

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**QUARTERLY ACCOUNTS  
(Un-Audited)**

**31 MARCH 2004**

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## Company Information

### Board of Directors

Salmaan Taseer  
Lt. Gen. (R) Humayun Khan Bangash  
Muhammad Ashraf Ali  
Suliean Ahmed Said Al-Hoqani  
Fazeel Asif Jah  
Tariq Malik  
Syed Kashan Kazmi

Chairman & Chief Executive Officer

### Chief Financial Officer

Syed Kashan Kazmi

### Audit Committee

Lt. Gen. (R) Humayun Khan Bangash  
Fazeel Asif Jah  
Tariq Malik

Chairman  
Member  
Member

### Company Secretary

Adeel K Bajwa

### Auditors

Taseer Hadi Khalid & Co.  
Chartered Accountants

### Legal Advisers

Rehman Saleem & Tarar  
Advocates

### Bankers

Standard Chartered Bank  
Prime Commercial Bank Limited  
Faysal Bank Limited  
Muslim Commercial Bank Limited  
PICIC Commercial Bank Limited  
Bank of Khyber  
Saudi Pak Commercial Bank Limited

### Custodian

Prime Commercial Bank Limited  
Faysal Bank Limited

### Registrar and Shares Transfer Office

THK Associates (Pvt.) Limited  
Ground Floor  
Sheikh Sultan Trust Building No. 2  
Beaumont Road, Karachi  
☎ (021) 5689021

### Registered Office/Head Office

103-C/II, Gulberg-III  
Lahore, Pakistan  
☎ (042) 5757591-4  
Fax: (042) 5757590, 5877920

## DIRECTORS' REVIEW

The directors of **First Capital Securities Corporation Limited** (your "Company") are pleased to present the quarterly accounts for the period ended 31 March 2004.

### Financial performance

During the period under review, your Company secured an operating profit of Rs.21.3 million as compared to Rs.2.9 million in the corresponding period of the preceding year. The after-tax profit of your Company also increased to Rs.86.3 million as compared to Rs.4.8 million in the corresponding period of preceding year.

Dividend income showed significant enhancement mainly due to Rs.6.26 million (30% cash dividend) received from its subsidiary, Lanka Securities (Pvt.) Limited. Money market operations performed smoothly by generating an income of Rs.2.92 million for the quarter and Rs.14.42 million for nine months ended 31 March 2004. The performance of subsidiary and associated companies also improved and your Company managed to recognize a significant share of profit in those companies.

### Future Outlook

The stock market experienced bullish trend and your Company enjoyed good returns on its short term investments. It is anticipated that the same trends will be observed in the foreseeable future. The federal budget is due in the upcoming quarter and we are hopeful that it would have a positive impact on the capital market and your Company would be able to skim its share of increase in profits and increased capital gains from its investments.

By the end of the next quarter, WorldCALL would be able to commence its LDI project and start telephony services, subject to approvals and license from relevant regulatory authorities. After the commencement of these operations the profitability of the aforementioned companies would improve considerably, resulting in recognition of increased profit in associated undertakings.

### Acknowledgment

The Board of Directors wish to take this opportunity to express their appreciation and gratitude to the Company's shareholders for their unwavering support and to the management team for their strong commitment and dedication to our company.

For and on behalf of the Board of Directors

Lahore  
29 April 2004

Fazeel Asif Jah  
Director

Syed Kashan Kazmi  
Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT 31 MARCH 2004**

