

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED
31 MARCH 2016
(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.

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FIRST CAPITAL SECURITIES CORPORATION LIMITED

COMPANY'S INFORMATION

Board of Directors	Aamna Taseer (Chairman & Chief Executive Officer) Shehryar Ali Taseer Maheen 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
Chief Financial Officer	Saeed Iqbal	
Audit Committee	Shehryar Ali Taseer (Chairman) Maheen Taseer Shehrebano Taseer	
Human Resource and Remuneration (HR&R) Committee	Shehryar Ali Taseer (Chairman) Aamna Taseer Shehrebano Taseer	
Company Secretary	Sajjad Ahmad	
Auditors	A. F. Ferguson & Co. Chartered Accountants	
Legal Advisers	Mazhar Law Associates Advocates & Solicitors	
Bankers	Allied Bank Limited Bank Al-Falah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited	
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road, Karachi.  (021) 111 000 322	
Registered Office/Head Office	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 un-audited condensed interim financial information of the Company for the quarter and nine months period ended 31 March 2016.

Operational Results

The operating results of the Company are summarized as follows:

	31 March 2016	31 March 2015
	Rupees	Rupees
Revenue	3,262,960	18,087,013
Operating Expenses	31,962,256	30,282,385
Impairment loss on available-for-sale investments	789,717,762	41,643,588
Finance and other costs	538,373	9,269,063
Loss after Taxation	788,086,195	62,873,233
(Loss)/Earnings per Share (basic and diluted)	(2.49)	(0.20)

The company has reported revenue of Rs.3.262 million as compared to Rs.18.087 million last year for the same period. Operating expenses stood at Rs.31.96 million as compared to Rs.30.28 million during the corresponding period. Fluctuations in the market affecting the shares price of its subsidiaries "MDTL" and "FCEL" forced the company to recognize an impairment of Rs.789.72 million as compared to 41.64 million in the corresponding period. The company has reported after tax loss of Rs.788.086 million and per share loss was Rs.2.49 in comparison with after tax loss of Rs.62.87 million and per share loss Rs.0.20 last year for the same period.

The subsidiaries of FCSC reported the following results during the nine months under review. First Capital Equities Limited (FCEL) reported revenue of Rs. 184.55 million, operating expenses were reported Rs. 64.179 million in comparison with Rs.74.73 million. Loss per share stood at Rs.0.29 as compared to Rs.1.35 per share in the corresponding period. Lanka Securities (Pvt.) Limited ("LSL") generated a gross revenue of Rs. 46.37 million and profit after tax Rs.13.04 million during the period while Earning per share stood at Rs.0.75. First Capital Investments Limited (FCIL) has reported an after tax profit of Rs.23.494 million as compared to loss after tax Rs. 4.498 million last year. Another subsidiary of your Company namely World Press (Pvt.) Limited earned revenue of Rs. 2.115 million while showed an after tax loss of Rs.9.409 million. Falcon commodities (Pvt.) Limited (FCL) generated revenue of Rs.0.32 million as compared to Rs.0.58 million for the same period last year.

Outlook

The rout in international oil & commodity prices lent a great hand to the ongoing 'economic revival' program of the Government of Pakistan that was striving sincerely to implement its economic agenda in order to put the economy back on track. Consequently, the country was able to consolidate the macroeconomic stability & growth recovery amid the reforms initiated by it. This could be observed from the improving macros indicators like; strengthening

external account position, Forex reserves at its highest levels (over US\$20bn), relatively stable exchange rate in relation to greenback, record low inflation levels, decade low discount rate, higher tax collections and notably strong political and law & order situation.

Simultaneously, the timely execution of China Pakistan Economic Corridor (CPEC) projects is also likely to serve as a game changer for Pak economy where the committed amount is likely to raise the investment to GDP ratio back to 19%. All in all, the overall business environment of the country has turned significantly positive and growth oriented where the economy is now set to achieve higher growth levels (GDP growth target is set at 5.5% for FY16) in the years to come.

