

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2011  
(Un-Audited)**

**VISION**

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier telecom 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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Consolidated accounts

# FIRST CAPITAL SECURITIES CORPORATION LIMITED

## COMPANY'S INFORMATION

<b>Board of Directors</b>	Aamna Taseer (Chairman & Chief Executive Officer) Shahbaz Ali Taseer Shehryar Ali Taseer Shehrbano Taseer Omer Subhan Salamat Sulaiman Ahmed Saeed Al-Hoqani Jamal Said Al-Ojaili
<b>Chief Financial Officer</b>	Saeed Iqbal
<b>Audit Committee</b>	Shahbaz Ali Taseer (Chairman) Shehryar Ali Taseer Shehrbano Taseer
<b>Company Secretary</b>	Shahazad Jawahar
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants
<b>Legal Advisers</b>	Mazhar Law Associates Advocates & Solicitors
<b>Bankers</b>	Allied Bank Limited Bank Al-Falah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited
<b>Registrar and Shares Transfer Office</b>	THK Associates (Pvt.) Limited Ground Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road, Karachi. ☎ (021) 111 000 322
<b>Registered Office/Head Office</b>	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 35757591-4 Fax: (042) 35757590, 35877920

## FIRST CAPITAL SECURITIES CORPORATION LIMITED

### DIRECTORS' REVIEW

The Board of Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") is presenting the quarterly un-audited financial statements of the Company for the period ended 30 September 2011.

#### Operational Results

The operating results of the Company are summarized as follows:

<b>Financial Overview</b>	<b>30 September 2011 Rupees</b>	<b>30 September 2010 Rupees</b>
Revenue	<b>3,718,540</b>	17,046,096
Other income	<b>24,252,665</b>	17,355,061
Operating Expenses	<b>11,083,915</b>	11,931,970
Finance and other costs	<b>2,181,013</b>	2,727,709
Loss after Taxation	<b>(186,711)</b>	(4,943,675)
Loss per Share (basic and diluted)	<b>(0.001)</b>	(0.020)

During the first quarter the Company has recognized revenue of Rs.3.72 million as against Rs.17.05 million in the corresponding period last year, showing a significant decrease of 78% mainly due to no dividend income earned in this quarter as against of Rs. 11.5 million in the corresponding period last year. Operating expenses marked a reduction by 7%; whereas, finance cost significantly cut down by 20%. Other income, mainly comprising of mark up income, demonstrated an impressive increase of 40%. The effect of fall in revenue too, has been subsided by a decline of 37% in the loss on re measurement of short term investment. Resultantly, the Company has incurred a nominal loss before taxation of Rs.0.19 million as against loss before taxation of Rs.4.94 million in the corresponding period last year showing a slight improvement. The loss per share during the period under review was Rs.0.001 against Rs.0.020 per share during the corresponding period last year.

As far as the business of subsidiaries and associates is concerned, it was a bit depressed state of affairs. First Capital Equities Limited (FCEL) incurred net loss of Rs.142.71 million as against Rs. 119.59 million in the corresponding period last year mainly due to dried traded volume in stock markets which reduced brokerage income by 61% and heavy finance cost of Rs.103 million. Lanka Securities (Pvt.) Limited ("LSL") recognized profit after tax of PKR. 41.60 million as against PKR. 46.48 million in the corresponding period last year. First Capital Investments Limited (FCIL) has recognized net profit of Rs.0.318 million as against net profit of Rs.0.682 million in the corresponding period last year. Trident Construct (Pvt.) Limited (TCL) recognized a very commendable profit of Rs.10.92 million as against a loss of Rs.9.53 million in the corresponding period last year representing ameliorated performance. World press (private) Limited incurred a loss after tax of Rs. 2.77 million as against profit after tax of Rs.5.3 million in the corresponding period last year mainly due to shrunk printing business.

### Future Outlook

Overall economic conditions are somehow not favorable due to unstable political environment, energy crisis, security threats coupled with worsening diplomatic relation with US & EU and all these factors are accelerated by consistent outflow of foreign investment. The aforementioned factors have badly affected sectors like property and stock markets that are our core business. However, in order to capitalize the existing opportunity available in market and to further diversify its business the Company during last financial year has acquired Falcon Commodities (deal in commodities).