	Note	31 March 2004 Rupees	31 June 2003 Rupees
<b>NON CURRENT ASSETS</b>			
OPERATING FIXED ASSETS		8,128,768	7,744,011
LONG TERM INVESTMENTS		613,283,089	510,156,290
INVESTMENT PROPERTY		61,035,500	55,181,700
LONG TERM DEPOSITS		1,523,600	866,250
		<u>683,970,957</u>	<u>573,948,251</u>
<b>CURRENT ASSETS</b>			
Marketable securities		184,795,147	148,078,663
Advance for purchase of shops		6,162,000	-
Advances, deposits, prepayments and other receivables		54,477,849	43,684,696
Accounts receivable		12,935,600	46,780,115
Cash and bank balances		10,077,066	24,889,832
		<u>268,447,662</u>	<u>263,433,306</u>
<b>CURRENT LIABILITIES</b>			
Current portion of obligations under finance leases		927,645	648,554
Short term borrowings - secured		40,000,000	55,000,000
Creditors, accrued and other liabilities		69,328,484	71,435,236
Unclaimed dividend		2,013,960	13,345,566
Provision for taxation		9,373,500	9,248,532
		<u>121,643,589</u>	<u>149,677,888</u>
<b>WORKING CAPITAL</b>		<u>146,804,073</u>	<u>113,755,418</u>
<b>NET CURRENT ASSETS</b>		<u>830,775,030</u>	<u>687,703,669</u>
<b>DEFERRED LIABILITY FOR STAFF RETIREMENT GRATUITY</b>		2,514,508	2,108,942
<b>OBLIGATIONS UNDER FINANCE LEASES</b>		1,883,337	1,154,646
<b>CONTINGENCIES AND COMMITMENTS</b>	4	-	-
<b>NET CAPITAL EMPLOYED</b>		<u>826,377,185</u>	<u>684,440,081</u>
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
50,000,000 (30 June 2003: 35,000,000) ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid-up capital		469,125,760	339,946,200
Share premium		2,643,800	2,643,800
Reserve for issue of bonus shares		-	129,179,560
Unappropriated profit		<u>354,607,625</u>	<u>212,670,521</u>
		<u>826,377,185</u>	<u>684,440,081</u>

The annexed notes form an integral part of these accounts.

These financial statements were authorised for issue by the Board of Directors of the company on 29 April, 2004.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of the Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2004**

	31 March 2004		31 March 2003	
	Jan - Mar	Year to date	Jan - Mar	Year to date
	3 - Months	9 - Months	3 - Months	9 - Months
	Rupees	Rupees	Rupees	Rupees
<b>OPERATING REVENUE</b>				
Financial consultancy services	1,500,000	4,500,000	-	4,915,000
Money market brokerage	2,922,461	14,418,126	2,433,027	8,033,016
Capital gain/(loss) on investments	6,821,878	12,280,343	(793,390)	396,890
Dividend income	6,620,378	8,734,399	3,223,987	4,631,987
Gain on disposal of investment property	-	-	-	2,496,000
Net rental income from investment property	1,339,227	3,952,973	1,666,289	3,064,979
	<u>19,203,944</u>	<u>43,885,841</u>	<u>6,529,913</u>	<u>23,537,872</u>
<b>OPERATING EXPENSES</b>	<u>5,476,190</u>	<u>22,589,259</u>	<u>5,435,490</u>	<u>20,614,592</u>
<b>OPERATING PROFIT</b>	<u>13,727,754</u>	<u>21,296,582</u>	<u>1,094,423</u>	<u>2,923,280</u>
<b>FINANCIAL CHARGES</b>	<u>2,082,732</u>	<u>6,698,102</u>	<u>1,001,647</u>	<u>2,553,085</u>
	<u>11,645,022</u>	<u>14,598,480</u>	<u>92,776</u>	<u>370,195</u>
<b>OTHER INCOME</b>	<u>746,158</u>	<u>2,044,545</u>	<u>727,129</u>	<u>4,613,888</u>
	<u>12,391,180</u>	<u>16,643,025</u>	<u>819,905</u>	<u>4,984,083</u>
Share in profit/(loss) of associated and subsidiary companies	7,131,461	18,633,799	9,332,548	39,440,980
Gain on fair value adjustment of investment property	-	5,853,800	-	15,963,000
Unrealized gain/(loss) on remeasurement of marketable securities	66,855,766	100,931,448	(5,350,668)	(2,578,018)
<b>PROFIT BEFORE TAXATION</b>	<u>86,378,407</u>	<u>142,062,072</u>	<u>4,801,785</u>	<u>57,810,045</u>
<b>Taxation</b>	<u>(28,843)</u>	<u>(124,968)</u>	<u>(24,132)</u>	<u>(575,101)</u>
<b>PROFIT AFTER TAXATION</b>	<u>86,349,564</u>	<u>141,937,104</u>	<u>4,777,653</u>	<u>57,234,944</u>
<b>Earnings per share - Basic</b>	<u>1.84</u>	<u>3.03</u>	<u>0.10</u>	<u>1.22</u>

The annexed notes form an integral part of these accounts.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of the Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2004**

	31 March 2004 Rupees	31 March 2003 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	142,062,072	57,810,045
<b>Adjustments for:</b>		
Mark-up expense	6,698,102	1,490,116
Share in profit of associated and subsidiary companies	(18,633,799)	(39,440,980)
Unrealized gain/(loss) on remeasurement of marketable securities	(100,931,448)	2,578,018
Gain on fair value adjustment of investment property	(5,853,800)	-
Dividend	(8,734,399)	-
Depreciation	1,186,261	1,262,683
Gain on disposal of fixed assets	(591,518)	(267,693)
Provision for gratuity	652,566	390,430
	<u>(126,208,035)</u>	<u>(33,987,446)</u>
	15,854,037	23,822,599
<b>(Increase)/decrease in current assets</b>		
Marketable securities	64,214,964	117,046,813
Accounts receivable	33,844,515	2,761,103
Advances, deposits, prepayments and other receivables	(9,407,884)	(22,394,275)
	<u>88,651,595</u>	<u>97,413,641</u>
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	(6,255,551)	33,118,789
<b>Cash generated from operations</b>	<u>98,250,081</u>	<u>154,355,029</u>
Gratuity paid	(247,000)	(316,000)
Mark-up paid	(2,549,303)	(1,490,116)
Taxes paid	(926,891)	(1,480,884)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>94,526,887</u>	<u>151,068,029</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(489,000)	(1,356,500)
Dividend received	2,114,021	-
Proceeds from disposal of fixed assets	1,275,000	885,000
Long term investments	(84,493,000)	-
Long term deposits	(657,350)	(156,337,813)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(82,250,329)</u>	<u>(156,809,313)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(11,331,606)	(146,247)
Proceeds from finance lease	-	1,129,000
Repayment against lease finance	(757,718)	(966,141)
Short term borrowings	(15,000,000)	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>(27,089,324)</u>	<u>16,612</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(14,812,766)</u>	<u>(5,724,672)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>24,889,832</u>	<u>26,754,166</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>10,077,066</u>	<u>21,029,494</u>

The annexed notes form an integral part of these accounts,

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of the Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2004**

	Share Capital Rupees	Share Premium Rupees	Reserve for Issue of Bonus Shares Rupees	Unappropriated Profit Rupees	Total Rupees
<b>Balance as at 30 June 2002</b>	339,946,200	2,643,800	-	192,550,716	535,140,716
Net profit for the period ended 31 March 2003	-	-	-	57,234,944	57,234,944
Adjustment of profits of an associated company on adoption of IAS-12	-	-	-	(16,247,400)	(16,247,400)
<b>Balance as at 31 March 2003</b>	<u>339,946,200</u>	<u>2,643,800</u>	<u>-</u>	<u>233,538,260</u>	<u>576,128,260</u>
<b>Balance as at 30 June 2003</b>	339,946,200	2,643,800	129,179,560	212,670,521	684,440,081
Net profit for the period ended 31 March 2004	-	-	-	141,937,104	141,937,104
Issuance of share capital	129,179,560	-	(129,179,560)	-	-
<b>Balance as at 31 March 2004</b>	<u>469,125,760</u>	<u>2,643,800</u>	<u>-</u>	<u>354,607,625</u>	<u>826,377,185</u>

The annexed notes form an integral part of these accounts.

These financial statements have been authenticated by two directors of the company, as allowed by section 241 (2) of Companies Ordinance, 1984, due to non availability of the Chief Executive.

LAHORE

DIRECTOR

DIRECTOR



**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE ACCOUNTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2004**

**1. STATUS AND NATURE OF BUSINESS**

First Capital Securities Corporation Limited ("the company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated at Gulberg, Lahore. The company has investments in subsidiaries and associates engaged in brokerage, telecommunication and real state. In addition the company acts as a broker in money market.

**2. BASIS OF PREPARATION**

These accounts have been prepared in accordance with the requirements of International Accounting Standards (IAS) -34 "Interim Financial Reporting". These accounts are un-audited as required under Section 245 of the Companies Ordinance, 1984.

**3. ACCOUNTING POLICIES**

Accounting policies adopted for the preparation of these accounts are the same as those applied in preparation of the preceding annual audited accounts of the company for the year ended June 30, 2003.

**4. CONTINGENCIES AND COMMITMENTS**

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2003.

