loss for the year - net of tax	-	(9,958,249)
Total comprehensive profit / (loss) for the year - net of tax	537,109,835	(60,288,873)

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Share Capital	Revenue reserve		Total
		Fair value reserve	Retained earnings	
----- Rupees -----				
Balance as at July 01, 2018	3,166,101,120	2,715,886	(1,119,386,082)	2,049,430,924
Loss for the period	-	-	(50,330,624)	(50,330,624)
Other comprehensive loss for the period - net of tax	-	(9,958,249)	-	(9,958,249)
Total comprehensive loss for the period - net of tax	-	(9,958,249)	(50,330,624)	(60,288,873)
Balance at 30 September 2018	3,166,101,120	(7,242,363)	(1,169,716,706)	1,989,142,051
Balance as at July 01, 2019	3,166,101,120	-	(1,028,386,588)	2,137,714,532
Loss for the period	-	-	537,109,835	537,109,835
Total comprehensive loss for the period - net of tax	-	-	537,109,835	537,109,835
Balance at 30 September 2019	3,166,101,120	-	(491,276,753)	2,674,824,367

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	30 September	30 September
	2019	2018
	Rupees	Rupees
Cash flows from operating activities		
Profit/(Loss) before taxation	537,237,817	(50,244,772)
<i>Adjustments for:</i>		
Finance cost	59,792,082	39,972,319
Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss'	(600,537,492)	2,805,732
Gain on sale of property, plant and equipment	-	(625,000)
Depreciation	58,212	4,471,159
Interest income	(3,467)	(24,436)
Provision for staff retirement benefits	498,913	401,221
	(540,191,752)	47,000,995
Loss before working capital changes	(2,953,935)	(3,243,777)
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets:</i>		
Trade debts	419,827	(14,398,814)
Loans, advances, prepayments and other receivables	(2,391,000)	(53,237,508)
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	5,085,919	(118,105,963)
	3,114,746	(185,742,285)
Cash generated from/(used in) operations	160,811	(188,986,062)
<i>Increase in non-current liabilities:</i>		
Finance cost paid	(520)	(7,114)
Taxes paid/adjusted-net	(197,365)	(616,756)
	(197,885)	(623,870)
Net cash outflow from operating activities	(37,074)	(189,609,932)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	625,000
Purchase of investments	-	(9,761,845)
Interest received	3,467	24,436
Net cash used in investing activities	3,467	(9,112,409)
Cash flows from financing activities		
Loan acquired during the year	-	200,000,000
Net cash generated from financing activities	-	200,000,000
Net increase/(decrease) in cash and cash equivalents	(33,607)	1,277,659
Cash and cash equivalents at the beginning of the year	356,006	3,081,554
Cash and cash equivalents at the end of the year	322,399	4,359,213

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

1 Legal status and nature of business

- 1.1** First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore. The company also has corporate office located in Karachi. The Company is involved in making long and short term investments, money market operations and financial consultancy services.
- 1.3** There were no change in composition of the group during the quarter ended 30 September, 2019.

2 Basis of preparation

- 2.1** These unconsolidated condensed interim financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 shall prevail.
- 2.2** These condensed interim unconsolidated financial statements are unaudited and do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended 30 June, 2019.
- The comparative condensed interim unconsolidated financial position is extracted form the audited unconsolidated financial statements of the Company for the year ended 30 June, 2019, where comparative unconsolidated condensed interim profit or loss, and other comprehensive income, condensed unconsolidated interim statement of cash flows and condensed interim unconsolidated statement of changes inequity are stated from unaudited condensed interim unconsolidated financial statements for the quarter ended 30 September, 2019.

3 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended 30 June 2019.

3.1 Standards, Amendments and interpretations adopted during the period

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

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

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

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

There are certain standards, amendments and interpretations to approved accounting standards that are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

4 Significant accounting judgments and estimates

The preparation of condensed interim unconsolidated financial statements 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 2019.

- 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.

		Unaudited 30 September 2019	Audited 30 June 2019
	Note	Rupees	
6 Property, plant and equipment			
Property, plant and equipment	6.1	714,738	772,950
Capital work in progress	6.2	132,425,106	132,425,106
		<u>133,139,844</u>	<u>133,198,056</u>
6.1			
Opening book value		772,950	18,511,232
Net (Disposal)/Additions for the period/year		-	(1,400,000)
		<u>772,950</u>	<u>17,111,232</u>
Depreciation expense for the period/year		58,212	16,338,282
		<u>714,738</u>	<u>772,950</u>
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 2019: Rs 107,090,858) and Rs. 25,334,248 (June 2019: Rs. 25,334,248) respectively. Construction work on these properties is in progress as at September 30, 2019.			

