

FIRST CAPITAL SECURITIES CORPORATION LIMITED

***CONDENSED UN CONSOLIDATED
FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2018***

STATEMENT OF FINANCIAL POSITION

STATEMENT OF PROFIT OR LOSS

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' REVIEW

The Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended 30 September, 2018.

Operational Results

The operating results of the Company are summarized as follows:

Financial Overview	30 September 2018	30 September 2017
	Rupees	Rupees
Revenue	4,572,587	6,950,517
Unrealized Gain/(loss) on short term investments	(2,805,732)	466,166
Operating Expenses	12,039,308	9,933,723
Operating (Loss)/Profit	(13,771,889)	(107,842,488)
Finance and other costs	39,972,319	6,106
Profit/(Loss) after Taxation	(50,244,772)	(105,027,384)
Earning/(loss) per Share (basic and diluted)	(0.16)	(0.33)

The Company reported after tax loss of Rs. 50 million as compared to after tax loss of Rs. 105 million in the corresponding quarter of last year. The Un-realized loss on re-measurement of investments is recorded at Rs. 2.81 million while finance cost at Rs. 39.97 million. Operating expenses were at Rs. 12.04 million in comparison with Rs. 9.934 million in same quarter of last year. On net basis, per share loss of the Company arrived at Rs. 0.16 in comparison with loss of Rs. 0.33 in the same quarter of last year.

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

First Capital Equities Limited ("FCEL") has reported after tax loss of Rs 17.16 million in 1QFY19 vs. Rs 28.95 million in 1QFY18. Loss per share has clocked in at Rs. 0.12 as compared to Loss per share of Rs. 0.20 in same period last year.

Lanka Securities (Pvt.) Limited ("LSL") generated a total revenue LKR. 21.09 million and net profit of LKR. 3.79 million during the quarter which translates into an EPS of LKR. 0.22.

First Capital Investments Limited ("FCIL") earned a loss after taxation of Rs. 2,492,554 as compared to loss of Rs. 20,496,176 in the corresponding period last year. Loss per share during the period under review is recorded at Rs. 0.12 as compared to loss per share of Rs. 0.98 during the same period of last year.

Evergreen Water Valley (Pvt.) Limited ("EGWV") posted a net profit of Rs.0.65 million as compared to a net profit of Rs.1.05 million during the same period last year.

Outlook

After witnessing a period of economic uncertainty during the past few quarters stemming from ballooning current account deficit and concomitantly falling foreign exchange reserves, things finally seem to be improving. The last two months current account deficit has finally seen a meaningful decline. While trade deficit during the 1QFY19 surged by 8% year over year, healthy growth in the view that pressure on the current account deficit will ease off as the recently enacted policy measure manifest itself, with some more steps expected in the near-term. Recently devaluation of the rupee and slapping of import duties are expected to curtail imports in the coming months.

Long Term Bond Pakistan Investment Bonds market was almost dead due to increasing trend of discount ("DR") rate. Small and medium scale of activity seen in treasury bills which supported the market little bit.

Though materialization of funding from friendly countries will help in meeting the external financing need for financial year ("FY") 2019; the urgency for structural reforms and measure to further narrow the current account deficit should remain the policy priority given large debt payment requirement in FY 2020.

Government policies will play a major role in the development of interbank brokerage industry inward remittances of dollar will play a major role. We hope that a moderate and large amount of activity will be seen in both money market and foreign exchange market will flourish soon.

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

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

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the year ended 30 June 2018.

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.