**5. TRANSACTIONS WITH RELATED PARTIES**

	<u>31 March 2004</u>	<u>31 March 2003</u>
	Rupees	Rupees
Transaction of shares		
- Purchases	124,230,130	258,152,750
- Sales	135,345,503	315,474,565
Payments for/against current accounts	82,041,973	113,391,205
Safe of vehicles to associated company	-	764,672
Investments in subsidiaries and associated companies	100,398,000	251,305,513
Consultancy fee charged	4,500,000	12,248,720
Mark up income	1,456,995	4,182,708
Mark up charged by associated companies	335,071	596,525
Dividend from associated companies	8,370,399	5,016,453
Insurance premium	202,056	191,443
Insurance claim	45,904	192,500
Commission paid	59,792	456,360
Service charges paid to associated company	1,790,550	2,057,710
Purchase of vehicle from associated company	-	825,000

The company continues to have a policy whereby all transactions with related parties are entered into at arm's length determined in accordance with "Comparable Uncontrolled Price Method".

**6. GENERAL**

Figures have been rounded off to the nearest rupee.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of the Chief Executive.

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONSOLIDATED BALANCE SHEET (UN-AUDITED)**  
**AS AT 31 MARCH 2004**

	<u>Note</u>	<u>31 March 2004</u> Rupees	<u>30 June 2003</u> Rupees
<b>FIXED CAPITAL EXPENDITURE</b>			
<b>ASSETS</b>			
OPERATING FIXED ASSETS		193,813,157	43,696,703
CAPITAL WORK IN PROGRESS		-	144,740,517
		<u>193,813,157</u>	<u>188,437,220</u>
NEGATIVE GOODWILL		(78,109,029)	(78,109,029)
COST OF CARDS AND ROOMS		56,200,000	56,200,000
LONG TERM INVESTMENTS		376,539,389	376,594,263
INVESTMENT IN PROPERTY		61,035,500	55,181,700
DEFERRED TAXATION		23,868,925	991,487
LONG TERM DEPOSITS		9,201,007	7,893,120
DEFERRED COSTS		191,573	235,782
		<u>642,740,522</u>	<u>607,424,543</u>
<b>CURRENT ASSETS</b>			
Stock in trade		3,487,987	2,041,931
Marketable securities		166,289,850	122,234,220
Advances, deposits, prepayments and other receivables		119,178,732	139,027,707
Accounts receivables		457,826,600	272,447,990
Cash and bank balances		89,844,560	54,651,567
		<u>836,627,729</u>	<u>590,403,415</u>
<b>CURRENT LIABILITIES</b>			
Current portion of obligations under finance leases		963,326	5,216,435
Short term running finances-secured		89,159,891	70,744,479
Creditors, accrued and other liabilities		553,878,430	331,997,243
Dividend payable		2,013,960	13,345,566
Provision for taxation		22,693,187	14,717,911
		<u>668,708,794</u>	<u>436,021,634</u>
<b>NET CURRENT ASSETS</b>		<u>167,918,935</u>	<u>154,381,781</u>
<b>LONG TERM DEPOSITS</b>		-	560,700
<b>DEFERRED LIABILITY FOR STAFF RETIREMENT GRATUITY</b>		18,731,011	8,508,214
<b>OBLIGATIONS UNDER FINANCE LEASES</b>		5,605,991	10,145,358
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
<b>NET CAPITAL EMPLOYED</b>		<u>786,322,455</u>	<u>742,592,052</u>
<b>REPRESENTED BY:</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		469,125,760	339,946,200
Share premium		2,643,800	2,643,800
Reserve for issue of bonus shares		-	129,179,560
Unappropriated profit		210,747,754	161,498,350
		<u>682,517,314</u>	<u>633,267,910</u>
<b>MINORITY INTEREST</b>		<u>103,805,141</u>	<u>109,324,142</u>
		<u>786,322,455</u>	<u>742,592,052</u>

These accounts should be read in conjunction with the annexed notes.