The company remains committed in utilizing the resources efficiently & poised to capitalize on the resurging economic activity. The management is carefully utilizing its all resources and making meticulous efforts to garner maximum benefits from them for its shareholders. This involves optimizing revenue generation from core operations, treasury management whilst rationalizing the cost base.

Change in the Board of Directors

During the period by our report, there is no change in the constitution of Board since the last reporting period.

Acknowledgement

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

For and on behalf of the Board of Directors

Lahore
26 April 2016

Aamna Taseer
Chairman and Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016**

		Un-Audited 31 March 2016	Audited 30 June 2015
	Note	Rupees	
Non-current assets			
Property, plant and equipment	6	170,168,924	210,238,683
Investment property		166,569,900	157,279,500
Long term investments	7	3,766,034,568	4,510,382,331
Long term deposits		1,122,750	1,122,750
		<u>4,103,896,142</u>	<u>4,879,023,264</u>
Current assets			
Trade debts - unsecured, considered good		3,506,143	4,057,642
Loans, advances, prepayments and other receivables		61,358,764	55,190,582
Short term investments	7	60,902,296	82,542,456
Tax refunds due from Government		30,397,347	29,918,250
Cash and bank balances		997,554	1,628,006
		<u>157,162,104</u>	<u>173,336,936</u>
Current liabilities			
Trade and other payables		28,390,452	31,180,664
Mark-up accrued		14,285,863	13,766,648
Current portion of long term loan		8,946,666	10,946,666
		<u>51,622,981</u>	<u>55,893,978</u>
Working capital employed		<u>105,539,123</u>	<u>117,442,958</u>
		<u>4,209,435,265</u>	<u>4,996,466,222</u>
Non-current liabilities			
Staff retirement benefits payable		9,501,304	8,446,066
Contingencies and commitments	8	-	-
Net capital employed		<u>4,199,933,961</u>	<u>4,988,020,156</u>
Represented by:			
Share capital and reserves			
Authorized share capital			
- 320,000,000 (June 30, 2015: 320,000,000) ordinary share of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up capital			
- 38,165,030 (June 30, 2015: 38,165,030) Ordinary shares of Rs. 10/- each fully paid in cash		<u>381,650,300</u>	381,650,300
- 278,445,082 (June 30, 2015: 278,445,082) Ordinary shares of Rs. 10/- each issued as bonus shares		<u>2,784,450,820</u>	2,784,450,820
		<u>3,166,101,120</u>	3,166,101,120
Retained earnings		1,033,832,841	1,821,919,036
		<u>4,199,933,961</u>	<u>4,988,020,156</u>

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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

**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED
31 MARCH 2016**

		Nine months ended		Quarter ended	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Note	Rupees		Rupees	
Revenue					
Money market services		10,995,410	11,220,035	3,204,452	5,134,542
Dividend income		3,967,729	16,613,416	-	-
Investment property rentals		1,309,970	1,620,630	329,550	540,210
Loss on disposal of investments		-	(1,555)	-	-
Unrealized (loss)/gain on re-measurement of investments at fair value through profit or loss	7	(13,010,149)	(11,365,513)	(8,516,165)	(4,670,070)
		<u>3,262,960</u>	18,087,013	<u>(4,982,163)</u>	1,004,682
Expenses					
Impairment loss on 'available-for- sale' investments	7	(789,717,762)	(41,643,588)	-	(33,043,282)
Operating and administrative expenses		(31,962,256)	(30,282,385)	(9,970,637)	(9,406,987)
		<u>(818,417,058)</u>	(53,838,960)	<u>(14,952,800)</u>	(41,445,587)
Operating loss		<u>(818,417,058)</u>	(53,838,960)	<u>(14,952,800)</u>	(41,445,587)
Other income		32,641,021	675,601	2,962,702	198,440
Finance costs		(538,373)	(9,269,063)	(4,550)	(1,130,405)
Loss before taxation		<u>(786,314,410)</u>	(62,432,422)	<u>(11,994,648)</u>	(42,377,552)
Taxation		(1,771,785)	(440,811)	(124,186)	(86,082)
Loss after taxation		<u>(788,086,195)</u>	(62,873,233)	<u>(12,118,834)</u>	(42,463,634)
Loss per share					
- basic and diluted		<u>(2.49)</u>	(0.20)	<u>(0.04)</u>	(0.13)

