

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
31 MARCH 2010
(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 INFORMATION

Board of Directors	Salmaan Taseer (Chairman and Chief Executive Officer) Aamna Taseer Shahbaz Ali Taseer Shehryar Ali Taseer Omer Subhan Salamat Sulieaman Ahmed Said Al-Hoqani Jamal Said Al-Ojaili
Chief Financial Officer	Saeed Iqbal
Audit Committee	Shahbaz Ali Taseer (Chairman) Aamna Taseer Omer Subhan Salamat
Company Secretary	Muhammad Irfan Khawaja
Auditors	KPMG Taseer Hadi and Co. Chartered Accountants
Legal Advisers	Mazhar Law Associates Advocates and Solicitors
Bankers	Allied Bank Limited Bank Al-Habib Limited Bank Al-Falah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited NIB Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) 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 / Head Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 35757591-4 Fax: (042) 35757590, 35877920

FIRST CAPITAL SECURITIES CORPORATION LIMITED

DIRECTORS' REVIEW

The Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") are pleased to present the shareholders the un-audited financial statements of the Company for the quarter and nine months ended March 31, 2010

Operational Results

The operating results of the Company are summarized as follows:

	31 March 2010	31 March 2009
	Rupees	Rupees
Revenue	99,854,806	27,163,222
Unrealized loss on short term investments	(761,999,292)	(1,630,419,342)
Operating Expenses	47,495,345	57,884,078
Operating loss	(757,391,728)	(1,728,491,550)
Finance and other costs	8,776,369	15,300,486
Loss before Taxation	(718,416,200)	(1,676,440,684)
Earnings per Share (basic and diluted)	(2.50)	(5.83)

During the period under review, the Company's revenue has been increased as compared to the corresponding period last year. The revenue for the nine months period was Rs. 99 million as compared to Rs. 27 million in the corresponding period, while loss before tax for the current period was Rs.718 million. Mainly due to unrealized loss of Rs.762 million on account of revaluation of the short term investment at market price. Company's continuous focus on cost controlling measures has allowed it to cut the operating expenditure by 18% to Rs 47.5 million in nine months period as against Rs 58 million, previously. Moreover, financial charges of your Company remained 43 % lower at Rs 8.78 million. The EPS of the Company was Rs. (2.50) as compared to Rs. (5.83) in the corresponding period last year.

Our subsidiaries have reported mix business performance during the nine months under review. The equity brokerage business i.e. First Capital Equities Limited (FCEL) has reported revenue of Rs. 326.14 million although it incurred an after tax loss of Rs.189.00 as compared to the loss of Rs. 211.82 million in the same period last year. EPS stood at Rs. (1.75) from Rs. (1.96) in the corresponding period last year. Lanka Securities (Pvt.) Limited (LSL) generated net profit of Pak Rs. 55.94 million during the period while EPS stood at Pak Rs. 4.24. First Capital Investments Limited (FCIL) has reported profit after tax of Rs.13.03 million as compared to loss of Rs.18.26 million last year. Trident Construct (Pvt.) Limited (TCL) reported an after tax profit of Rs.5.07 million as compared to profit of Rs.133.04 million for the corresponding period last year. World Press (Pvt.) Limited earned revenues of Rs. 97.99 million while incurring an after tax loss of Rs.18.33 million as compared to profit of Rs.18.98 million for the same period last year.

Future Outlook

We expect the sustainability of current rally of foreign fund inflows, resolution of circular debt issues, development of power projects, better corporate results, and increased foreign remittance from overseas Pakistanis will play a major role in determining the direction of economy, capital and real estate market.

The Company has diversified investments in property, media and financial services businesses. It has the strategic depth, experienced management, skilled manpower and sufficient resources to capitalize on opportunities in the economy and to cope with challenges in any probable environment. We are exerting our all efforts to maximize the wealth of shareholders.

Board of Directors

There is no change in the composition of Board of Directors of the Company, since last annual report. In extraordinary general meeting held on 26 September 2009 all existing directors were retired and reappointed for a term of three years.