These financial statements were authorized for issuance by the Board of Directors on 29 April 2004.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2004**

	2004		2003	
	Jan - March	Year to Date	Jan - March	Year to Date
	3 - Months	9 - Months	3 - Months	9 - Months
	Rupees	Rupees	Rupees	Rupees
REVENUES	104,637,307	270,426,925	34,936,650	156,820,976
DIRECT COSTS	27,033,650	74,014,373	-	28,324,417
<b>GROSS PROFIT</b>	<b>77,603,657</b>	<b>196,412,552</b>	<b>34,936,650</b>	<b>128,496,559</b>
OPERATING COSTS	55,440,932	167,554,537	24,414,568	97,918,802
<b>OPERATING PROFIT</b>	<b>22,162,725</b>	<b>28,858,015</b>	<b>10,522,082</b>	<b>30,577,757</b>
OTHER INCOME	2,433,398	8,151,095	3,226,568	14,293,075
	24,596,123	37,009,110	13,748,650	44,870,832
FINANCIAL CHARGES	5,495,972	16,057,931	989,491	6,684,995
	19,100,151	20,951,179	12,759,159	38,185,837
Gain on fair value adjustment of investment properties	-	5,853,800	-	-
Unrealized gain/(loss) on re-measurement of marketable securities	70,553	(1,434,152)	(5,470,270)	29,990,313
Share in profit of associated companies	4,165,815	21,685,554	3,061,525	28,832,092
<b>PROFIT BEFORE TAXATION</b>	<b>23,336,519</b>	<b>47,056,381</b>	<b>10,350,414</b>	<b>97,008,242</b>
Provision for taxation	4,013,362	(15,264,413)	153,132	2,116,628
<b>PROFIT AFTER TAXATION</b>	<b>19,323,157</b>	<b>62,320,794</b>	<b>10,197,282</b>	<b>94,891,614</b>
MINORITY INTEREST	(4,823,378)	(11,085,303)	(1,015,475)	(7,797,150)
<b>PROFIT ATTRIBUTABLE TO HOLDING COMPANY</b>	<b>14,499,779</b>	<b>51,235,491</b>	<b>9,181,807</b>	<b>87,094,464</b>
Earning per share-Basic	0.31	1.09	0.20	1.86

These accounts should be read in conjunction with the annexed notes.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2004**

	July to March 2004	July to March 2003
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	47,056,381	68,938,918
<b>Adjustments for:</b>		
Depreciation	17,988,857	4,739,477
Amortization	44,209	-
Gain on disposal of assets	(1,188,598)	(864,773)
Share of profit of associated companies	(21,685,554)	(22,397,319)
Bad debts written back	(1,929,720)	(1,838,133)
Unrealized gain/(loss) on re-measurement of marketable securities	1,434,152	(755,118)
Gain on fair value adjustment of investment properties	(5,853,800)	(15,963,000)
Provision for gratuity	3,192,309	1,867,563
	(7,998,145)	(35,211,303)
<b>Adjustments for working capital items:</b>		
Increase in stock in trade	(1,446,056)	-
(Increase)/decrease in marketable securities	(45,489,782)	90,117,813
Increase/(decrease) in advances, deposits, prepayments and other receivables	21,744,995	(28,261,260)
Increase in accounts receivables	(195,668,948)	(186,100,334)
Increase/(decrease) in creditors, accrued and other liabilities	208,071,081	221,927,236
	(12,788,710)	97,683,455
Cash flow from operating activities	26,269,525	131,411,069
Gratuity paid	(1,234,699)	(1,180,700)
Taxes paid	(1,497,788)	(2,953,342)
Net cash flow from operating activities	23,537,038	127,277,027
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(11,086,603)	(6,306,336)
Investments in property	-	(71,193,548)
Investments in shops	-	57,684,000
Long term deposits	(560,700)	-
Sale proceeds of fixed assets	3,271,500	3,566,297
Sale proceeds of partial disposal of shares in subsidiary company	-	19,080,000
Increase in long term investments	21,740,428	(156,260,513)
Net cash used in investing activities	13,364,625	(153,430,100)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid during the year	(8,792,476)	(1,278,068)
Dividend paid	(11,331,606)	(146,247)
(Decrease) / increase in long term loans and deposits	-	607,436
Net cash flow from financing activities	(20,124,082)	(816,879)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	16,777,581	(26,969,952)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	(16,092,912)	84,253,296
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	684,669	57,283,344
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	89,844,560	58,907,988
Short term running finance	(89,159,891)	(1,624,644)
	684,669	57,283,344

These accounts should be read in conjunction with the annexed notes.