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED
31 MARCH 2016

	Nine months ended 31 March 2016	Nine months ended 31 March 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015
	Rupees		Rupees	
Loss after taxation	(788,086,195)	(62,873,233)	(12,118,834)	(42,463,634)
Other comprehensive profit / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	(788,086,195)	(62,873,233)	(12,118,834)	(42,463,634)

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

	Nine months ended 31 March 2016	Nine months ended 31 March 2015
	Rupees	
Cash flows from operating activities		
Cash generated from / (used in) operations	15,101,955	820,336
Staff retirement benefits paid	(161,000)	(25,000)
Finance cost paid	(19,158)	(2,339,617)
Taxes paid	(2,250,882)	(3,244,933)
Net cash generated from / (used in) operating activities	12,670,915	(4,789,214)
Cash flows from investing activities		
Dividend received	3,967,729	16,613,416
Capital expenditure incurred	-	(85,500)
Investment property	(9,290,400)	
Long term investments - net	(45,369,999)	(200,000)
Short term investments - net	8,981,424	353,155
Proceeds from disposal of property, plant and equipment	30,370,000	-
Long term deposits	-	(1,085,250)
Interest received	39,879	522,209
Net cash (used in) / generated from investing activities	(11,301,367)	16,118,030
Cash flows from financing activities		
Long term loan repaid	(2,000,000)	(10,668,132)
Net cash used in financing activities	(2,000,000)	(10,668,132)
Net increase / (decrease) in cash and cash equivalents	(630,452)	660,684
Cash and cash equivalents at the beginning of the period	1,628,006	1,979,324
Cash and cash equivalents at the end of the period	997,554	2,640,008

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

	Share Capital	Retained Earnings	Total
	Rupees		
Balance as at 01 July 2014 (Audited)	3,166,101,120	1,806,525,167	4,972,626,287
Loss for the period	-	(62,873,233)	(62,873,233)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(62,873,233)	(62,873,233)
Balance as at 31 March 2015 (Un-Audited)	3,166,101,120	1,743,651,934	4,909,753,054
Profit for the period	-	77,891,879	77,891,879
Other comprehensive income for the period	-	375,223	375,223
Total comprehensive income for the period	-	78,267,102	78,267,102
Balance as at 30 June 2015 (Audited)	3,166,101,120	1,821,919,036	4,988,020,156
Loss for the period	-	(788,086,195)	(788,086,195)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(788,086,195)	(788,086,195)
Balance as at 31 March 2016 (Un-Audited)	3,166,101,120	1,033,832,841	4,199,933,961

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016

1 Legal status and nature of business

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

2 Basis of preparation

2.1 This condensed interim unconsolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2015.

3 Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended 30 June 2015.

3.2 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 financial statements covering annual periods, beginning on or after the following dates:

3.2.1 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 Company's operations and are, therefore, not detailed in this condensed interim financial information.

3.2.2 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 effective for accounting periods beginning on January 1, 2016 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.

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4 Significant accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed interim unconsolidated financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended 30 June 2015.

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.