		Unaudited 30 September 2019	Audited 30 June 2019
	Note	Rupees	
7 Investment properties			
Opening balance		2,052,619,045	1,547,590,000
Acquisition during the period/year		-	205,023,253
Fair value adjustment		-	300,005,792
		-	505,029,045
Closing balance		<u>2,052,619,045</u>	<u>2,052,619,045</u>

	Note	Unaudited	Audited
		30 September 2019	30 June 2019
		Rupees	
8 Investments			
Carrying value of investments at the beginning of the period / year		1,786,125,520	2,336,453,948
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss		600,537,492	(558,947,082)
Investments disposed off during the period/year		-	(5,651,443)
Investments made during the period/year		-	14,270,097
Carrying value at the end of the period / year		2,386,663,012	1,786,125,520
Investments classified in current assets		20,304,840	19,255,828
Closing book value		2,366,358,172	1,766,869,692

8.1 Investments in related parties and other

Subsidiary companies - Unquoted	349,935,688	349,935,688
Associated companies - Unquoted	990,808,347	990,808,347
Subsidiary company - Quoted	982,159,958	388,103,250
Associated company - Quoted	58,853,279	54,266,673
Other company - Quoted	4,905,740	3,011,562
	2,386,663,012	1,786,125,520

9 Contingencies and commitments

9.1 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 2019.

Quarter ended	
30 September 2019	30 September 2018
Rupees	

10 Transactions and balances with related parties

Relationship with the related party	Nature of transactions		
Subsidiary companies	Rental income earned	2,850,000	2,850,000
	Purchase of goods / services	-	11,715
Associated companies	Purchase of goods / services	-	13,000
Key management personnel	Salaries and other employee benefits	1,621,320	1,156,320

Unaudited	Audited
30 September 2019	30 June 2019
Rupees	

Period / year end balances

Receivables from related parties	13,403,202	10,614,102
Payables to related parties	7,682,565	7,682,565

11 Fair value measurement

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The Company held the following financial assets and liabilities at fair value;

	30-Sep-19			
	Level 1	Level 2	Level 3	Total
Rupees				
<u>Long term investments</u>				
Quoted investments	1,025,614,137	-	-	1,025,614,137
Unquoted investments	-	-	1,340,744,035	1,340,744,035
<u>Investment properties</u>	-	2,052,619,045	-	2,052,619,045
<u>Short term investments</u>	20,304,840	-	-	20,304,840

	30-Jun-19			
	Level 1	Level 2	Level 3	Total
Rupees				
<u>Long term investments</u>				
Quoted investments	426,125,657	-	-	426,125,657
Unquoted investments	-	-	1,340,744,035	1,340,744,035
<u>Investment properties</u>	-	2,052,619,045	-	2,052,619,045
<u>Short term investments</u>	19,255,828	-	-	19,255,828

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 29, 2019 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 un-consolidated statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income and condensed interim un-consolidated statement of cash flows and condensed interim un-consolidated statement of changes in equity 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.