These financial statements have been authenticated by two directors of the company, as allowed by section 241(2) of Companies Ordinance, 1984, due to non availability of Chief Executive.

LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2004**

	Share Capital Rupees	Share Premium Rupees	Reserve for Issue of Bonus Shares Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 30 June 2002	339,946,200	2,643,800	-	143,594,896	486,184,896
Profit for the period	-	-	-	51,235,491	51,235,491
Adjustment of Dilution of investment in First Capital Equities Limited	-	-	-	15,204,897	15,204,897
Adjustment of profits of an associated company on adoption of IAS-12	-	-	-	(16,247,400)	(16,247,400)
Adjustment for exchange difference	-	-	-	(191,503)	(191,503)
Proposed dividend	-	-	-	-	-
<b>Balance as at 31 March 2003</b>	<u>339,946,200</u>	<u>2,643,800</u>	<u>-</u>	<u>193,596,381</u>	<u>536,186,381</u>
Balance as at 30 June 2003	339,946,200	2,643,800	129,179,560	161,498,350	633,267,910
Share capital issued	129,179,560	-	(129,179,560)	-	-
Profit for the period	-	-	-	51,235,491	51,235,491
Adjustment for exchange difference	-	-	-	(1,986,087)	(1,986,087)
<b>Balance as at 31 March 2004</b>	<u>469,125,760</u>	<u>2,643,800</u>	<u>-</u>	<u>210,747,754</u>	<u>682,517,314</u>

These accounts should be read in conjunction with the annexed notes.

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LAHORE

DIRECTOR

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE CONSOLIDATED ACCOUNTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED 31 MARCH 2003**

**1 STATUS AND NATURE OF BUSINESS**

First Capital Securities Corporation Limited ("the parent company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated at Gulberg, Lahore. The company has investments in subsidiaries and associates engaged in brokerage, telecommunication and real state. In addition the company acts as a broker in money market.

**2 BASIS OF PREPARATION**

These accounts have been prepared in accordance with the requirements of International Accounting Standards (IAS) -34 "Interim Financial Reporting". These accounts are un-audited as required under Section 245 of the Companies Ordinance, 1984.

**3 ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the annual audited accounts of the company for the year ended June 30, 2003.

**4 SUBSIDIARY COMPANIES**

Following subsidiary companies have been consolidated in the accounts of the parent company:

	<b>Percentages of Holding</b>	
	<b>March 31, 2004</b>	<b>June 30, 2003</b>
First Capital Associates (Private) Limited	100.00%	100.00%
First Capital Investments Limited	65.79%	65.79%
Lanka Securities (Private) Limited, Sri Lanka	51.00%	51.00%
First Capital Equities Limited	67.39%	67.39%
Media Times (Private) Limited	69.31%	72.17%
World Press (Private) Limited	58.34%	0.00%

**5 CONTINGENCIES AND COMMITMENTS**

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2003.

## 6 TRANSACTIONS WITH RELATED PARTIES

The parent company continues to have a policy whereby all transactions with related parties are entered into at arm's length determined in accordance with "Comparable Uncontrolled Price Method".

	Nine Months Ended 31-Mar-04	Year Ended 30-Jun-03
	Rupees	Rupees
Brokerage income	-	456,360
Transaction of shares		
- Purchases	122,360,315	315,474,565
- Sales	131,050,623	258,152,750
Payments for/against current accounts	61,761,323	147,909,497
Investments in associated undertakings	376,539,389	215,305,513
Consultancy fees charged	4,500,000	12,248,720
Mark up income	1,456,995	4,779,233
Mark up charged	335,071	596,525
Fixed assets sold	-	764,672
Group pool expenses	-	1,542,801
Dividend from associated companies	12,120,399	5,016,453
Investment advisory fees received	2,038,386	1,616,618
Investment advisory fees charged	1,563,257	1,905,571
Contribution to staff retirement gratuity	-	828,655
Commission paid	50,482	456,360
Insurance premium	34,965	191,443
Service charges paid to associated companies	1,790,550	2,057,710

## 7 GENERAL

Figures have been rounded off to the nearest rupee.

These financial statements have been authenticated by two directors of the company, as allowed by section 241 (2) of Companies Ordinance, 1984, due to non availability of Chief Executive.