		Un-Audited 31 March 2016	Audited 30 June 2015
	Notes	Rupees	Rupees
6 Property, plant and Equipment			
Property, plant and equipment	6.1	58,052,831	71,578,933
Capital work in progress	6.2	112,116,093	138,659,750
		<u>170,168,924</u>	<u>210,238,683</u>
6.1 Opening book value		71,578,933	89,709,956
Additions for the period/year		-	85,500
		<u>71,578,933</u>	<u>89,795,456</u>
Depreciation expense for the period/year		13,526,102	18,216,523
		<u>58,052,831</u>	<u>71,578,933</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 2015: Rs 133,634,515) and Rs 5,025,235 (June 2015: Rs 5,025,235) respectively. The construction work at Pace Tower and Pace Circle is in progress as at 31 March 2016.			
		Un-Audited 31 March 2016	Audited 30 June 2015
		Rupees	Rupees
7 Investments			
Carrying value of investments at the beginning of the period / year		4,592,924,787	4,571,190,523
Investments made during the period / year			
- Related parties		45,370,000	3,974,135
- Others		-	8,313,390
		<u>45,370,000</u>	<u>12,287,525</u>
Impairment loss during the period / year on Available for sale investments		(789,717,762)	(7,638,170)
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss		(13,010,149)	25,321,519
Interest income on Market Treasury Bills		391,292	772,806
		<u>(802,336,619)</u>	<u>18,456,155</u>

	Un-Audited 31 March 2016	Audited 30 June 2015
	Rupees	Rupees
Investments disposed off during the period/year	(9,021,304)	(9,009,416)
Carrying value at the end of the period / year	<u>3,826,936,864</u>	<u>4,592,924,787</u>
Investments classified in current assets	60,902,296	82,542,456
Closing book value	<u>3,766,034,568</u>	<u>4,510,382,331</u>

8 Contingencies and commitments

There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the Company for the year ended 30 June 2015.

	Nine months ended Un-Audited 31 March 2016	Nine months ended Un-Audited 31 March 2015
	Rupees	Rupees
9 Cash generated from/(used in) operations		
Loss before taxation	(786,314,410)	(62,432,422)
Adjustments for:		
- Finance costs	538,373	9,269,063
- Dividend income	(3,967,729)	(16,613,416)
- Unrealized loss on re-measurement of investments at 'fair value through profit and loss'	13,010,149	11,365,513
- Impairment loss on 'available-for-sale' investments	789,717,762	41,643,588
- Profit on disposal of property, plant and equipment	(22,521,343)	-
- Depreciation	13,526,102	13,608,278
- Interest income	(391,292)	(664,174)
- Provision for staff retirement benefits	1,216,238	1,203,624
	<u>791,128,260</u>	<u>59,812,476</u>
Profit / (loss) before working capital changes	<u>4,813,850</u>	<u>(2,619,946)</u>
Effect on cash flow due to working capital changes:		
- Trade debts	551,499	(1,787,081)
- Loans, advances and other receivables	12,526,818	4,015,531
- Trade and other payables	(2,790,212)	1,211,832
	<u>10,288,105</u>	<u>3,440,282</u>
Net cash generated from / (used in) operations	<u>15,101,955</u>	<u>820,336</u>

		31 March 2016	31 March 2015
		Un-Audited	Un-Audited
		Rupees	
10	Transactions and balances with related parties		
	Relationship with the related party		
	Nature of transactions		
Subsidiary companies	Rental income earned	8,550,000	-
	Purchase of goods / services	601,205	702,350
	Dividend income received	3,577,584	16,613,416
	Purchase of property	9,290,400	-
Associated companies	Purchase of goods / services	30,800	14,300
	Service charges	336,419	456,251
	Dividend income received	305,137	-
Key management personnel	Salaries and other employee benefits	5,236,726	5,029,677
		31 March 2016	30 June 2015
		Un-Audited	Audited
		Rupees	
	Period / year end balances		
	Receivables from related parties	41,117,472	54,958,560
	Payables to related parties	8,596,865	7,389,460

11 Financial risk management

11.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2015.