The factors like improved political environment, better security situations, inflow of foreign investments, stable diplomatic relation with US & EU, permanent resolution of energy crisis and further reduction in discount rate will definitely re boost investor confidence and ultimately produce better results in future. Although recently State Bank of Pakistan has cut down discount rate by 150 basis points but a further cut of 100 to 150 basis points would bring a healthy impact on real estate sector and in stock markets which somehow currently are in a shaking mode. Improvement in the aforementioned sectors will stabilize business of our subsidiaries and associates. Hence, the Company will be able to gradually consolidate and stabilized its performance in near future.

### Board of Directors

There is no change in the composition of Board of Directors of the Company, since the publication of annual report for the year ended 30 June 2011.

### 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 October 2011

**Aamna Taseer**  
Chairman and Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2011**

	Un-audited 30 September 2011	Audited 30 June 2011
Note	Rupees	Rupees
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	142,367,416	142,679,508
Long term loans and advances	534,457,350	525,247,706
Investment property	143,618,000	143,618,000
Long term investments	5 11,282,693,873	11,517,386,557
Long term deposits	266,850	266,850
	<b>12,103,403,489</b>	<b>12,329,198,621</b>
<b>Current assets</b>		
Trade debts	3,525,396	1,789,309
Loans and advances	4,201,516	4,357,738
Short term prepayments	420,818	490,594
Taxation-net	21,453,910	21,213,957
Other receivables	61,530,870	15,310,263
Investments at fair value through profit or loss	6 80,325,483	96,179,818
Cash and bank balances	34,183,735	70,867,446
	<b>205,641,728</b>	<b>210,209,125</b>
<b>Current liabilities</b>		
Current portion of liabilities against assets subject to finance lease	374,879	359,589
Mark up accrued	3,161,830	2,631,712
Short term borrowings - secured	51,861,970	51,861,622
Trade and other payables	121,550,346	118,470,618
	<b>176,949,025</b>	<b>173,323,541</b>
<b>Working capital</b>	<b>28,692,703</b>	<b>36,885,584</b>
<b>Net assets</b>	<b>12,132,096,192</b>	<b>12,366,084,205</b>
<b>Non current liabilities</b>		
Staff retirement benefits	12,610,073	11,648,150
Liabilities against assets subject to finance lease	1,069,507	1,169,411
	<b>13,679,580</b>	<b>12,817,561</b>
<b>Contingencies and commitments</b>	7	
<b>Net capital employed</b>	<b>12,118,416,612</b>	<b>12,353,266,644</b>
<b>Represented by:</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up capital	3,166,101,120	3,166,101,120
Reserves	4,016,271,185	4,250,934,506
Unappropriated profit	4,936,044,307	4,936,231,018
	<b>12,118,416,612</b>	<b>12,353,266,644</b>

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	July-September 2011	July-September 2010
	Rupees	Rupees
<b>Operating revenue</b>		
Money market services	2,738,163	2,572,078
Loss on sale of investments	(421,327)	(217,763)
Investment property rentals	1,401,704	3,154,105
Dividend income	-	11,537,676
	<b>3,718,540</b>	<b>17,046,096</b>
Unrealized loss on remeasurement of short term investments	(14,824,883)	(23,432,399)
	<b>(11,106,343)</b>	<b>(6,386,303)</b>
Operating expenses	11,083,915	11,931,970
<b>Operating loss</b>	<b>(22,190,258)</b>	<b>(18,318,273)</b>
Finance cost	2,181,013	2,727,709
	<b>(24,371,271)</b>	<b>(21,045,982)</b>
Other operating income	24,252,665	17,355,061
<b>Loss before taxation</b>	<b>(118,606)</b>	<b>(3,690,921)</b>
Taxation	(68,105)	(1,252,754)
<b>Loss after taxation</b>	<b>(186,711)</b>	<b>(4,943,675)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.001)</b>	<b>(0.020)</b>
	<b>(2010 : Restated)</b>	

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF**  
**COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	July-September 2011 Rupees	July-September 2010 Rupees
Loss after taxation	(186,711)	(4,943,675)
Other comprehensive (loss) / income for the period		
Net change in fair value of available-for-sale investments	(234,663,321)	353,510,352
<b>Total comprehensive (loss) / income for the year</b>	<u>(234,850,032)</u>	<u>348,566,677</u>