Lahore
29 November 2018



Director

For and on behalf of the Board of Directors



Chief Executive Officer

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

		Unaudited	Audited
		30 September	30 June
		2018	2018
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	146,465,179	150,936,338
Investment properties		1,547,590,000	1,547,590,000
Long term investments	7	1,724,968,452	1,734,926,701
Long term deposits		37,500	37,500
		<u>3,419,061,131</u>	<u>3,433,490,539</u>
CURRENT ASSETS			
Trade debts - unsecured, considered good		16,363,723	1,964,909
Loans, advances, prepayments and other receivables		179,241,628	126,004,120
Short term investments	7	38,035,534	31,079,421
Advance tax		7,487,270	6,956,366
Cash and bank balances		4,359,213	3,081,554
		<u>245,487,368</u>	<u>169,086,370</u>
CURRENT LIABILITIES			
Trade and other payables		318,688,579	436,794,542
Accrued Mark-up		45,078,246	-
		<u>363,766,825</u>	<u>436,794,542</u>
NET CURRENT ASSETS		<u>(118,279,457)</u>	<u>(267,708,172)</u>
		<u>3,300,781,674</u>	<u>3,165,782,367</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits payable		11,639,623	11,238,402
Long term payable		1,300,000,000	1,105,113,041
		<u>1,311,639,623</u>	<u>1,116,351,443</u>
Contingencies and commitments	8	<u>1,989,142,051</u>	<u>2,049,430,924</u>
REPRESENTED BY			
EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 320,000,000 (2017: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up capital		3,166,101,120	3,166,101,120
Reserves		(7,242,363)	2,715,886
Retained earnings		<u>(1,169,716,706)</u>	<u>(1,119,386,082)</u>
		<u>1,989,142,051</u>	<u>2,049,430,924</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter ended	
		30 September 2018	30 September 2017
		Rupees	
Revenue			
Money market services		1,073,151	4,033,307
Investment property rentals		-	96,000
Loss on disposal of short term investments		-	(44,980)
Unrealized (loss)/gain on re-measurement of 'investments at fair value through profit or loss'	7	(2,805,732)	466,166
		<u>(1,732,581)</u>	<u>4,550,493</u>
Expenses			
Impairment loss on 'available-for- sale' investments	7	-	(102,459,258)
Operating and administrative expenses		(12,039,308)	(9,933,723)
Operating loss		<u>(13,771,889)</u>	<u>(107,842,488)</u>
Other income		3,499,436	2,821,210
Finance cost		(39,972,319)	(6,106)
Loss before taxation		<u>(50,244,772)</u>	<u>(105,027,384)</u>
Taxation		(85,852)	(322,665)
Loss after taxation		<u>(50,330,624)</u>	<u>(105,350,049)</u>
(Loss)/earnings per share - basic and diluted		<u>(0.16)</u>	<u>(0.33)</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Chief Executive Officer

Chief Executive Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	Rupees
Loss after taxation	(50,330,624)	(105,350,049)
Other comprehensive (loss)/income for the year:		
<i>Items that may subsequently reclassified to profit or loss:</i>		
Change in fair value of available-for-sale financial assets	(9,958,249)	905,295
Other comprehensive income for the year - net of tax	(9,958,249)	905,295
Total comprehensive loss for the year - net of tax	(60,288,873)	(104,444,754)

The annexed notes 1 to 12 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	Rupees
Cash flows from operating activities		
Loss before taxation	(50,244,772)	(105,027,384)
<i>Adjustments for:</i>		
Finance cost	39,972,319	6,106
Unrealized loss/(gain) on re-measurement of investments at 'fair value through profit or loss'	2,805,732	(466,166)
Impairment loss on 'available-for-sale' investments	-	102,459,258
Gain on sale of property, plant and equipment	(625,000)	-
Depreciation	4,471,159	4,425,016
Interest income	(24,436)	(8,609)
Provision for staff retirement benefits	401,221	407,247
	47,000,995	106,822,852
(Loss)/profit before working capital changes	(3,243,777)	1,795,468
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in current assets:</i>		
Trade debts	(14,398,814)	(719,111)
Loans, advances, prepayments and other receivables	(53,237,508)	(2,526,353)
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	(118,105,963)	641,556
	(185,742,285)	(2,603,908)
Cash used in operations	(188,986,062)	(808,440)
<i>Increase in non-current liabilities:</i>		
Finance cost paid	(7,114)	(6,106)
Taxes paid-net	(616,756)	(537,934)
	(623,870)	(544,040)
Net cash outflow from operating activities	(189,609,932)	(1,352,480)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	625,000	-
Purchase/sale of short term investments	(9,761,845)	1,253,595
Interest received	24,436	8,609
Net cash used in investing activities	(9,112,409)	1,262,204
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	1,277,659	(90,276)
Cash and cash equivalents at the beginning of the period	3,081,554	1,159,924
Cash and cash equivalents at the end of the period	4,359,213	1,069,648

The annexed notes 1 to 12 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Share Capital	Revenue reserve		Total
		Fair value reserve	Retained earnings	
----- Rupees -----				
Balance as at July 01, 2017	3,166,101,120	63,823,326	(916,390,504)	2,313,533,942
Loss for the period	-	-	(105,350,049)	(105,350,049)
Other comprehensive income for the year - net of tax	-	905,295	-	905,295
Total comprehensive income/(loss) for the year - net of tax	-	905,295	(105,350,049)	(104,444,754)
Balance at 30 September 2017	3,166,101,120	64,728,621	(1,021,740,553)	2,209,089,188
Balance as at July 01, 2018	3,166,101,120	2,715,886	(1,119,386,082)	2,049,430,924
Loss for the year	-	-	(50,330,624)	(50,330,624)
Other comprehensive income for the year - net of tax	-	(9,958,249)	-	(9,958,249)
Total comprehensive income/(loss) for the year - 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

The annexed notes 1 to 12 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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.
- 1.2** These condensed interim unconsolidated financial statements are the separate condensed interim financial statements of the Company in which investments in subsidiaries and associates have been accounted for at cost less impairment losses, if any.
- 1.3** There were no change in composition of the group during the three months period ended 30 September, 2018.

2 Basis of preparation

- 2.1** These condensed interim unconsolidated 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, 2018.

The comparative condensed interim unconsolidated financial position is extracted form the audited unconsolidated financial statements of the Company for the year ended 30 June, 2018, 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 quarters ended 30 September, 2017.

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 2018.

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 information.

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, 2018 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 2018.

- 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 2018	Audited 30 June 2018
		Rupees	
6	Property, plant and equipment	Note	
	Property, plant and equipment	6.1	14,040,073
	Capital work in progress	6.2	132,425,106
			<u>146,465,179</u>
6.1	Opening book value		18,511,232
	Net (Disposal)/Additions for the period/year		<u>(1,400,000)</u>
			35,240,687
	Depreciation expense for the period/year		<u>17,111,232</u>
			36,325,937
	Closing book value		<u>3,071,159</u>
			<u>17,814,705</u>
			<u>14,040,073</u>
			<u>18,511,232</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 (2018: Rs 107,090,858) and Rs. 25,334,248 (2018: Rs 5,025,235) respectively. Construction work on these properties is in progress as at 30 September 2018.

		Unaudited 30 September 2018	Audited 30 June 2018
		Rupees	
7	Investments		
	Carrying value of investments at the beginning of the period / year	1,766,006,122	1,943,169,800
	Impairment loss on 'available-for- sale' investments	-	(77,714,304)
	Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(2,805,732)	(23,595,424)
	Change in fair value of available-for-sale financial assets	(9,958,249)	(61,107,440)
		<u>(12,763,981)</u>	<u>(162,417,168)</u>
	Investments disposed off during the period/year	9,761,845	(14,746,510)
	Carrying value at the end of the period / year	<u>1,763,003,986</u>	1,766,006,122
	Investments classified in current assets	38,035,534	31,079,421
	Closing book value	<u>1,724,968,452</u>	<u>1,734,926,701</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 2018.

Quarter ended	
30 September 2018	30 September 2017
Rupees	

9 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	1,156,320	1,643,700

Unaudited	Audited
30 September 2018	30 June 2018
Rupees	

Period / year end balances

Receivables from related parties	3,287,420	89,420
Payables to related parties	289,537,065	7,523,665

10 Financial risk management

10.1 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 2018.

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

10.2 Liquidity risk

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

10.3 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 30 September 2018.

	Level 1	Level 2	Level 3	Total
Rupees				
Assets				
Available-for-sale investments	937,701,083	-	-	937,701,083
Investments at fair value through profit and loss	38,035,534	-	-	38,035,534
Total assets	975,736,617	-	-	975,736,617
Liabilities				
	-	-	-	-

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2018.

	Level 1	Level 2	Level 3	Total
Rupees				
Assets				
Available-for-sale investments	947,659,332	-	-	947,659,332
Investments at fair value through profit and loss	31,079,421	-	-	31,079,421
Total assets	978,738,753	-	-	978,738,753
Liabilities				
	-	-	-	-

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

11 Date of authorization for issue

This condensed interim financial information was authorized for issue on November 29, 2018 by the Board of Directors.