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

11.2 Liquidity risk

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

11.3 Fair value estimation

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at 31 March 2016.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Available-for-sale investments	2,963,141,823	-	-	2,963,141,823
Investments at fair value through profit and loss	60,902,296	-	-	60,902,296
Total assets	3,024,044,119	-	-	3,024,044,119
Liabilities	-	-	-	-

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2015.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Available-for-sale investments	3,752,859,585	-	-	3,752,859,585
Investments at fair value through profit and loss	73,912,444	-	-	73,912,444
Total assets	3,826,772,029	-	-	3,826,772,029
Liabilities	-	-	-	-

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

12 Date of authorization for issue

These un-audited condensed interim financial statements for the nine months period ended 31 March 2016 were authorized for issue on 26 April 2016 by the Board of Directors of the Company.

13 Corresponding figure

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

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

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED
31 MARCH 2016
(Un-Audited)**

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016**

		Un-Audited	Audited
	Note	31 March 2016 Rupees	30 June 2015 Rupees
Non current assets			
Property, plant and equipment	6	373,459,732	366,995,728
Intangible assets		19,043,680	19,043,680
Investment property		166,569,900	157,279,500
Investment in equity - accounted investees	7	550,967,941	582,394,552
Long term investments		24,156,320	24,156,320
Long term deposits and advances		35,804,768	25,825,899
Deferred tax assets		1,845,518	2,011,756
		1,171,847,859	1,177,707,435
Current assets			
Stock in trade		13,286,114	25,965,042
Trade debts		2,388,947,644	2,610,174,520
Loans, advances and other receivables		139,575,741	70,987,949
Prepayments		1,670,074	774,268
Interest accrued		90,000	442,878
Deposits and other receivables		17,558,971	14,460,016
Short term investments	7	164,232,402	106,471,582
Tax refund due from Government		86,585,083	65,496,948
Cash and bank balances		203,625,784	187,371,994
		3,015,571,813	3,082,145,197
Assets held for sale			
Investment property		1,608,127,200	1,617,417,600
Current liabilities			
Trade and other payables		410,014,028	502,475,595
Mark-up accrued		632,262,373	651,444,011
Short term borrowings		639,912,545	638,119,801
Current portion of long term loan		542,200,592	537,822,592
Current portion of liabilities against assets subject to finance lease		1,886,748	5,460,930
		2,226,276,286	2,335,322,929
Working capital employed		2,397,422,727	2,364,239,868
		3,569,270,586	3,541,947,303
Non-current liabilities			
Deferred liabilities		70,254,127	63,942,615
Long term loans		2,003,635,642	1,946,108,530
Liabilities against assets subject to finance lease		2,726,060	3,052,653
		2,076,615,829	2,013,103,798
Contingencies and commitments	8		
Net capital employed		1,492,654,757	1,528,843,505
Represented by:			
Share capital and reserves			
Issued, subscribed and paid-up capital		3,166,101,120	3,166,101,120
Exchange translation reserve		23,620,481	29,816,935
Reserves capitalised		478,240,308	478,240,308
Retained earnings		(2,372,854,534)	(2,346,784,149)
Equity attributable to owners of the Company		1,295,107,375	1,327,374,214
Non-controlling interest		197,547,382	201,469,291
		1,492,654,757	1,528,843,505

The annexed notes 1 to 14 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 QUARTER AND NINE MONTHS PERIOD ENDED
31 MARCH 2016**