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

Note	30 September 2011 Rupees	30 September 2010 Rupees
<b>Cash flow from operating activities</b>		
Loss before taxation	(118,606)	(3,690,921)
Adjustments for:		
Finance cost	2,181,013	2,727,709
Dividend income	-	(11,537,676)
Unrealized loss on remeasurement of investments at fair value through profit or loss	14,824,883	23,432,399
Depreciation	312,092	207,211
Gain on disposal of property, plant and equipment	(8,000)	-
Loss on disposal of long term investment	62,250	-
Mark up income	(24,244,665)	(16,263,061)
Provision for staff retirement benefits	961,923	913,977
	<u>(5,910,504)</u>	<u>(519,441)</u>
<b>Loss before working capital changes</b>	<u>(6,029,110)</u>	<u>(4,210,362)</u>
<b>(Increase) / decrease in working capital</b>		
Trade debts	(1,736,087)	(595,202)
Loans and advances	156,222	5,266
Short term prepayments	69,776	(101,871)
Other receivables	(47,455,300)	(6,525,259)
Trade and other payables	3,079,728	23,906,459
	<u>(45,885,661)</u>	<u>16,689,393</u>
<b>Cash used in operations</b>	<u>(51,914,771)</u>	<u>12,479,031</u>
Finance cost paid	(1,650,895)	(2,712,331)
Taxes paid	(308,058)	(208,166)
	<u>(1,958,953)</u>	<u>(2,920,497)</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(53,873,724)</u>	<u>9,558,534</u>
<b>Cash flows from investing activities</b>		
Dividend received	-	25,000
Proceeds from disposal of property, plant and equipment	8,000	-
Long term loans and advances - net	(8,332,000)	-
Long term investment - net	(32,887)	-
Short term investments - net	1,029,452	6,728,145
Mark up received	24,601,714	469,146
<b>Net cash (used in) / generated from investing activities</b>	<u>(17,274,279)</u>	<u>7,222,291</u>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease	(84,266)	(201,975)
Short term borrowings - net	-	(124,252)
<b>Net cash used in financing activities</b>	<u>(84,266)</u>	<u>(326,227)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(36,683,711)</u>	<u>16,454,598</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>70,867,446</u>	<u>6,892,246</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>34,183,735</u>	<u>23,346,844</u>

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	Share capital Rupees	Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total Rupees
<b>Balance as at 01 July 2010</b>	2,878,273,750	4,807,494,118	5,255,881,692	12,946,649,560
<b>Total comprehensive loss for the period</b>				
Loss for the period after tax	-	-	(4,943,675)	(4,943,675)
Other comprehensive loss for the period	-	353,510,352	-	353,510,352
<b>Total other comprehensive loss for the period</b>	-	353,510,352	(4,943,675)	348,566,677
<b>Balance as at 30 September 2010</b>	2,878,273,750	5,161,004,470	5,255,938,017	13,295,216,237
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(31,879,629)	(31,879,629)
Other comprehensive loss for the period	-	(910,069,964)	-	(910,069,964)
Total other comprehensive loss for the period	-	(910,069,964)	(31,879,629)	(941,949,593)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
Issuance of bonus shares	287,827,370	-	(287,827,370)	-
<b>Balance as at 30 June 2011</b>	3,166,101,120	4,250,934,506	4,936,231,018	12,353,266,644
<b>Total comprehensive loss for the period</b>				
Loss for the period	-	-	(186,711)	(186,711)
Other comprehensive loss for the period	-	(234,663,321)	-	(234,663,321)
Total other comprehensive loss for the period	-	(234,663,321)	(186,711)	(234,850,032)
<b>Balance as at 30 September 2011</b>	<u>3,166,101,120</u>	<u>4,016,271,185</u>	<u>4,936,044,307</u>	<u>12,118,416,612</u>

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

LAHORE:  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34; (Interim Financial Reporting) thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011. The condensed interim financial information is un-audited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges of Pakistan.

These condensed interim financial information comprise of condensed interim balance sheet as at 30 September 2011 and the related condensed interim income statement profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity and notes thereto, for the three months period ended 30 September 2011.