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.

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
Non-current assets			
Property, plant and equipment	5	250,046,124	273,990,367
Intangible assets		5,250,009	5,312,511
Investment properties		2,844,955,000	2,890,575,782
Investments accounted for using the equity method	6	473,389,232	476,163,258
Long term investments		18,966,650	23,165,822
Long term deposits and advances - considered good		436,408,957	136,911,466
		<u>4,029,015,972</u>	<u>3,806,119,206</u>
Current assets			
Stock in trade		1,374,606	36,779,100
Trade debts		416,159,710	658,391,617
Loans, advances and other receivables		421,342,484	364,008,230
Prepayments		1,037,683	1,001,725
Interest accrued		-	75,648
Deposits and other receivables		23,256,510	19,222,801
Short term investments	6	289,441,780	305,975,202
Tax refund due from Government		12,723,796	10,635,246
Cash and bank balances		139,151,541	154,350,251
		<u>1,304,488,110</u>	<u>1,550,439,820</u>
Current liabilities			
Trade and other payables		723,946,616	1,207,560,429
Mark-up accrued		45,078,246	-
Short term borrowings		-	491,125
Current portion of long term loans - secured		32,500,000	31,459,282
		<u>801,524,862</u>	<u>1,239,510,836</u>
Net current assets		<u>502,963,248</u>	<u>310,928,984</u>
Non-current liabilities		<u>4,531,979,220</u>	<u>4,117,048,190</u>
Deferred tax liability		965,214	988,470
Deferred liabilities		69,660,630	67,421,984
Long term loans - secured		2,840,944,556	2,348,444,690
		<u>2,911,570,400</u>	<u>2,416,855,144</u>
Contingencies and commitments	7	<u>1,620,408,820</u>	<u>1,700,193,046</u>
Represented by			
Equity			
Share Capital and Reserves			
Authorized share capital: 320,000,000 (2017: 320,000,000) ordinary shares of Rs 10 each		<u>3,200,000,000</u>	<u>3,200,000,000</u>
Issued, subscribed and paid-up share capital		3,166,101,120	3,166,101,120
Exchange translation reserve		25,665,935	30,701,293
Reserves capitalised		480,054,923	480,054,923
Retained earnings		(2,324,886,593)	(2,259,828,819)
Equity attributable to owners of the Parent Company		<u>1,346,935,385</u>	<u>1,417,028,517</u>
Non-controlling interests (NCI)		273,473,435	283,164,529
		<u>1,620,408,820</u>	<u>1,700,193,046</u>

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

Chief Executive Officer

Chief Financial Officer

Director

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	
Operating revenue	99,174,417	51,355,912
Direct costs	(63,711,702)	(13,240,201)
Gross profit	35,462,715	38,115,711
Unrealized loss on re-measurement of 'investments at fair value through profit or loss'	(6,938,682)	(5,420,437)
Operating and administrative expenses	(47,690,856)	(59,001,816)
	(19,166,823)	(26,306,542)
Other income	11,400,679	6,637,728
Finance costs	(46,437,545)	(7,454,832)
	(54,203,689)	(27,123,646)
Share of (loss)/profit from investments accounted for using the equity method - net of tax	(3,048,122)	(13,267,107)
Loss before taxation	(57,251,811)	(40,390,753)
Taxation	(8,734,091)	(3,057,503)
Loss after taxation for the period	(65,985,902)	(43,448,256)
Basic and diluted (loss)/earnings per share	(0.20)	(0.11)
Loss attributable to:		
- Owners of the Parent Company	(62,256,818)	(34,325,686)
- Non-controlling interests	(3,729,084)	(9,122,570)
Loss for the period	(65,985,902)	(43,448,256)