	Nine months ended		Quarter ended	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Continuing operations				
Operating revenue	284,238,305	191,717,009	83,327,728	56,325,411
Direct costs	(170,541,672)	(31,090,770)	(58,617,526)	(7,913,498)
Gross profit	113,696,633	160,626,239	24,710,202	48,411,913
Unrealized loss on re-measurement of 'investments at fair value through profit or loss'	(6,728,925)	(10,816,002)	(21,839,635)	(7,731,065)
Operating and administrative expenses	(179,707,000)	(221,737,466)	(44,309,230)	(66,054,706)
Other income	239,362,345	71,141,960	69,651,211	7,538,651
	166,623,053	(785,269)	28,212,548	(17,835,207)
Finance cost	(171,689,444)	(178,295,269)	(55,211,297)	(31,634,484)
	(5,066,391)	(179,080,538)	(26,998,749)	(49,469,691)
Share of (loss)/gain of equity accounted investees (net of tax)	(23,022,143)	(39,169,922)	784,157	(21,473,776)
Loss before taxation	(28,088,534)	(218,250,460)	(26,214,592)	(70,943,467)
Taxation	(2,513,017)	(5,786,653)	615,545	(499,436)
Loss after taxation from continued operations for the period	(30,601,551)	(224,037,113)	(25,599,047)	(71,442,903)
Basic and diluted loss per share - from continuing operations	(0.08)	(0.61)	(0.07)	(0.19)
Loss attributable to:				
- Owners of the Company	(26,524,520)	(192,537,831)	(22,972,517)	(59,621,002)
- Non-controlling interest	(4,077,031)	(31,499,282)	(2,626,530)	(11,821,901)
Loss for the period	(30,601,551)	(224,037,113)	(25,599,047)	(71,442,903)

The annexed notes 1 to 14 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
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED
31 MARCH 2016**

	Nine months ended		Quarter ended	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Profit / (loss) after taxation	(30,601,551)	(224,037,113)	(25,599,047)	(71,442,903)
Other comprehensive income for the period				
<u>Items that are or may be reclassified to profit or loss:</u>				
Equity-accounted investees- share of other comprehensive income	-	453,090	-	-
Foreign currency translation difference recognized as :				
- Currency translation reserve	(6,196,454)	9,051,603	(437,596)	264,679
- Non controlling interest	(5,953,456)	8,696,637	(420,435)	90,269
Other comprehensive (loss)/gain for the period	(12,149,910)	17,748,240	(858,031)	354,948
Total comprehensive loss for the period	(42,751,461)	(205,835,783)	(858,031)	(71,087,955)
Total Comprehensive profit / (loss) attributable to:				
- Owners of the Company	(32,720,974)	(183,033,138)	2,188,934	(59,356,323)
- Non-controlling interest	(10,030,487)	(22,802,645)	(3,046,965)	(11,731,632)
	(42,751,461)	(205,835,783)	(858,031)	(71,087,955)

The annexed notes 1 to 14 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 CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016
(UN-AUDITED)**

	Note	31 March 2016 Rupees	31 March 2015 Rupees
Cash flows from operating activities			
Cash generated from operations	9	239,211,323	106,229,989
Long term deposits and advances		(9,978,869)	(522,750)
Retirement benefits paid		(1,140,560)	(21,768,123)
Finance costs paid		351,329,510	(4,272,285)
Taxes paid		(23,434,914)	(28,701,045)
Net cash generated from operating activities		555,986,490	50,965,786
Cash flows from investing activities			
Fixed capital expenditure		(60,356,851)	(1,601,867)
Short term investments - net		(64,489,745)	10,402,454
Proceeds of property and equipment		43,041,479	2,259,031
Dividend received		8,404,468	2,579,851
Mark up received		23,451,401	9,827,658
Net cash (used in) / generated from investing activities		(49,949,248)	23,467,127
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease - net		(3,900,775)	(5,927,465)
Long term finance		(480,295,480)	(57,832,815)
Dividend paid to non-controlling interest		(3,437,287)	-
Proceeds from issue of shares to non controlling interest		10,000,000	-
Net cash used in financing activities		(477,633,542)	(63,760,280)
Net increase in cash and cash equivalents		28,403,700	10,672,633
Cash and cash equivalents at the beginning of the period		187,371,994	204,191,221
Effect of exchange translation reserve		(12,149,910)	9,051,603
Cash and cash equivalents at the end of the period		203,625,784	223,915,457