**2.2 Functional and presentation currency**

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest rupee.

**3 Accounting policies**

Accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended 30 June 2011.

**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 the financial statements for the year ended 30 June 2011.

	30 September 2011 Rupees	30 June 2011 Rupees
<b>5 LONG TERM INVESTMENTS</b>		
<i>Available for sale</i>		
Subsidiary companies - at cost	171,919,793	171,919,793
Subsidiary company - at fair value	10,242,049,180	9,340,690,700
Unrealized gain on revaluation of available for sale	-	901,358,480
	<u>10,242,049,180</u>	<u>10,242,049,180</u>
Associated companies - at cost	547,183,360	547,245,610
Associated company - at fair value	556,172,084	1,959,106,136
Unrealized loss on revaluation of available for sale	(234,630,544)	(1,402,934,162)
	<u>868,724,900</u>	<u>1,103,417,584</u>
	<u>11,282,693,873</u>	<u>11,517,386,557</u>

#### 6 Investment at fair value through profit and loss

##### *Held for trading*

Related parties	69,619,701	114,250,907
Others	25,530,665	21,333,214
	<u>95,150,366</u>	<u>135,584,121</u>
Unrealized loss on account of remeasurement to fair value during the period	(14,824,883)	(39,404,303)
	<u>80,325,483</u>	<u>96,179,818</u>

#### 7 Contingencies and commitments

There is no change in contingencies and commitments from those disclosed in the published financial statements of the Company for the year ended 30 June 2011.

#### 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:

	30 September 2011 Rupees	30 September 2010 Rupees
<b>8.1 Transaction during the period</b>		
<i>Subsidiary companies</i>		
<b>First Capital Equities Limited</b>		
Long term loan given	9,177,644	-
Mark up income	3,911,133	262,137
Brokerage / Commission	11,699	-

	30 September 2011 Rupees	30 September 2010 Rupees
<b>World Press (Private) Limited</b>		
Purchase of goods/services	450,000	-
<i>Associated companies</i>		
<b>Media Times Limited</b>		
Long term loan given	1,664,000	-
Long term loan matured	1,632,000	-
Mark up Income	20,037,846	15,793,915
<b>Pace Pakistan Limited</b>		
Service charges	725,404	2,071,459

#### 8.2 Amount Outstanding as at period end

##### *Subsidiary companies*

##### **First Capital Equities Limited**

Long term loan receivable	91,643,635	6,500,000
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##### *Associated companies*

##### **Media Times Limited**

Long term loan receivable	441,516,905	391,629,002
Payable against services	78,000	-

##### **Pace Pakistan Limited**

Payable against purchase of property	98,281,199	215,683,962
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#### 9 Date of authorization for issue

This un-audited condensed interim financial statements for the quarter ended 30 September 2011 were authorized for issue on 27 October 2011 by the Board of Directors of the Company.