14 General

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED

***CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2019***

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

STATEMENT OF CONSOLIDATED PROFIT OR LOSS

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

STATEMENT OF CONSOLIDATED CASH FLOWS

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		Un-Audited	Audited
		30 September	30 June
		2019	2018
Note		Rupees	Rupees
Non-current assets			
	5	269,411,585	270,274,885
		2,500,001	2,562,503
		3,167,339,144	3,167,339,144
	6	502,506,980	500,799,831
		9,116,649	14,058,889
		13,192,799	12,692,602
		<u>3,964,067,158</u>	<u>3,967,727,854</u>
Current assets			
		1,077,093	1,077,093
		367,244,241	380,137,747
		777,914,187	770,961,191
		3,119,549	1,027,296
		-	32,296
	6	268,006,200	314,697,240
		26,618,072	-
		44,498,699	61,391,700
		<u>1,488,478,041</u>	<u>1,529,324,563</u>
Current liabilities			
		428,305,972	506,495,836
		282,478,837	-
		-	-
		2,502,349,230	2,690,131,432
		28,764,578	2,671,118
		<u>3,241,898,617</u>	<u>3,199,298,386</u>
Net current assets		<u>(1,753,420,576)</u>	<u>(1,669,973,823)</u>
		2,210,646,582	2,297,754,031
Non-current liabilities			
		1,293,515	1,402,020
		31,007,840	30,171,408
		547,644,510	548,311,117
		579,945,865	579,884,545
	7	<u>1,630,700,717</u>	<u>1,717,869,486</u>
Represented by			
Equity			
Share Capital and Reserves			
		3,200,000,000	3,200,000,000
		3,166,101,120	3,166,101,120
		44,003,168	53,446,569
		480,054,923	480,054,923
		(2,317,537,902)	(2,253,540,695)
Equity attributable to owners of the Parent Company		1,372,621,309	1,446,061,917
Non-controlling interests (NCI)		258,079,408	271,807,569
		<u>1,630,700,717</u>	<u>1,717,869,486</u>

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended	
		30 September 2019	30 September 2018
		Rupees	
Operating revenue		75,438,875	91,146,363
Direct costs		(49,045,593)	(63,711,702)
Gross profit		26,393,282	27,434,661
Unrealized loss on re-measurement of 'investments at fair value through profit or loss'		(5,163,304)	(6,938,682)
Operating and administrative expenses		(35,501,163)	(31,428,846)
Operating profit/(loss)		(14,271,185)	(10,932,867)
Other income		7,961,715	11,400,679
Finance costs		(63,395,834)	(46,437,545)
		(69,705,304)	(45,969,733)
Share of profit/(loss) from investments accounted for using the equity method - net of tax		1,980,955	(3,048,122)
Loss before taxation		(67,724,349)	(49,017,855)
Taxation		(35,067)	(8,633,740)
Loss after taxation for the period		(67,759,416)	(57,651,595)
<u>DISCONTINUED OPERATION</u>			
Loss after taxation from discontinued operation		(619,073)	(8,334,307)
Loss after taxation for the period		(68,378,489)	(65,985,902)
Basic and diluted loss per share-- from continued operation	8	(0.20)	(0.17)
Basic and diluted loss per share-- from discontinued operation	8	(0.002)	(0.03)
Loss attributable to:			
- Owners of the Parent Company from continuing operation		(63,723,401)	(62,256,818)
- Non-controlling interests		(4,655,088)	(3,729,084)
Loss for the period		(68,378,489)	(65,985,902)

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	
Loss after taxation	(68,378,489)	(65,985,902)
Other comprehensive income/(loss) for the period		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Share of other comprehensive income/(loss) of investments accounted for using the equity method - net of tax	(273,806)	274,097
Unrealized loss on remeasurement of investment available for sale	-	(4,199,171)
Exchange differences on translation of foreign operations recognised as:		
- Exchange translation reserve	(9,443,401)	(5,035,358)
- Non-controlling interests	(9,073,073)	(4,837,892)
Other comprehensive income for the period	(18,516,474)	(9,873,250)
Total comprehensive loss for the period	(87,168,769)	(79,784,226)
Total comprehensive loss attributable to :		
- Owners of the Parent Company	(73,440,608)	(70,093,132)
- Non-controlling interests	(13,728,161)	(9,691,094)
	(87,168,769)	(79,784,226)

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOWS - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended	
		30 September	30 September
		2019	2018
		Rupees	Rupees
Cash flows from operating activities			
Cash used in operations	9	(81,741,915)	(270,240,304)
Long term deposits and advances		(500,197)	(299,497,491)
Retirement benefits paid - net		(412,866)	769,069
Finance costs paid		219,083,003	(1,359,299)
Taxes paid		(668,184)	(10,845,897)
Net cash generated from/(used in) operating activities		135,759,841	(581,173,922)
Cash flows from investing activities			
Fixed capital expenditure		125,915	(373,523)
Short term investments - net		41,527,736	9,594,740
Proceeds from sale of property, plant and equipment		-	22,125,000
Proceeds from disposal of investment property		-	45,620,782
Investment available for sale - net		4,942,238	-
Interest received		7,716,550	5,340,877
Net cash generated from investing activities		54,312,439	82,307,876
Cash flows from financing activities			
Receipt/(payment) of loan		(188,448,807)	493,540,586
Net cash generated from/(used in) financing activities		(188,448,807)	493,540,586
Net decrease in cash and cash equivalents		1,623,473	(5,325,460)
Cash and cash equivalents at the beginning of the period		61,391,700	154,350,251
Effect of exchange translation reserve		(18,516,474)	(9,873,250)
Cash and cash equivalents at the end of the period		44,498,699	139,151,541

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Attributable to owners of the Company				Non-controlling interests	Total equity	
	Share capital	Exchange translation reserve	Reserve capitalised	Retained earnings			
	----- Rupees -----						
Balance at 30 June 2018 - (Audited)	3,166,101,120	30,701,293	480,054,923	(2,259,828,819)	1,417,028,517	283,164,529	1,700,193,046
Loss for the period	-	-	-	(62,256,818)	(62,256,818)	(3,729,084)	(65,985,902)
Other comprehensive loss for the period	-	(5,035,358)	-	(2,800,956)	(7,836,314)	(5,962,010)	(13,798,324)
Total comprehensive loss for the period	-	(5,035,358)	-	(65,057,774)	(70,093,132)	(9,691,094)	(79,784,226)
Balance at 30 September 2018	3,166,101,120	25,665,935	480,054,923	(2,324,886,593)	1,346,935,385	273,473,435	1,620,408,820
Balance at 30 June 2019 - (Audited)	3,166,101,120	53,446,569	480,054,923	(2,253,540,695)	1,446,061,917	271,807,569	1,717,869,486
Loss for the period	-	-	-	(63,723,401)	(63,723,401)	(4,655,088)	(68,378,489)
Other comprehensive loss for the period	-	(9,443,401)	-	(273,806)	(9,717,207)	(9,073,073)	(18,790,280)
Total comprehensive loss for the period	-	(9,443,401)	-	(63,997,207)	(73,440,608)	(13,728,161)	(87,168,769)
Balance at 30 September 2019	3,166,101,120	44,003,168	480,054,923	(2,317,537,902)	1,372,621,309	258,079,408	1,630,700,717

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

Chief Executive Officer

Chief Financial Officer

Director

First Capital Securities Corporation Limited Group
Notes to the Condensed Interim Consolidated Financial Information - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. The Group and its operations

- 1.1** First Capital Securities Corporation Limited (“the Holding Company”) was incorporated in Pakistan on April 11, 1994 as a public limited company under the repealed Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange. The Company is involved in making long and short term investments, money market operations and financial consultancy services. Geographical location and location of other offices are as under:

Head Office

2nd Floor Pace Shopping Mall,
 Fortress Stadium Lahore Cantt,
 Lahore.

Corporate Office

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

- 1.2** The Group consists of First Capital Securities Corporation Limited, (the Holding Company), Ever Green Water Valley (Private) Limited, Falcon Commodities (Private) Limited, First Capital Equities Limited, First Capital Investments Limited, First Construction Limited, Lanka Securities (Private) Limited, Ozer Investments Limited and World Press (Private) Limited (the subsidiary companies) [together referred to as “the Group”] and the Group’s interest in equity accounted investee namely; First Capital Mutual Fund, Media Times Limited and Pace Barka Properties Limited.

	Percentage of Holding	
	30 September 2019	30 June 2019
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

- 1.3** Ever Green Water Valley (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984. The Company is engaged in the business of Installation & manufacturing of Water purification plants, RO systems, water softness systems and Construction of Buildings and other related activities. The registered office of the Company is situated at 2nd floor Pace Shopping mall, Fortress Stadium Lahore. Ever Green Water Valley (Private) Limited is the wholly owned subsidiary of the Holding Company.

- 1.4** Falcon Commodities (Private) Limited (the Subsidiary Company) was incorporated on December 22, 2005 as Private Limited Company under the repealed Companies Ordinance, 1984. The principal activity of the Company is to carry on the business of commodities brokerage as a corporate member of Pakistan Mercantile Exchange Limited. The registered office of the Company is situated at 4th Floor, Lakson Square Building No,01 Sarwar Shaheed Road Karachi. Falcon Commodities (Private) Limited is the wholly owned subsidiary of the Holding Company.

- 1.5** First Capital Equities Limited (FCEL) (the Subsidiary Company) was incorporated in Pakistan on January 26, 1995 as a private limited company, under the repealed Companies Ordinance, 1984. The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The principal activities of the Company include share brokerage and conducting / publishing business research. The Holding Company has 73.23% ownership in First Capital Equities Limited. Geographical locations and addresses of all business units are as under:

Head Office

Regional Office

Office No. 05, 2nd Floor,
Kohinoor Plaza, Faisalabad.

Corporate Office

Regional Office

Shan Plaza, Block No. 06, Main
Khushab Road, Near Allied Bank
Limited, Sargodha.

- 1.6** First Capital Investments Limited (FCIL) (the Subsidiary Company) was incorporated in Pakistan on October 27, 1994 as a private company limited by shares, under the repealed Companies Ordinance, 1984 having registered office at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. Status of the Company was changed from private limited to public limited on August 06, 2003. The Securities and Exchange Commission of Pakistan (SECP) has issued a license to the Company to undertake Asset Management Services as required under the NBFC (Establishment and Regulation) Rules, 2003. The Company has been assigned Management Quality Rating "AM4++" by The Pakistan Credit Rating Agency Limited "PACRA" Credit Rating Company. The main activity of the company is to provide asset management services to First Capital Mutual Fund Limited (The fund). The Holding Company has 78.86% ownership in First Capital Investments Limited.
- 1.7** First Construction Limited (the Subsidiary Company) was incorporated on August 15, 2014 as Public Limited Company under the repealed Companies Ordinance, 1984. The principal activity of the Company is to undertake construction, development and related activities. The registered office of the Company is situated at 2nd Floor, Pace Mall, Fortress Stadium, Lahore Cantt, Lahore. First Construction Limited is the wholly owned subsidiary of the Holding Company.
- 1.8** Lanka Securities (Private) Limited (the Subsidiary Company) was incorporated in Sri Lanka in the year of 1989. The principal activity of the Company is equity debt security brokering and undertaking placement of equity debt securities. The registered office of the Company is situated at No. 228/1, Galle Road, Colombo 04, Sri Lanka. The Holding Company has 51% ownership in Lanka Securities (Private) Limited.
- 1.9** Ozer Investments Limited (OIL) (the Subsidiary Company) was incorporated in Sri Lanka in the year of 2010. OIL has not yet started its commercial activity however main objective of the Company is to provide financial advisory, portfolio management, margin provision unit trust management and stock brokerage services. The registered office of the Company is situated Colombo, Sri Lanka. Ozer Investments Limited is the wholly owned subsidiary of the Holding Company.
- 1.10** World Press (Private) Limited (WPPL) was incorporated in Pakistan on September 11, 2003 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt, Lahore and its principal place of business is at 113/13 Quaid-e-Azam Industrial estate Kot Lakhpat Lahore. The principal activity of the company is to carry on the business of printers, publishers, packaging, advertisement and specialized directory business, stationers and dealers in all allied products and paper, board and packing materials for industrial and commercial packing. The Holding Company has 65% ownership in World Press (Private) Limited.
- 1.11** There were no change in composition of the group during the quarter ended 30 September, 2019.

2 Basis of preparation

- 2.1** These condensed interim consolidated financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 shall prevail.
- 2.2** These condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 30 June, 2019.
- 2.3** The comparative condensed interim consolidated financial position is extracted from the audited consolidated financial statements of the Company for the year ended 30 June, 2019, where comparative consolidated condensed interim profit or loss, and other comprehensive income, condensed consolidated interim statement of cash flows and condensed interim consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial statements for the nine quarter ended 30 September, 2018.
- 2.4** 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 2019.

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 2020 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 2019.

	Note	30 September 2019 Rupees	30 June 2019 Rupees
5 Property, plant and equipment			
Property, plant and equipment	5.1	14,181,479	15,044,779
Capital work in progress	5.2	255,230,106	255,230,106
		269,411,585	270,274,885
5.1	Opening book value	15,044,779	55,630,261
	Additions for the period/year	-	721,117
	Effect of movement in exchange rate	3,574,477	9,260,294
	Disposal for the period/year net book value	-	(18,897,213)
		18,619,256	46,714,459
	Depreciation expense for the period/year	685,141	22,882,670
	Effect of movement in exchange rate	3,752,636	8,787,010
	Closing book value	14,181,479	15,044,779
5.2	Opening balance	255,230,106	218,360,106
	Additions for the period/year	-	36,870,000
	Disposal for the period/year	-	-
	Closing balance	255,230,106	255,230,106

5.3 This represent Group properties does not hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle, Lahore. Out of this CWIP amounting Rs. 70.13 million (2018: Rs. 70.13 million) is held in the name of Pace Pakistan Limited, CWIP of Rs. 36.95 Million (2018 Rs. 36.95 million) is held in the name of Mr. Liaquat Ali and CWIP amounting Rs. 25.33 million (2018: Rs. 25.33 million) is held in the name of Pace Barka Properties Limited and Shahid Mehmood respectively. The title of these properties will be transferred on completion. However, the Group has complete control and possession of said property.