Acknowledgement

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

For and on behalf of the Board of Directors

Lahore
27 April 2010

Salmaan Taseer
Chairman and Chief Executive Officer

Aamna Taseer
Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2010**

Note	(UN-AUDITED)	(AUDITED)	
	31 March 2010 Rupees	30 June 2009 Rupees	
NON CURRENT ASSETS			
	Property and equipment	183,491,180	184,140,444
	Long term loans	391,629,002	349,429,002
	Investment property	527,569,150	850,008,150
	Long term investments	5,184,280,764	6,817,025,949
	Long term deposits	537,500	646,838
		6,287,507,596	8,201,250,383
Current assets			
	Trade debts	3,079,956	1,681,297
	Loans and advances	2,216,697	2,303,978
	Short term prepayments	169,863	111,777
	Taxation recoverable	19,655,525	18,743,777
	Other receivables	6,986,764	11,401,062
	Investments at fair value through profit and loss	1,089,217,042	1,905,044,077
	Cash and bank balances	22,108,658	17,279,396
		1,143,434,505	1,956,565,364
Current liabilities			
	Current portion of liabilities against assets subject to finance lease	628,518	666,661
	Mark up accrued	2,658,458	2,755,132
	Short term borrowings - secured	70,329,587	70,325,587
	Trade and other payables	260,855,358	309,947,791
		334,471,921	383,695,171
	Working capital	808,962,584	1,572,870,193
	Net assets	7,096,470,180	9,774,120,576
Non current liabilities			
	Liabilities against assets subject to finance lease	530,652	984,576
	Staff retirement benefits	14,555,549	11,730,619
		15,086,201	12,715,195
	Contingencies and commitments		
	Net capital employed	7,081,383,979	9,761,405,381
Represented by:			
Share capital and reserves			
	Issued, subscribed and paid-up capital	2,878,273,750	2,502,846,740
	Reserves	361,652,591	2,321,471,026
	Unappropriated profit	3,841,457,638	4,937,087,615
		7,081,383,979	9,761,405,381

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS & QUARTER ENDED 31 MARCH 2010**

	Nine months ended		Three months ended	
	31 March 2010 Rupees	31 March 2009 Rupees	31 March 2010 Rupees	31 March 2009 Rupees
Operating revenue				
Unrealized loss on remeasurement of short term investments	(761,999,292)	(1,630,419,342)	(599,439,360)	(942,012,710)
Financial consultancy services	5,000,000	1,500,000	-	-
Money market services	10,290,861	9,097,756	2,919,099	2,980,803
Gain/(loss) on sale of investments	10,958,100	(73,997,164)	590,923	(17,324,535)
Gain on sale of investment property	676,360	250,000	-	-
Rental income from investment property	11,459,157	10,725,728	1,246,751	5,356,251
Dividend income	13,718,431	12,235,550	5,666,666	10,200,000
	(709,896,383)	(1,670,607,472)	(589,015,921)	(940,800,191)
Operating expenses	47,495,345	57,884,078	11,293,375	23,444,817
Operating loss	(757,391,728)	(1,728,491,550)	(600,309,296)	(964,245,008)
Finance and other costs	8,776,369	15,300,486	2,691,732	8,140,814
	(766,168,097)	(1,743,792,036)	(603,001,028)	(972,385,822)
Other operating income	47,751,897	67,351,352	16,793,931	14,854,951
Loss before taxation	(718,416,200)	(1,676,440,684)	(586,207,097)	(957,530,871)
Taxation	(1,786,767)	(1,037,573)	(594,047)	(535,625)
Loss after taxation	(720,202,967)	(1,677,478,257)	(586,801,144)	(958,066,496)
Loss per share- basic and diluted (2009 : restated)	(2.50)	(5.83)	(2.04)	(3.33)

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010

	31 March 2010 Rupees	31 March 2009 Rupees
Loss after taxation	(720,202,967)	(1,677,478,257)
Other comprehensive income/(expense)		
(Loss)/gain on remeasurement of available for sale of financial assets	(1,959,818,435)	(1,428,184,190)
Total comprehensive loss for the period	<u>(2,680,021,402)</u>	<u>(3,105,662,447)</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010