#### 10 GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2011**

**(Un-Audited)**

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2011**

	Note	Un-Audited 30 September 2011 Rupees	Audited 30 June 2011 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		497,200,396	509,690,891
Intangible assets		43,690,000	43,760,000
Long term loans		441,516,905	441,484,905
Investment property		1,280,279,900	1,280,279,900
Investment in associates	6	1,216,588,841	1,241,110,290
Long term deposits and advances		11,729,128	11,925,428
Deferred tax assets		10,244,426	13,188,619
		<b>3,501,249,596</b>	<b>3,541,440,033</b>
<b>Current assets</b>			
Inventories		11,752,666	12,558,624
Trade debts		3,788,755,865	3,790,926,316
Loans and advances		100,517,920	130,445,259
Short term prepayments		1,591,732	2,023,570
Taxation - net		18,433,742	-
Deposits and other receivables		136,269,888	124,776,175
Fund placements	7	244,380,000	289,900,675
Mark-up receivable		1,245,035	1,681,915
Short term investments	8	183,968,985	233,492,065
Cash and bank balances		669,602,352	602,045,281
		<b>5,156,518,185</b>	<b>5,187,849,880</b>
<b>Current liabilities</b>			
Trade and other payables		1,018,905,402	1,065,788,773
Mark up accrued		667,424,819	567,209,790
Liability against repurchase agreement		143,754,625	143,754,625
Short term borrowings	9	1,434,002,129	1,404,392,592
Current portion of liabilities against assets subject to finance lease		5,639,836	8,014,231
Provision for taxation		-	32,477,261
		<b>3,269,726,811</b>	<b>3,221,637,272</b>
<b>Net current assets</b>		<b>1,886,791,374</b>	<b>1,966,212,608</b>
<b>Net assets</b>		<b>5,388,040,970</b>	<b>5,507,652,641</b>
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		9,676,827	10,180,908
Long term finance	10	1,932,217,350	1,932,217,350
Staff retirement benefits		81,631,000	84,401,380
		<b>2,023,525,177</b>	<b>2,026,799,638</b>
<b>Contingencies and commitments</b>	11		
<b>Net capital employed</b>		<b>3,364,515,793</b>	<b>3,480,853,003</b>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid up capital		3,166,101,120	3,166,101,120
Exchange translation reserve		36,879,773	35,334,564
Reserves capitalised		564,735,308	564,735,308
Unappropriated loss		(1,073,719,163)	(976,174,561)
<b>Equity attributable to owners of the parent</b>		<b>2,693,997,038</b>	<b>2,789,996,431</b>
<b>Non-controlling interest</b>		<b>670,518,755</b>	<b>690,856,572</b>
		<b>3,364,515,793</b>	<b>3,480,853,003</b>

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

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR  
27 October 2011

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	July-September 2011 Rupees	July-September 2010 Rupees
Revenue	189,706,669	245,102,335
Direct costs	61,746,423	52,353,425
<b>Gross profit</b>	<b>127,960,246</b>	<b>192,748,910</b>
Operating expenses	102,350,825	122,115,245
<b>Operating profit</b>	<b>25,609,421</b>	<b>70,633,665</b>
Other income	24,346,311	31,071,367
	<b>49,955,732</b>	<b>101,705,032</b>
Finance costs	102,279,845	121,781,246
	<b>(52,324,113)</b>	<b>(20,076,214)</b>
Share of loss of associated companies	(24,492,087)	(12,199,353)
Unrealized loss on remeasurement of short term investments	(38,075,777)	(40,552,943)
	<b>(114,891,977)</b>	<b>(72,828,510)</b>
<b>Loss before taxation</b>	<b>(114,891,977)</b>	<b>(72,828,510)</b>
Taxation	4,491,552	32,976,152
	<b>(119,383,529)</b>	<b>(105,804,662)</b>
<b>Loss after taxation</b>	<b>(119,383,529)</b>	<b>(105,804,662)</b>
<b>Loss per share - basic and diluted (2010 : restated)</b>	<b>(0.31)</b>	<b>(0.33)</b>
<b>Loss attributable to:</b>		
-Owners of the company	(97,544,602)	(86,834,840)
-Non-controlling interest	(21,838,927)	(18,969,822)
	<b>(119,383,529)</b>	<b>(105,804,662)</b>

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

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR  
27 October 2011

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	July-September 2011 Rupees	July-September 2010 Rupees
Loss after taxation	(119,383,529)	(105,804,662)
<b>Other comprehensive income for the period</b>		
Foreign currency translation difference recognized as :		
- Currency translation reserve	1,501,110	3,138,328
- Non controlling interest	1,545,209	3,266,423
<b>Total comprehensive loss for the period</b>	<u>(116,337,210)</u>	<u>(99,399,911)</u>
<b>Total Comprehensive loss attributable to:</b>		
-Owners of the company	(96,043,492)	(83,696,512)
-Non-controlling interest	(20,293,718)	(15,703,399)
	<u>(116,337,210)</u>	<u>(99,399,911)</u>