The annexed notes 1 to 14 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 QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Translation reserve	Reserve capitalised	Retained earnings		
	Rupees					
Balance at 1 July 2014 - (Audited)	3,166,101,120	28,903,533	478,240,308	(2,153,362,006)	1,519,882,955	1,787,842,845
Total comprehensive income/(loss) for the period				(192,537,831)	(31,499,282)	(224,037,113)
Loss for the period				(192,537,831)	(31,499,282)	(224,037,113)
Other comprehensive income		9,051,603		453,090	8,698,637	18,201,330
Total comprehensive income / (loss) for the period		9,051,603		(192,084,741)	(22,802,645)	(205,835,783)
Transaction with owners						
Profit attributed paid to non-controlling interest					(15,859,575)	(15,859,575)
Balance at 31 March 2015	3,166,101,120	37,955,136	478,240,308	(2,345,446,747)	1,336,849,817	1,566,147,487
Total comprehensive income/(loss) for the period				(3,359,166)	(17,186,310)	(20,545,476)
Loss for the period				(3,359,166)	(17,186,310)	(20,545,476)
Other comprehensive (loss)/income		(6,138,201)		2,021,764	(6,116,437)	(15,601,958)
Total comprehensive loss for the period		(6,138,201)		(1,337,402)	(9,475,603)	(36,147,434)
Transaction with owners						
Profit attributed paid to non-controlling interest					(1,156,548)	(1,156,548)
Balance at 30 June 2015 - (Audited)	3,166,101,120	29,816,935	478,240,308	(2,346,784,149)	1,327,374,214	1,528,843,505
Balance at 01 July 2015	3,166,101,120	29,816,935	478,240,308	(2,346,784,149)	1,327,374,214	1,528,843,505
Total comprehensive income / (loss) for the period				(26,524,520)	(4,077,031)	(30,601,551)
Loss for the period				(26,524,520)	(4,077,031)	(30,601,551)
Other comprehensive loss for the period		(6,196,454)			(5,953,456)	(12,149,910)
Total comprehensive loss for the period		(6,196,454)		(26,524,520)	(10,030,487)	(42,751,461)
Transaction with owners						
Change in NCI on exercise of right shares by subsidiary				454,135	9,545,865	10,000,000
Profit attributed paid to non-controlling interest				454,135	(9,437,287)	(9,437,287)
Balance at 31 March 2016	3,166,101,120	23,620,481	478,240,308	(2,372,854,534)	1,295,107,375	1,492,654,757

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

1. Legal status and nature of business

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

2. Basis of preparation

2.1 Statement of compliance

This condensed interim consolidated financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 30 June 2015.

2.2 Functional and presentation currency

This condensed interim consolidated 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 2015.

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 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's 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 effective in 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 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 2015.

5. Subsidiary companies

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

	Percentage of Holding	
	31 March 2016	30 June 2015
First Capital Investments Limited (FCIL)	78.86	77.76
Lanka Securities (Pvt.) Limited (LSL), Sri Lanka	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

6. Investment in equity - accounted investees

	Note	31 March 2016 Rupees	30 June 2015 Rupees
Property, plant and equipment	6.1	155,408,639	181,757,798
Capital work in progress	6.2	218,051,093	185,237,930
		<u>373,459,732</u>	<u>366,995,728</u>
6.1 Opening book value		181,757,798	222,138,292
Additions for the period/year		9,213,871	1,326,735
Effect of movement in exchange rate		(2,504,342)	234,882
Disposal for the period/year net book value		(8,974,012)	(797,674)
		<u>179,493,315</u>	<u>222,902,235</u>
Depreciation expense for the period/year		26,223,835	40,927,667
Effect of movement in exchange rate		(2,139,159)	216,770
Closing book value		<u>155,408,639</u>	<u>181,757,798</u>

6.2 This represents advance against purchase of property in Pace Tower Gulberg, Lahore, and Pace Circle, Lahore construction work at Pace Tower and Pace Circle is in progress as at March 31, 2016.