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

Chief Executive Officer

Chief Financial Officer

Director

First Capital Securities Corporation Limited - Group
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	
Loss after taxation	(65,985,902)	(43,448,256)
Other comprehensive income/(loss) for the period		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Share of other comprehensive income of investments accounted for using the equity method - net of tax	274,097	274,635
Unrealized gain / (loss) on remeasurement of investment available for sale		
- Change in fair value of available-for-sale financial assets	(3,075,053)	(3,392,404)
- Non-controlling interests	(1,124,118)	(1,240,129)
	(4,199,171)	(4,632,533)
Exchange differences on translation of foreign operations recognised as:		
- Exchange translation reserve	(5,035,358)	1,185,156
- Non-controlling interests	(4,837,892)	1,138,679
Other comprehensive income/(loss) for the period	(9,873,250)	2,323,835
Total comprehensive loss for the period	(79,784,226)	(45,482,319)
Total comprehensive loss attributable to :		
- Owners of the Parent Company	(70,093,132)	(36,258,299)
- Non-controlling interests	(9,691,094)	(9,224,020)
	(79,784,226)	(45,482,319)

The annexed notes 1 to 13 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, 2018

	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Share capital	Exchange translation reserve	Reserve capitalised	Retained earnings			
	----- Rupees -----						
Balance at 30 June 2017 - (Audited)	3,166,101,120	17,990,368	480,054,923	(2,143,982,701)	1,520,163,710	269,306,976	1,789,470,686
Loss for the period	-	-	-	(34,325,686)	(34,325,686)	(9,122,570)	(43,448,256)
Other comprehensive income / (loss)	-	1,185,156	-	(3,117,669)	(1,932,513)	(101,450)	(2,033,963)
Total comprehensive (income)/loss for the period	-	1,185,156	-	(37,443,355)	(36,258,199)	(9,224,020)	(45,482,219)
Balance at 30 September 2017	3,166,101,120	19,175,524	480,054,923	(2,181,426,056)	1,483,905,511	260,082,956	1,743,988,467
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 income 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

The annexed notes 1 to 13 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 CASH FLOWS - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter ended	
		30 September 2018	30 September 2017
		Rupees	Rupees
Cash (used in)/generated from operations	8	(270,240,304)	26,087,614
Long term deposits and advances		(299,497,491)	(27,018)
Retirement benefits paid - net		769,069	2,202,570
Finance costs paid		(1,359,299)	(1,939,832)
Taxes paid		(10,845,897)	(13,268,798)
Net cash (used in)/generated from operating activities		(581,173,922)	13,054,536
Cash flows from investing activities			
Fixed capital expenditure		(373,523)	(383,698)
Short term investments - net		9,594,740	(39,333,525)
Proceeds from sale of property, plant and equipment		22,125,000	453,394
Proceeds from disposal of investment property		45,620,782	-
Dividend received		-	68,216
Interest received		5,340,877	6,367,454
Net cash generated from/(used in) investing activities		82,307,876	(32,828,159)
Cash flows from financing activities			
Receipt/(payment) of loan		493,540,586	442,964
Net cash generated from financing activities		493,540,586	442,964
Net decrease in cash and cash equivalents		(5,325,460)	(19,330,659)
Cash and cash equivalents at the beginning of the period		154,350,251	124,516,280
Effect of exchange translation reserve		(9,873,250)	2,323,835
Cash and cash equivalents at the end of the period		139,151,541	107,509,456

The annexed notes 1 to 13 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, 2018

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 2018	30 June 2018
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**Corporate Office****Regional Office****Regional Office**

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

Regional Office

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

Regional Office

Suit No. 18, Mezzanine Floor,
Humayoon Gymkhana Complex,
Stadium Road, Sukkur.

Regional Office

Office No. 57, Quaid-e-Azam
Stadium, Mirpur, Azad
Kashmir.

- 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 three months period ended 30 September, 2018.

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 red in conjunction with the audited consolidated financial statements of the Company for the year ended 30 June, 2018.
- 2.3** The comparative condensed interim consolidated financial position is extracted form the audited consolidated financial statements of the Company for the year ended 30 June, 2018, 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 inequity are stated from unaudited condensed interim consolidated financial statements for the quarters ended 30 September, 2017.
- 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 2018.

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 January 2019 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 2018.