	30 September 2019 Rupees	30 June 2019 Rupees
6 Investments		
Carrying value of investments at the beginning of the period / year	829,555,961	805,304,283
Investments made during the period / year		
- Related parties	-	499,245
- Others	-	50,607,052
Share of loss of equity accounted investees (net of tax)	1,980,955	(35,258,395)
Equity accounted investees- share of other comprehensive income	(273,806)	64,828,938
Impairment loss on investment		6,528,524
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(5,163,304)	(62,953,686)
	(3,456,155)	(26,854,619)
Investments disposed off during the period/year	(46,469,977)	-
Carrying value at the end of the period / year	779,629,829	829,555,961
Investments classified in current assets	268,006,200	314,697,240
Closing book value	511,623,629	514,858,721

7 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, 2019.

		30 September 2019	30 September 2018
8 Earning/(loss) per share - basic and diluted			
Net profit/(loss) for the year from continued operations	Rupees	<u>(63,104,328)</u>	<u>(53,922,511)</u>
Net profit/(loss) for the year from discontinued operations	Rupees	<u>(619,073)</u>	<u>(8,334,307)</u>
Weighted average number of ordinary shares as at 30 June	Numbers	<u>316,610,112</u>	<u>316,610,112</u>
Earning/(loss) per share - basic and diluted--continued operations	Rupees	<u>(0.20)</u>	<u>(0.17)</u>
Earning/(loss) per share - basic and diluted -- discontinued operations	Rupees	<u>(0.002)</u>	<u>(0.03)</u>

		Quarter ended	
		30 September 2019	30 September 2018
		Rupees	Rupees
9 Cash generated from operations			
Loss before taxation		(68,343,422)	(57,251,811)
Adjustments for:			
Depreciation		685,141	5,650,170
Finance cost		63,395,834	46,437,545
Loss on re-measurement of short term investments		5,163,304	6,938,682
Amortization		62,502	62,502
Gain on disposal of property, plant and equipment		-	(3,568,962)
Retirement benefits		1,249,298	1,469,577
Share of loss from investments accounted for using equity method		(1,980,955)	3,048,122
Mark-up income		(7,684,254)	(5,265,229)
		<u>60,890,870</u>	<u>54,772,407</u>
Loss before working capital changes		(7,452,552)	(2,479,404)
Effect on cash flow due to working capital changes:			
Decrease/(increase) in:			
Inventories		-	35,404,494
Trade debts		12,945,750	242,343,465
Loans and advances		(6,952,996)	(57,334,254)
Short term prepayments		(2,092,253)	(35,958)
Deposits and other receivables		-	(4,033,709)
(Decrease)/increase in:			
Trade and other payables		(78,189,864)	(483,613,813)
Short term borrowings		-	(491,125)
		<u>(74,289,363)</u>	<u>(267,760,900)</u>
Cash used in operations		(81,741,915)	(270,240,304)

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:

		Quarter ended	
		30 September 2019	30 September 2018
		Rupees	Rupees
10.1 Transaction during the period			
Associated companies	Purchase of goods / services	343,293	203,966
	Service charges	167,940	167,940
	Asset management fee	523,633	608,725
	Construction revenue	58,607,705	81,064,768
Key management personnel	Salaries and other employee benefits	9,320,574	8,210,998
		30 September 2019	30 June 2019
		Rupees	Rupees
10.2 Period / year end balances			
Associated companies	Receivables from related parties	219,865,347	219,463,363
	Payables to related parties	241,929,359	197,267,454
	Retention money	9,012,233	9,012,233

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 2018.

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 2019.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investments at fair value				
through profit and loss	268,006,200	-	-	268,006,200
Total assets	268,006,200	-	-	268,006,200
Liabilities	-	-	-	-

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

12 Corresponding figures

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

13 Date of authorization for issue

This un-audited condensed interim consolidated financial information was authorized for issue on 29 October 2019 by the Board of Directors.

14 General

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Chief Financial Officer

Director