	31 March 2010 Rupees	31 March 2009 Rupees
Cash flow from operating activities		
Loss before taxation	(718,416,200)	(1,676,440,684)
Adjustments for:		
Finance and other costs	8,776,369	15,300,486
Unrealized loss on remeasurement of investments at fair value through profit and loss	761,999,292	1,630,419,342
Dividend income	(13,718,431)	(12,235,550)
Depreciation	669,264	924,891
Gain on disposal of property and equipment	(21,500)	(450,000)
Gain on disposal of investment property	(676,360)	-
Gain on currency translation	(81,126)	(168,240)
Gain on disposal of subsidiary	-	(249,503)
Mark up income	(47,649,271)	(65,141,343)
Provision for staff retirement benefits	3,257,070	2,513,226
	<u>712,555,307</u>	<u>1,570,913,309</u>
	(5,860,893)	(105,527,375)
Loss before working capital changes		
(Increase)/decrease in working capital :		
Trade debts	(1,398,659)	(2,289,495)
Loans and advances	87,281	(2,095,302)
Short term prepayments	(58,086)	(124,475)
Other receivables	4,402,498	(409,234)
Short term investments-net	53,827,743	(65,842,574)
Trade and other payables	(49,092,433)	65,348,299
	<u>7,768,344</u>	<u>(5,412,781)</u>
	1,907,451	(110,940,156)
Cash used in operations		
Staff retirement benefits	(432,140)	(14,000)
Finance and other costs paid	(8,873,043)	(7,296,242)
Taxes paid	(2,698,515)	(4,996,265)
	<u>(12,003,698)</u>	<u>(12,306,507)</u>
	(10,096,247)	(123,246,663)
Net cash used in operating activities		
Cash flows from investing activities		
Capital expenditure incurred	(20,000)	(100,319,197)
Dividend received	13,730,231	23,334,914
Proceeds from disposal of property and equipment	21,500	450,000
Proceeds from disposal of investment property	323,115,360	-
Investment property	-	(35,257,608)
Proceeds from disposal of subsidiary	-	725,000
Long term loans	(42,200,000)	76,122,051
Long term investment	(327,073,250)	(419,837,753)
Long term deposits	109,338	-
Mark up received	47,649,271	65,256,762
	<u>47,649,271</u>	<u>65,256,762</u>
Net cash generated/(used in) from investing activities	15,332,450	(389,525,831)
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(492,067)	(431,857)
Short term borrowings	4,000	182,074,145
	<u>(488,067)</u>	<u>181,642,288</u>
Net cash (used in)/generated from financing activities	4,748,136	(331,130,206)
Net increase/(decrease) in cash and cash equivalents	17,279,396	350,905,292
Cash and cash equivalents at the beginning of the period	81,126	168,240
Unrealised exchange gain on translation of deposit account	22,108,658	19,943,326
Cash and cash equivalents at the end of the period	<u>22,108,658</u>	<u>19,943,326</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010

	Share capital Rupees	Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total Rupees
Balance as at 01 July 2008	1,625,225,160	2,905,945,335	7,187,419,201	11,718,589,696
Total comprehensive loss for the period				
Loss for the period after tax	-	-	(1,677,478,257)	(1,677,478,257)
Other comprehensive income for the period				
Fair value gain during the period	-	(1,428,184,190)	-	(1,428,184,190)
Total comprehensive loss for the period	-	(1,428,184,190)	(1,677,478,257)	(3,105,662,447)
Distribution to owners				
Issuance of bonus shares	650,090,060	-	(650,090,060)	-
Total transaction with owners	650,090,060	-	(650,090,060)	-
Balance as at 31 March 2009	2,275,315,220	1,477,761,145	4,859,850,884	8,612,927,249
Total comprehensive income for the period				
Loss for the period after tax	-	-	304,768,251	304,768,251
Other comprehensive income for the period				
Fair value loss during the period	-	843,709,881	-	843,709,881
Total comprehensive income for the period	-	843,709,881	304,768,251	1,148,478,132
Distribution to owners				
Issuance of bonus shares	227,531,520	-	(227,531,520)	-
Total transaction with owners	227,531,520	-	(227,531,520)	-
Balance as at 30 June 2009	<u>2,502,846,740</u>	<u>2,321,471,026</u>	<u>4,937,087,615</u>	<u>9,761,405,381</u>
Balance as at 01 July 2009	2,502,846,740	2,321,471,026	4,937,087,615	9,761,405,381
Total comprehensive loss for the period				
Loss for the period after tax	-	-	(720,202,967)	(720,202,967)
Other comprehensive loss for the period				
Fair value loss during the period	-	(1,959,818,435)	-	(1,959,818,435)
Total comprehensive loss for the period	-	(1,959,818,435)	(720,202,967)	(2,680,021,402)
Distribution to owners				
Issuance of bonus shares	375,427,010	-	(375,427,010)	-
Total transaction with owners	375,427,010	-	(375,427,010)	-
Balance as at 31 March 2010	<u>2,878,273,750</u>	<u>361,652,591</u>	<u>3,841,457,638</u>	<u>7,081,383,979</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

LAHORE: CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010

1 Status and nature of business

First Capital Securities Corporation Limited ("the Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated at 103 C/II, Gulberg-III, Lahore. The Company is involved in making long and short term investments, money market operations and financial consultancy services.

2 Basis of preparation

These condensed interim financial statements are prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Statements" and are being submitted to the shareholders under section 245 of the Companies Ordinance 1984. The condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2009.

3 Accounting policies

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended 30 June 2009, except for change required as a result of adaptation of IAS 1-Revised-Presentation of financial statements.

The revised accounting standard prohibits the presentation of certain items of income and expenses (non-owner changes in equity) in the statement of changes in equity that were earlier required by other International Financial Reporting Standards (IFRS) to be accounted for in the statement of changes in equity and thus requires 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in the performance statement. Companies can choose whether to present one performance statement (Statement of Comprehensive Income) or two statements (Profit and Loss Account and Statement of Comprehensive Income).

The company, however has preferred to two step statement i.e., Profit and Loss Account and Statement of Other Comprehensive Income. This interim financial information has been prepared on the basis of revised disclosure requirements.

4 Estimates

The preparation of condensed interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to in the financial statements for the year ended 30 June 2009.

	31 March 2010 Rupees	30 June 2009 Rupees
5 Long term investments		
Available for sale		
Subsidiary companies - at cost	152,760,200	154,470,093
Impairment loss	-	(1,709,893)
	152,760,200	152,760,200
Subsidiary company - at fair value	4,917,512,424	6,665,937,168
Unrealized loss on revaluation of available for sale	(2,273,169,228)	(1,748,424,744)
	2,644,343,196	4,917,512,424
Associated companies - at cost	526,340,000	245,045,000
Associated company - at fair value	1,547,486,575	337,757,890
Unrealized gain on revaluation of available for sale	313,350,793	1,163,950,435
	2,387,177,368	1,746,753,325
	5,184,280,764	6,817,025,949
6 Investments at fair value through profit or loss		
Held for trading		
Related parties	19,971,650	36,730,831
Others	13,562,299	38,418,975
Others - related parties	1,817,682,385	3,236,430,652
	1,851,216,334	3,311,580,458
Unrealised loss on account of remeasurement to fair value during the period	(761,999,292)	(1,406,536,381)
	1,089,217,042	1,905,044,077

7 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingencies from those disclosed in the published financial statements of the Company for the year ended 30 June 2009.

	31 March 2010 Rupees	30 June 2009 Rupees
Commitments		
Commitments in respect of capital expenditure	239,830,434	239,830,434

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, subsidiary undertakings, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

	31 March 2010 Rupees	31 March 2009 Rupees
Subsidiary companies		
Finance cost charged	-	1,426,684
Brokerage / Commission / Loan arrangement fee paid	735,106	606,160
Mark up income	-	926,890
Dividend income	13,475,731	-
Purchase of goods/services	715,320	426,207
Short term borrowings - Repo	-	60,000,000
Repayment of short term borrowings - Repo	-	60,000,000
Placements entered and rolled over	-	32,200,000
Sale of property	323,115,360	-
Associated companies		
Income from financial consultancy services	5,000,000	1,500,000
Mark up income	47,414,844	32,183,014
Long term loan given	42,200,000	-
Long term investments made	327,073,250	-
Liability paid against purchase of property	51,221,304	-
Insurance premium paid	265,987	361,536
Insurance claim received	12,000	8,700

9 Date of authorization for issue

These un-audited condensed interim financial information for the nine months ended 31 March 2010 were authorized for issue on 27 April 2010 by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
31 MARCH 2010
(Un-Audited)**

FIRST CAPITAL SECURITIES CORPORATION LIMITED-GROUP

Directors' Review on Consolidated Financial Statements

The Directors of First Capital Securities Corporation Limited (the "Group") is pleased to present un-audited condensed consolidated financial statements of the Group for the quarter and nine months ended 31 March 2010.

Operational Results

The operating results of the Group are summarized as follows:

	31 March 2010	31 March 2009
	Rupees in million	
Revenue	680	1,160
Direct Costs	165	245
Operating Expenses	313	490
Operating profit	216	426
Loss before Taxation	(63)	(812)
Minority Interest	(35)	(2)
Earnings per Share (basic and diluted)	(0.24)	(2.96)

The performance of subsidiary companies of the Group is as follows;

First Capital Equities Limited ("FCEL")

FCEL posted a loss net off tax Rs.189.00 million as compared to the loss of Rs.211.82 million in the corresponding period last year translating into EPS of Rs.(1.75) and Rs.(1.96) respectively.

Trident Construct (Pvt.) Limited ("TCL")

Although real estate development and construction business is facing a vary hard time not only in Pakistan but all over the world, TCL performed satisfactorily during the period under review and showed an after tax profit of Rs.5.07 million as compared to the profit of Rs.133.04 million and have announced an interim dividend of 5.42% to all its share holders.

Lanka Securities (Pvt.) Limited ("LSL")

LSL has generated a handsome revenue of Rs. 110.83 million resulting in a net off tax profit of Rs.55.94 million translating the same in an EPS of Rs 4.24 during the period under review. Share capital was increased through the issue of 50% bonus shares.

World Press (Pvt.) Limited ("WPL")

At Rs 84 million, the revenue of WPL depicted a decrease of 15% from Rs 99 million in the corresponding period of last year. This decline in revenue was due to realization of short term investments. WPL showed an after tax loss of Rs.18 million as compared to the profit of Rs.23 million in the corresponding period last year.

First Capital Investments Limited ("FCIL")

FCIL reported Profit after tax of Rs.13.03 million in the period under review against the loss of Rs. 18.26 million in the corresponding period last year.

Future Outlook

The Group is optimistic for its near future keeping in view its diversified investments in media, real estate sector and financial services businesses. The strategic depth, experienced management, skilled manpower and sufficient resources enable the group to capitalize on opportunities in the economy & to cope with challenges in any probable environment. We are exerting our all efforts to maximize the wealth of shareholders.

Acknowledgement

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

For and on behalf of the Board of Directors

Lahore
27 April 2010

Salmaan Taseer
Chairman and Chief Executive Officer

Aamna Taseer
Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010**

	Note	Un-audited 31 March 2010 Rupees	Audited 30 June 2009 Rupees
NON CURRENT ASSETS			
Property, plant and equipment		575,464,872	595,179,826
Intangible assets		41,610,000	41,820,000
Long term loans		391,629,002	349,429,002
Investment property		527,569,150	850,008,150
Investment in associates	6	1,282,868,759	856,991,798
Long term deposits and advances		22,070,186	15,209,852
Deferred tax assets		5,867,031	867,481
		<u>2,847,079,000</u>	<u>2,709,506,109</u>
Current assets			
Inventories		15,269,937	16,867,627
Trade debts		3,657,948,343	3,705,798,389
Loans and advances		120,893,058	50,415,382
Short term prepayments		2,807,580	2,936,503
Taxation recoverable		47,047,283	42,600,687
Deposits and other receivables		201,021,844	47,747,864
Placements	7	950,746,927	1,503,852,766
Interest receivable		11,183,776	16,528,574
Investment property		892,961,919	-
Short term investments	8	743,223,747	910,694,818
Cash and bank balances		175,575,530	240,064,605
		<u>6,818,679,944</u>	<u>6,537,507,215</u>
Current liabilities			
Trade and other payables		1,471,886,026	943,643,480
Mark up accrued		210,815,141	169,619,425
Liability against repurchase agreement		304,347,055	681,400,430
Short term borrowings	9	1,485,230,395	3,271,211,237
Current portion of liabilities against assets subject to finance lease		18,237,856	19,132,642
Current portion of long term finance		812,944,128	40,000,000
		<u>4,303,460,601</u>	<u>5,125,007,214</u>
Net current assets		<u>2,515,219,343</u>	<u>1,412,500,001</u>
Net assets		<u>5,362,298,343</u>	<u>4,122,006,110</u>
Non current liabilities			
Liabilities against assets subject to finance lease		18,721,592	20,026,308
Long term finance	10	1,338,449,970	7,000,000
Staff retirement benefits		68,542,681	50,720,965
		<u>1,425,714,243</u>	<u>77,747,273</u>
Contingencies and commitments			
Net capital employed	11	<u>3,936,584,100</u>	<u>4,044,258,837</u>
Represented by:			
Share capital and reserves			
Issued, subscribed and paid up capital		2,878,273,750	2,502,846,740
Exchange translation reserve		25,706,752	20,446,936
Reserves capitalised		564,735,308	538,699,000
Unappropriated profit		(267,634,431)	203,729,967
Capital and reserves attributable to equity holders of the parent company			
		<u>3,201,081,379</u>	<u>3,265,722,643</u>
Non-controlling interest		735,502,721	778,536,194
		<u>3,936,584,100</u>	<u>4,044,258,837</u>

The annexed notes 1 to 14 form an integral part of these 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2010**

	Nine months ended		Three months ended	
	31 March 2010 Rupees	31 March 2009 Rupees	31 March 2010 Rupees	31 March 2009 Rupees
Revenue	680,430,449	1,160,667,065	259,808,566	282,023,715
Direct costs	165,248,470	244,863,648	70,431,794	72,111,310
Gross profit	515,181,979	915,803,417	189,376,772	209,912,405
Operating expenses	313,271,270	490,058,229	108,818,872	291,351,940
Operating profit	201,910,709	425,745,188	80,557,900	(81,439,535)
Other income	83,726,562	181,826,316	22,844,826	18,641,476
	<u>285,637,271</u>	<u>607,571,504</u>	<u>103,402,726</u>	<u>(62,798,059)</u>
Finance costs	390,908,952	569,051,701	129,272,320	157,110,887
	<u>(105,271,681)</u>	<u>38,519,803</u>	<u>(25,869,594)</u>	<u>(219,908,946)</u>
Share of profit of associated companies	1,711	11,175,215	1,636,518	20,965,576
Unrealized gain on remeasurement of investment property	-	-	-	-
Unrealized gain/(loss) on remeasurement of short term investments	42,603,271	(861,354,701)	20,375,819	(37,780,250)
Loss before taxation	(62,666,699)	(811,659,683)	(3,857,257)	(236,723,620)
Taxation	42,521,504	43,460,466	12,040,335	(9,644,821)
Loss after taxation	(105,188,203)	(855,120,149)	(15,897,592)	(227,078,799)
Non-controlling interest	(35,287,123)	(2,489,674)	2,419,066	(60,633,382)
Loss attributable to parent company	(69,901,080)	(852,630,475)	(18,316,658)	(166,445,417)
Earnings per share - basic and diluted (2009:restated)	(0.24)	(2.96)	(0.06)	(0.58)

Appropriations have been reflected in the statement of changes in equity.

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

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010**

	31 March 2010 Rupees	31 March 2009 Rupees
Loss after taxation	(69,901,080)	(852,630,475)
Other comprehensive income	5,259,816	8,910,170
Total comprehensive loss for the period	(64,641,264)	(843,720,305)

The annexed notes 1 to 14 form an integral part of these 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 ENDED 31 MARCH 2010
(UN-AUDITED)**

	31 March 2010 Rupees	31 March 2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(62,666,699)	(811,659,683)
Adjustments for:		
Depreciation	51,157,418	52,022,075
Finance cost	388,822,117	571,765,254
(Loss)/gain on remeasurement of short term investments	(42,603,271)	861,354,701
Dividend income	(8,185,613)	(12,459,719)
Amortization of intangible assets	210,000	210,000
Gain on disposal of property, plant and equipment	(1,109,500)	(17,773,815)
Exchange translation difference	10,147,539	(8,910,170)
Retirement benefits	21,472,530	13,978,159
Gain on disposal of subsidiary	-	(249,503)
Share of (profit)/loss of associated companies	(1,711)	(11,175,215)
Mark up income	(231,057,090)	(403,576,883)
	188,852,419	1,045,184,884
Profit/(loss) before working capital changes	126,185,720	233,525,201
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	1,597,690	(64,720,359)
Trade debts	47,850,046	(2,022,417,600)
Loans and advances	(70,477,676)	924,840,736
Short term prepayments	128,923	458,683
Deposits and other receivables	(153,285,781)	(40,388,079)
Short term investments - net	210,074,342	(518,897,124)
Placements	553,105,839	1,089,127,661
Interest receivable	-	(17,958,041)
Trade and other payables	528,242,546	(182,106,105)
Liability against repurchase agreement	(377,053,375)	633,376,827
Short term borrowings	(1,785,980,842)	(600,884,551)
	(1,045,798,288)	(799,567,952)
Cash used in operations	(919,612,568)	(566,042,751)
Long term deposits and advances	(6,860,334)	(1,723,443)
Retirement benefits paid	(3,650,814)	(5,622,509)
Finance costs paid	(347,626,401)	(516,527,738)
Taxes (paid)/received	(51,967,650)	50,611,811
Net cash used in operating activities	(1,329,717,767)	(1,039,304,630)
Cash flows from investing activities		
Fixed capital expenditure	(34,453,318)	(195,424,083)
Sale proceeds of property, plant and equipment	4,120,352	461,649,845
Sale proceeds of subsidiary	-	725,000
Dividend received	8,197,413	23,559,083
Investment in associates	(425,875,250)	(419,837,753)
Investment property	(570,522,919)	(35,257,608)
Long term Loans	(42,200,000)	76,122,051
Mark up received	236,401,888	379,522,857
Net cash (used in)/generated from investing activities	(824,331,834)	291,059,392
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(2,199,502)	(10,969,868)
Long term finance	2,104,394,098	-
Dividend paid to minority	(12,634,070)	(9,800,000)
Net cash generated from / (used in) financing activities	2,089,560,526	(20,769,868)
Net decrease in cash and cash equivalents	(64,489,075)	(769,015,106)
Cash and cash equivalents in the beginning of the period	240,064,605	993,870,985
Cash and cash equivalents at the end of the period	175,575,530	224,855,879

The annexed notes 1 to 14 form an integral part of these 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 NINE MONTHS ENDED 31 MARCH 2010**

	Attributable to equity holders of the Parent Company						Total Equity Rupees	
	Share capital Rupees	Revaluation reserve of company Rupees	Reverse capitalised Rupees	Currency translation reserve Rupees	Unappropriated profit/(loss) Rupees	Total Rupees		Non-controlling interest Rupees
Balance as at 01 July 2008	1,625,225,160	-	298,968,600	9,670,933	2,172,678,728	4,106,543,421	810,971,696	4,917,515,117
Total comprehensive income for the period	-	-	-	-	(852,630,475)	(852,630,475)	(2,469,674)	(855,120,149)
Loss/profit for the period after tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Exchange translation difference recognized directly in equity	-	-	-	8,910,170	-	8,910,170	8,560,749	17,470,919
Total comprehensive income/(loss) for the period	-	-	-	8,910,170	(852,630,475)	(843,720,305)	6,071,075	(837,649,230)
Distribution to owners	650,090,060	-	106,848,040	-	(650,090,060)	-	-	-
Issuance of bonus shares	-	-	-	-	(106,848,040)	-	-	-
Issue of bonus shares by subsidiary	-	-	-	-	-	-	-	-
Total transaction with owners	650,090,060	-	106,848,040	-	(650,090,060)	-	-	-
Balance as at 31 March 2009	2,275,315,220	-	405,816,640	18,581,103	563,110,153	3,262,823,116	817,042,771	4,079,865,887
Total comprehensive income for the period	-	-	-	-	1,033,694	1,033,694	(30,499,242)	(29,465,548)
Profit/loss for the period after tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Exchange translation difference recognized directly in equity	-	-	-	1,865,833	-	1,865,833	1,792,665	3,658,498
Total comprehensive income/(loss) for the period	-	-	-	1,865,833	1,033,694	2,899,527	(28,706,577)	(25,807,050)
Distribution to owners	227,531,520	-	132,882,360	-	(227,531,520)	-	-	(9,800,000)
Dividend paid	-	-	-	-	(132,882,360)	-	-	-
Issue of bonus shares by subsidiary	-	-	-	-	-	-	-	-
Total transaction with owners	227,531,520	-	132,882,360	-	(227,531,520)	-	-	(9,800,000)
Balance as at 30 June 2009	2,502,846,740	-	538,699,000	20,446,936	203,729,967	3,265,722,643	778,536,194	4,044,258,837
Balance as at 01 July 2009	2,502,846,740	-	538,699,000	20,446,936	203,729,967	3,265,722,643	778,536,194	4,044,258,837
Total comprehensive income for the period	-	-	-	-	(69,901,080)	(69,901,080)	(35,287,123)	(105,188,203)
Loss for the period after tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Exchange translation difference recognized directly in equity	-	-	-	5,259,816	-	5,259,816	4,887,720	10,147,536
Total comprehensive income/(loss) for the period	-	-	-	5,259,816	(69,901,080)	(64,641,264)	(30,399,403)	(55,040,667)
Distribution to owners	375,427,010	-	26,036,308	-	(375,427,010)	-	-	(12,634,070)
Dividend paid	-	-	-	-	(26,036,308)	-	-	-
Issue of bonus shares by subsidiary	-	-	-	-	-	-	-	-
Total transaction with owners	375,427,010	-	26,036,308	-	(375,427,010)	-	-	(12,634,070)
Balance as at 31 March 2010	2,878,273,750	-	564,735,308	25,706,752	(267,634,431)	3,201,081,379	735,502,721	3,936,584,100

The annexed notes 1 to 14 form an integral part of these 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 STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2010**

1. Status and nature of business

First Capital Securities Corporation Limited (FCSC) ("the Parent Company") was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad stock exchanges. The registered office of the Parent Company is situated at 103 C/II, Gulberg-III, Lahore. The Parent Company is involved in making long and short term investments, money market operations and financial consultancy services.

2. Basis of preparation

These condensed interim financial statements are un-audited. These condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Statements" and are being submitted to the shareholders under section 245 of the Companies Ordinance 1984.

3. Accounting policies

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended 30 June 2009, except for change required as a result of adaption of IAS 1-Revised-Presentation of financial statements.

The revised accounting standard prohibits the presentation of certain items of income and expenses (non-owner changes in equity) in the statement of changes in equity that were earlier required by other International Financial Reporting Standards (IFRS) to be accounted for in the statement of changes in equity and thus requires 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in the performance statement. Companies can choose whether to present one performance statement (Statement of Comprehensive Income) or two statements (Profit and Loss Account and Statement of Comprehensive Income).

The company, however has preferred to two step statement i.e., Profit and Loss Account and Statement of Other Comprehensive Income. This interim financial information has been prepared on the basis of revised disclosure requirements.

4. Estimates

The preparation of condensed interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to in the financial statements for the year ended 30 June 2009.

5. Subsidiary companies

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

	Percentage of Holding	
	31 March 2010	30 June 2009
First Capital Investments Limited (FCIL)	76.56	76.56
Lanka Securities (Pvt.) Limited, Sri Lanka	51	51
World Press (Pvt.) Limited	65	65
First Capital Equities Limited (FCEL)	67.29	67.29
Trident Construct (Pvt.) Limited	51	51
Ever Green Water Valley (Pvt.) Limited	51	51
	31 March 2010	30 June 2009
	Rupees	Rupees
6. Investment in associates		
Opening balance	856,991,798	534,831,039
Add: Acquisition of additional shares	425,875,250	240,605,114
Share of profit	1,711	81,555,645
Closing balance	<u>1,282,868,759</u>	<u>856,991,798</u>
7 Placements		
Securities purchased under the resale agreements of quoted shares - Others	<u>950,746,927</u>	<u>1,503,852,766</u>
	<u>950,746,927</u>	<u>1,503,852,766</u>
8 Short term investments		
Investments measured at fair value through profit and loss account		
Carrying amount of investments	(809,389,741)	1,819,245,700
Un-realised profit/(loss) on remeasurement of investments	<u>1,552,613,488</u>	<u>(908,550,882)</u>
	<u>743,223,747</u>	<u>910,694,818</u>
9 Short term borrowings		
These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 1,610 million (June 2009: Rs 4,440 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 2% to 5 % per annum payable quarterly (June 2009: 2.5 % to 5 % per annum) with floor limits ranging from 14.50% to 17.50 % per annum (June 2009: 14.49% to 19.52% per annum). These are secured against pledge of quoted equity securities.		
	31 March 2010	30 June 2009
	Rupees	Rupees
10 Long term finances		
Term finance facility	2,151,394,098	47,000,000
Less: Current portion shown under current liability	<u>812,944,128</u>	<u>40,000,000</u>
Long term portion	<u>1,338,449,970</u>	<u>7,000,000</u>

During the period the FCEL has entered into an agreement with United Bank Limited to restructure the NICF amount converted into NIDF facility with a flat mark up rate of 8 % p.a and with Askari Commercial Bank Limited to convert the liability of Rs. 430 million against Repurchase agreement into Term Finance Facility with a mark up rate of 6 months kibar plus 2.5 % p.a payable biannually. These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties.

11 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, 2009 except for the following:

First Capital Investments Limited

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that the WWF Ordinance is applicable to all establishments whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance).

Accordingly no provision for the aforementioned liability amounting to Rs. 68,805 has not been made in these condensed interim consolidated financial information. (June 2009: NIL)

First Capital Equities Limited

During the period the FCEL has lodged a complaint to Securities and Exchange Commission of Pakistan for taking appropriate action against the Universal Equities (Pvt) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities (Pvt) Limited by the FCEL and for recovery of Rs. 25.20 million till February 2010. The Universal Equities (Pvt) Limited has filed a suit for permanent injunction alleging therein that the FCEL be directed not to initiate criminal proceedings against the dishonored cheque. The Learned Trial Court has declined to issue injunctive order in this regard against the FCEL. The Learned Appellate Court has also turned down the request of the Universal Equities (Pvt) Limited to interfere in the order of the Learned Trial Court passed in favour of the FCEL.

	31 March 2010	30 June 2009
	Rupees	Rupees
Commitments		
Capital Expenditure	239,830,434	239,830,434
Sale of Shares	999,118,110	213,360,116
Purchase of shares	1,003,685,528	224,806,739
Performance Guarantees		
Pakistan Telecommunication Company Limited	-	2,922,037
Allama Iqbal Open University	974,200	-
Punjab Textbook Board Lahore	5,715,319	4,055,066

12 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, associated companies, directors and key management personnel. The significant transactions with related parties are as follows:

	31 March 2010	31 March 2009
	Rupees	Rupees
Associated companies		
Brokerage income	2,452	20,732,775
Repurchase agreement arrangement fee	-	2,929,167
Placements entered and rolled over	-	1,140,000,000
Placements matured	-	2,170,000,000
Income earned on placement	-	162,851,439
Mark up Income	47,414,844	19,566,608
Income from Financial Consultancy Services	10,463,987	6,147,404
Insurance premium	265,987	421,904
Insurance claim	12,000	59,552
Sale of goods/services	394,236	16,623,434
Long term loan given	42,200,000	66,425,000
Long term loan received	-	142,547,051
Contract services	99,186,186	328,500,899
Long term investments made	327,073,250	-
Liability paid against purchase of property	51,221,304	-

13 Date of authorization for issue

These un-audited condensed interim consolidated financial information for the nine months ended 31 March 2010 were authorized for issue on 27 April 2010 by the Board of Directors of the Parent Company.

14 General

Figures have been rounded off to the nearest rupee.