	Note	30 September 2018 Rupees	30 June 2018 Rupees
5 Property, plant and equipment			
Property, plant and equipment	5.1	31,686,018	55,630,261
Capital work in progress	5.2	218,360,106	218,360,106
		250,046,124	273,990,367
5.1 Opening book value		55,630,261	115,812,369
Additions for the period/year		373,524	18,359,196
Effect of movement in exchange rate		(1,901,170)	4,722,925
Disposal for the period/year net book value		(18,556,038)	(52,342,321)
		35,546,577	86,552,169
Depreciation expense for the period/year		5,650,170	26,400,880
Effect of movement in exchange rate		(1,789,611)	4,521,028
Closing book value		31,686,018	55,630,261
5.2 Opening balance		218,360,106	198,051,093
Additions for the period/year		-	25,334,248
Disposal for the period/year		-	(5,025,235)
Closing balance	5.3	218,360,106	218,360,106

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 2018 Rupees	30 June 2018 Rupees
6 Investments		
Carrying value of investments at the beginning of the period / year	805,304,282	915,159,395
Investments made during the period / year		
- Others	-	(18,496,277)
Share of loss of equity accounted investees (net of tax)	(3,048,122)	(17,780,114)
Equity accounted investees- share of other comprehensive income	274,097	39,311
Unrealized loss on remeasurement of investment available for sale	(4,199,171)	(9,529,365)
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(6,938,682)	(60,006,366)
Less Dividends	-	(3,509,557)
	(13,911,878)	(90,786,091)
Investments disposed off during the period/year	(9,594,742)	(572,745)
Carrying value at the end of the period / year	781,797,662	805,304,282
Investments classified in current assets	289,441,780	305,975,202
Closing book value	492,355,882	499,329,080

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, 2018 except for the following commitments:

	30 September 2018	30 June 2018
	Rupees	Rupees
Commitments		
Sale of Shares	563,882,017	517,215,269
Purchase of shares	573,184,969	513,507,359
Capital expenditure	21,825,103	34,600,760
Ijarah lease rental	-	6,679,115

8 Cash generated from operations

	Quarter ended	
	30 September 2018	30 September 2017
	Rupees	Rupees
Loss before taxation	(57,251,811)	(40,390,753)
Adjustments for:		
Depreciation	5,650,170	6,479,520
Finance cost	46,437,545	7,454,832
Loss on re-measurement of short term investments	6,938,682	5,420,437
Dividend income	-	(68,216)
Amortization	62,502	62,502
Gain on disposal of property, plant and equipment	(3,568,962)	(414,521)
Retirement benefits	1,469,577	2,677,714
Share of loss from investments accounted for using equity method	3,048,122	13,267,107
Mark-up income	(5,265,229)	(6,285,656)
	54,772,407	28,593,719
Loss before working capital changes	(2,479,404)	(11,797,034)
Effect on cash flow due to working capital changes:		
Decrease/(increase) in:		
Inventories	35,404,494	-
Trade debts	242,343,465	55,590,445
Loans and advances	(57,334,254)	7,698,544
Short term prepayments	(35,958)	(395,504)
Deposits and other receivables	(4,033,709)	(40,882)
(Decrease)/increase in:		
Trade and other payables	(483,613,813)	(21,163,267)
Short term borrowings	(491,125)	(3,804,688)
	(267,760,900)	37,884,648
Cash (used in)/generated from operations	(270,240,304)	26,087,614

9 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 2018	30 September 2017
		Rupees	Rupees
9.1 Transaction during the period			
Associated companies	Purchase of goods / services	15,500	-
	Service charges	167,940	167,940
	Asset management fee	524,763	965,030
	Construction revenue	5,570,000	2,529,921
Key management personnel	Salaries and other employee benefits	8,210,998	16,249,251
		30 September 2018	30 June 2018
		Rupees	Rupees
9.2 Period / year end balances			
Associated companies	Receivables from related parties	5,427,240	1,578,417
	Payables to related parties	573,733	52,969,809
	Retention money	-	123,926,176

10 Financial risk management

10.1 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.

10.2 Liquidity risk

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

10.3 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 2018.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
Investments at fair value through profit and loss	289,441,780	-	-	289,441,780
Total assets	289,441,780	-	-	289,441,780
Liabilities				
	-	-	-	-

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

11 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.

12 Date of authorization for issue

This un-audited condensed interim consolidated financial information for the quarter ended 30 September 2018 were authorized for issue on 29 November 2018 by the Board of Directors.

13 General

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Chief Financial Officer

Director