31 March
2016
Rupees

30 June
2015
Rupees

7 Investments

Carrying value of investments at the beginning of the period / year	688,866,134	701,845,648
Investments made during the period / year		
- Related parties	-	-
- Others	73,119,756	4,013,571
Share of loss of equity accounted investees (net of tax)	(23,022,143)	(41,306,679)
Equity accounted investees- share of other comprehensive loss	-	1,617,685
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(6,728,925)	28,480,435
Interest income on Market Treasury Bills - Held to maturity	362,745	772,806
Less Dividends	(8,404,468)	(6,557,332)
	<u>(37,792,791)</u>	<u>(16,993,085)</u>
Investments disposed off during the period/year	(8,992,756)	-
Carrying value at the end of the period / year	715,200,343	688,866,134
Investments classified in current assets	164,232,402	106,471,582
Closing book value	<u>550,967,941</u>	<u>582,394,552</u>

8 Contingencies and commitments

There is no significant change in contingencies and commitments disclosed in the annual audited consolidated financial statements for the year ended June 30, 2015 except for the following commitments:

	31 March 2016 Rupees	30 June 2015 Rupees
Commitments		
Sale of Shares	45,386,030	147,761,015
Purchase of shares	41,858,976	120,156,393
Capital expenditure	21,825,103	3,130,103
	Nine months ended 31 March 2016 (Un-audited) Rupees	Nine months ended 31 March 2015 (Un-audited) Rupees

9 Cash generated from operations

Profit / (loss) before taxation	(28,088,534)	(218,250,460)
Adjustments for:		
Depreciation	26,223,835	30,870,744
Finance cost	171,689,444	178,295,269
Gain / (loss) on remeasurement of short term investments	6,728,925	10,816,002
Dividend income	-	(2,579,851)
Gain on disposal of property, plant and equipment	(34,067,467)	(2,027,809)
Retirement benefits	7,452,072	12,689,163
Share of loss of equity-accounted investee	23,022,143	39,169,922
Mark up income	(23,098,523)	(8,805,395)
	<u>177,950,429</u>	<u>258,428,045</u>
Profit before working capital changes	149,861,895	40,177,585

	Nine months ended 31 March 2016 (Un-audited) Rupees	Nine months ended 31 March 2015 (Un-audited) Rupees
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	12,678,928	6,671
Trade debts	239,921,876	241,023,856
Loans and advances	(68,587,792)	8,225,659
Short term prepayments	(895,806)	(1,451,908)
Deposits and other receivables	(3,098,955)	(13,176,616)
Increase/(decrease) in:		
Trade and other payables	(92,461,567)	(165,398,441)
Short term borrowings - net	1,792,744	(3,176,817)
	<u>89,349,428</u>	<u>66,052,404</u>
Net cash generated from operations	239,211,323	106,229,989

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:

	31 March 2016 Rupees	31 March 2015 Rupees
10.1 Transaction during the period		
Associated companies		
Purchase of goods / services	198,800	327,600
Service charges	2,840,239	1,110,071
Dividend income received	305,137	-
Asset management fee	3,068,329	6,869,762
Construction revenue	155,790,191	-
Key management personnel		
Salaries and other employee benefits	21,033,205	17,996,094
	<u>31 March 2016 Rupees</u>	<u>30 June 2015 Rupees</u>
10.2 Period / year end balances		
Associated companies		
Receivables from related parties	38,394,543	56,723,629
Payables to related parties	6,752,223	6,721,423
Retention money	7,449,531	-
Key management personnel		
Payables to related parties	-	5,000,000

11 Financial risk management

11.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2015.

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 31 March 2016.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investments at fair value through profit and loss	164,232,402	-	-	164,232,402
Total assets	<u>164,232,402</u>	<u>-</u>	<u>-</u>	<u>164,232,402</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2015.

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

12 Corresponding figures

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

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

13 Date of authorization for issue

This un-audited consolidated condensed interim financial statements for the nine months period ended 31 March 2016 were authorized for issue on 26 April 2016 by the Board of Directors.

14 General

Figures have been rounded off to the nearest rupee.