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011  
(UN-AUDITED)**

	30 September 2011 Rupees	30 September 2010 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(114,891,977)	(72,828,510)
Adjustments for:		
Depreciation	15,798,094	18,110,430
Finance cost	103,104,390	119,350,860
Loss on remeasurement of short term investments	38,075,777	40,552,943
Dividend income	-	(98,500)
Amortization of intangible assets	70,000	70,000
Gain on disposal of property, plant and equipment	(38,000)	(6,257)
Currency translation difference	3,046,319	5,016,431
Retirement benefits	7,659,444	5,224,987
Share of loss of associated companies	24,492,087	12,199,353
Mark up income	(27,619,191)	(53,523,469)
	<u>164,588,920</u>	<u>146,896,778</u>
<b>Profit before working capital changes</b>	<u>49,696,943</u>	<u>74,068,268</u>
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	805,958	(2,713,289)
Trade debts	2,170,451	(716,382,206)
Loans and advances	29,927,339	(65,254,515)
Short term prepayments	431,838	(2,192,976)
Deposits and other receivables	(11,493,713)	(33,915,468)
Short term investments - net	11,447,303	17,036,733
Fund placements	45,520,675	237,740,943
Mark-up receivable	14,783,482	(15,793,916)
Increase/(decrease) in:		
Trade and other payables	(46,883,371)	269,015,094
Liability against repurchase agreement	-	94,000,000
Short term borrowings	29,609,537	26,060,404
	<u>76,319,499</u>	<u>(192,399,196)</u>
Cash generated from/(used in) operations	<u>126,016,442</u>	<u>(118,330,928)</u>
Long term deposits and advances	196,300	1,649,687
Retirement benefits paid	(10,429,824)	(2,450,096)
Finance costs paid	(2,889,358)	(29,972,268)
Taxes paid	(52,458,362)	20,782,200
<b>Net cash generated from/(used in) operating activities</b>	<u>60,435,198</u>	<u>(128,321,405)</u>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(4,033,415)	(2,575,642)
Sale proceeds of property, plant and equipment	763,813	915,000
Dividend received	-	25,000
Investment in associates - net	29,362	-
Long term Loans - net	(32,000)	-
Mark up received	13,272,589	40,808,428
<b>Net cash generated from investing activities</b>	<u>10,000,349</u>	<u>39,172,786</u>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease	(2,878,476)	(5,571,658)
Long term finance	-	(8,000,000)
Dividend paid to non controlling interest	-	(10,990,581)
<b>Net cash used in financing activities</b>	<u>(2,878,476)</u>	<u>(24,562,239)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>67,557,071</u>	<u>(113,710,858)</u>
<b>Cash and cash equivalents in the beginning of the period</b>	<u>602,045,281</u>	<u>590,197,011</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>669,602,352</u>	<u>476,486,153</u>

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

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	Attributable to equity holders of the Parent company					Total Equity Rupees
	Share capital Rupees	Reserves capitalised Rupees	Currency translation reserve Rupees	Unappropriated profit/(loss) Rupees	Total Rupees	
Balance as at 01 July 2010	2,878,273,750	564,735,308	28,931,874	(883,343,079)	3,088,597,853	3,789,610,181
Total comprehensive loss for the period	-	-	-	(86,834,840)	(86,834,840)	(105,804,662)
Loss for the period	-	-	3,266,423	-	3,266,423	3,138,328
Total comprehensive gain	-	-	3,266,423	-	3,266,423	6,404,751
Total comprehensive income/(loss) for the period	-	-	3,266,423	(86,834,840)	(83,568,417)	(89,399,911)
Transactions with owners of the company recognised directly in equity	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(10,990,581)
Total transaction with owners	-	-	-	-	-	(10,990,581)
Balance as at 30 September 2010	2,878,273,750	564,735,308	32,198,297	(470,177,919)	3,005,029,436	3,679,219,689
Total comprehensive loss for the period	-	-	-	(218,169,272)	(218,169,272)	(157,438,204)
Loss for the period	-	-	3,196,267	-	3,196,267	3,048,094
Total comprehensive gain	-	-	3,196,267	-	3,196,267	6,184,361
Total comprehensive income/(loss) for the period	-	-	3,196,267	(218,169,272)	(215,033,005)	(151,253,843)
Transactions with owners of the company recognised directly in equity	-	-	-	-	-	-
Dividend paid	287,827,370	-	-	(287,827,370)	-	(47,112,843)
Issue of bonus shares	287,827,370	-	-	(287,827,370)	-	(47,112,843)
Total transaction with owners	575,654,740	-	-	-	575,654,740	104,225,686
Balance as at 30 June 2011	3,166,101,120	564,735,308	35,334,564	(976,174,561)	2,789,996,431	3,480,853,003
Balance as at 01 July 2011	3,166,101,120	564,735,308	35,334,564	(976,174,561)	2,789,996,431	3,480,853,003
Total comprehensive loss for the period	-	-	-	(97,544,602)	(97,544,602)	(119,383,529)
Loss for the period	-	-	1,545,209	-	1,545,209	3,046,319
Total comprehensive gain	-	-	1,545,209	-	1,545,209	6,092,638
Total comprehensive income/(loss) for the period	-	-	1,545,209	(97,544,602)	(95,999,393)	(116,337,210)
Balance as at 30 September 2011	3,166,101,120	564,735,308	36,879,773	(1,073,719,163)	2,693,997,038	3,364,515,793

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34; (Interim Financial Reporting) thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 30 June 2011. The condensed interim consolidated financial information is un-audited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges of Pakistan.

These consolidated condensed interim financial information comprise of consolidated condensed interim balance sheet as at 30 September 2011 and the related consolidated condensed interim income statement profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity and notes thereto, for the three months period ended 30 September 2011.

**2.2 Functional and presentation currency**

These condensed interim consolidated financial information are presented in Pak Rupees which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest rupee.

**3. Accounting policies**

The accounting policies and methods of computation adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in preparation of preceding annual consolidated financial statements for the year ended 30 June 2011.

**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 consolidated financial statements for the year ended 30 June 2011.

#### 5. Subsidiary companies

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

	Percentage of Holding	
	30 September 2011	30 June 2011
First Capital Investments Limited	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
Falcon Commodities (Pvt.) Limited	100	100
Ozer Investments Limited	100	100
	<b>30 September 2011</b>	<b>30 June 2011</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>6. Investment in associates</b>		
Opening balance	1,241,110,290	1,333,667,651
Add: Acquisition of additional shares	67,610	50,732,056
Shares disposed off	(96,972)	(14,941,220)
Share of loss	(24,492,087)	(128,348,197)
Closing balance	<u>1,216,588,841</u>	<u>1,241,110,290</u>
<b>7 Fund placements</b>		
Securities purchased under the resale agreements of quoted shares - Others	<u>244,380,000</u>	<u>289,900,675</u>
	<u>244,380,000</u>	<u>289,900,675</u>
<b>8 Short term investments</b>		
Investments measured at fair value through profit and loss account		
Carrying amount of investments	222,044,762	417,747,668
Un-realized loss on remeasurement of investments	(38,075,777)	(184,255,603)
	<u>183,968,985</u>	<u>233,492,065</u>
<b>9 Short term borrowings</b>		

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 1,583 million (June 2011: Rs 1,625 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 3% to 5% per annum payable quarterly (June 2011: 3% to 5% per annum). These are secured against pledge of quoted equity securities.

**30 September  
2011**  
**Rupees**

30 June  
2011  
Rupees

#### 10 Long term finance

Term finance facility	1,932,217,350	1,932,217,350
Long term portion	1,932,217,350	1,932,217,350

#### 11 Contingencies and commitments

There is no significant change in contingencies disclosed in the annual audited consolidated financial statements for the year ended June 30, 2011 except for the following commitments:

Commitments	30 September 2011	30 June 2011
	Rupees	Rupees
Capital Expenditure	3,130,103	3,130,103
Sale of Shares	155,525,272	105,139,819
Purchase of shares	124,726,693	107,989,418
	<u>283,382,068</u>	<u>216,259,340</u>

#### 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:

	30 September 2011	30 September 2010
	Rupees	Rupees
<b>Associated companies</b>		
<b>First Capital Mutual Fund Limited</b>		
Income from asset management services	1,298,037	1,195,856
<b>Media Times Ltd</b>		
Mark up income	20,037,846	15,793,915
Long term loan given	1,664,000	-
Long term loan matured	1,632,000	-
<b>Pace Pakistan Limited</b>		
Service charges	725,404	2,071,459

#### 13 Date of authorization for issue

This un-audited condensed interim consolidated financial statements for the Quarter (three months) ended 30 September 2011 were authorized for issue on 27 October 2011 by the Board of Directors of the Parent Company.

#### 14 GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE  
27 October 2011

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR