

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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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009



Company Information

Board of Directors Salmaan Taseer (Chairman & Chief Executive Officer)

Aamna Taseer Shahbaz Ali Taseer Shehryar Ali Taseer Omer Subhan Salamat

Sulieman Ahmed Said Al-Hogani

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 & Co.

Chartered Accountants

Legal Advisers Mazhar Law Associates

Advocates & 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 Office/Head Office 103-C/II, Gulberg-III

Lahore, Pakistan (042) 35757591-4

Fax: (042) 35757590, 35877920

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 16th Annual General Meeting of the Shareholders of First Capital Securities Corporation Limited ("the Company" or "FCSC") will be held on 31 October 2009 at 02:30 p.m. at the Registered Office of the Company, 103-C/II, Gulberg-III, Lahore to transact the following business:

Ordinary business

- 1. To confirm the minutes of last Extraordinary General Meeting held on 26 September 2009;
- 2. To approve as recommended by the Board of Directors, issue of bonus shares in the proportion of (15) bonus shares for every one hundred (100) shares held i.e. 15%. This is in addition to 10% interim bonus shares declared and issued on 04 June 2009 by the Company, thus making a total bonus issue of 25% fully paid ordinary shares during the year, which shall also be considered as a final bonus issue;
- 3. To receive, consider and adopt the financial statements of the Company for the year ended 30 June 2009 together with the Directors' and Auditors' reports thereon; and
- 4. To appoint the Auditors of the Company for the year ending 30 June 2010 and to fix their remuneration.

Special Business

5. To consider and if deemed fit, pass the following "Special Resolutions" with or without modifications for the investments in the associated companies:

"RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to make investment by way of providing Guarantee and/or Security to financial institution(s) by creating mortgage/charge on the Company's present/future immoveable/moveable properties, for securing the obligations of First Capital Equities Limited ("FCEL"), subsidiary of the Company, under regulations of Stock Exchange(s) up to the extent of Rs. 150.00 Million (Rupees One hundred fifty million only) for a period of three years, from time to time. In case guarantee is called upon by the financial institution(s) and the Company is required to make payment to any financial institution(s), the amount paid to financial institution(s) shall be subject to such mark-up rate not less than the borrowing cost of the Company in accordance with the provisions of Section 208 of the Companies Ordinance, 1984. The mark up shall be charged, on the amount so paid, on quarterly basis and shall be paid to the Company within one month of the close of the quarter by FCEL. In case it is not paid by FCEL within one month of the close of quarter, then the mark up shall be automatically settled after one month by adding the same in the principal for calculation of mark-up for the next quarter. The total outstanding loan/advance amount shall be repaid by FCEL to the Company after completion of two years, extendable for one year, from the date of payment to financial institution on behalf of FCEL, as may be practical based on the cash flows of FCEL. Further, if it is acceptable to Stock Exchange(s), the Company may provide the Guarantee and/or Security directly to the Stock Exchange(s) and the same terms as stated would be applicable."

"RESOLVED FURTHER THAT in consideration of the Guarantee and/or Security being provided on behalf of FCEL, the Company shall obtain necessary confirmation/counter-guarantee from FCEL to secure the obligations of the Company. The Chief Executive is also authorized to charge fee/commission from FCEL for the Guarantee and/or Security provided by the Company, in case required."

"RESOLVED FURTHER THAT above authority shall remain in-force until revoked by the shareholders of the Company."

"RESOLVED FURTHER THAT the Chief Executive, any one of the Directors and/or the Company Secretary of the Company be and are hereby authorized to complete any or all necessary required corporate and legal formalities for the completion of above transactions. The Chief Executive is also authorized to delegate any of his powers to any person in respect of the above as he may consider appropriate."

By order of the Board

Lahore: 9 October 2009

Muhammad Irfan Khawaja Company Secretary

Notes:

- 1) The Members Register will remain closed from 24 October 2009 to 31 October 2009 (both days inclusive). Transfers received at THK Associates (Pvt.) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmad Road, Karachi, the Registrar and Share Transfer Office of the Company, by the close of business on 23 October 2009 will be treated in time for the purpose of determining the entitlement of Bonus Issue and Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the registered office of the Company, 103-C/II, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
- 4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original NIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their NIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and NIC numbers. The proxy shall produce his/her original NIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) Members are requested to notify any change in their registered address immediately.

STATEMENT UNDER SECTION 208 OF THE COMPANIES ORDINANCE, 1984

ISSUE OF GUARANTEE AND/OR SECURITY ON BEHALF OF FIRST CAPITAL EQUITIES LIMITED ("FCEL"):

FCEL was incorporated on 26 January 1995 as a private limited company under the provisions of the Companies Ordinance, 1984 ("the Ordinance"). Later, on 18 June 1997 status of FCEL was changed to a public limited company. FCEL is listed on Lahore Stock Exchange (Guarantee) Limited since 01 October 2001 and its principal activities include share brokerage, conducting and publishing business research.

Authorised share capital of FCEL is Rs. 1,100,000,000 divided into 110,000,000 ordinary shares of Rs. 10/- each. The issued, subscribed and paid up capital is Rs. 1,080,315,000 divided into 108,031,500 ordinary shares of Rs. 10/- each out of which the Company holds 72,690,200 shares (67.27%) of the total paid up share capital of FCEL. The break up value of FCEL shares is Rs. 15.84 as at 30 June 2009 as compared to Rs. 18.42 as at 30 June 2008, whereas market price of its share is being currently trade around Rs. 90. The Earnings/(loss) Per share of FCEL is Rs. (3.52) as at 30 June 2009 as compared to Rs. 2.71 as at 30 June 2008.

FCEL, a subsidiary of the Company, is member of Karachi Stock Exchange Guarantee Limited and a Registered Broker which is required to comply with the Regulations of Stock Exchange to transact securities business on the Stock Exchange. Under the Regulations of the Stock Exchange, the members executing securities transactions at the Stock Exchange incur various liabilities including but not limited to deposit of Exposure Margins and Special Margins, payment of Mark to Market Losses, Final Losses and ultimate settlement of executed trades, transactions and contracts. In consideration of the Stock Exchange allowing a Member to carry out securities transactions at the Stock Exchange, the Stock Exchange requires a Guarantee of a Financial Institution(s) for the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Member contained in the Regulations. The Financial Institution(s) which to provide Guarantee to Stock Exchange shall undertake to pay to the Stock Exchange from time to time on demand any sums of money, payable by member of Stock Exchange on account of default in performance of any aforesaid terms and conditions.

The Financial Institution(s), which shall provide the guarantee to the Stock Exchange, on behalf of FCEL, has required FCEL to provide guarantee and/or security of certain current/future moveable/immoveable properties of the Company, being its holding company, for securing the obligations of FCEL up to an extent of Rs. 150 million. Further, if it is acceptable to Stock Exchange(s), the Company may provide the Guarantee and/or Security directly to the Stock Exchange(s). The Board of Directors has recommended to provide Guarantee and/or Security on behalf of FCEL to financial institution(s) or directly to Stock Exchange.

The Company in consideration of the above referred Guarantee and/or Security shall obtain a counter-guarantee/confirmation from FCEL to secure the obligations of the Company in case it is required to make any payment. The provision of Guarantee and/or Security, in form of investment for the period of investment, is three years, from time to time. The terms applicable to the provision of Guarantee and/or Security are a return in the form of commission in a manner and to the extent as determined by the Chief Executive of the Company in the best interest of the Company. This Guarantee and/or Security is required to be issued by against adequate charge on the existing/future immoveable/moveable properties of the Company to the extent as required in a manner as determined by the Chief Executive in the best interest of the Company. The Chief Executive of the Company is to be authorized to charge Guarantee Commission in a manner as he may deems appropriate and to complete all the corporate and legal formalities in respect of the above. The Chief Executive is also authorized to delegate his above referred powers to any person as he may deem fit and appropriate.

The benefits likely to accrue to the Company shall include receipt of markup on the actual amounts, if any, advanced to FCEL. All the benefits accrued to FCEL, through its smooth operations, shall become part of the returns to the Company in future, since FCEL is subsidiary of the Company.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 READ WITH SRO 865(I)/2000 DATED 06 DECEMBER 2000

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 31 October 2009.

INVESTMENTS TO BE MADE BY THE COMPANY BY WAY OF PROVIDING GUARANTEE AND/OR SECURITY

The Company is fully authorized by its Memorandum of Association to make such investment by way of providing guarantee and/or security. The investment would be made at such time(s), as the Chief Executive may think appropriate on behalf of the Company and would disinvest(s) as and when appropriate. The Chief Executive of the Company or the Company Secretary are also authorized to take all the necessary corporate and legal formalities in connection with the proposed investment where required.

The following are material facts about the proposed special resolution:

S. No	. Description	Information Required			
(i)	Name of the investee company	First Capital Equities Limited ("FCEL")			
(ii)	Amount of loan or advance	Guarantee and/or Security up to Rs. 150 Million			
(iii)	Purpose of loan or advance	Guarantee and/or Security to secure the financia obligations of First Capital Equities Limited, subsidiar of the Company			
(iv)	In case any loan had already been provided or loan has been written off to the said investee company, the complete detail of the said loan	Not applicable			
(v)	A brief about the financial position of the investee company on the basis of last published financial statements		30-June-09 Rupees	30-June-08 Rupees	
		Non-current assets	775,820,054	614,779,997	
		Current assets	5,357,942,585	5,969,995,548	
		Current liabilities	4,389,013,630	4,970,929,082	
		Non-current liabilities	33,770,463	21,943,781	
		Shareholders' equity	1,710,978,546	1,591,902,682	

(vi) Rate of mark-up to be charged

In case Guarantee and/or Security is called upon by the financial institution(s)/stock exchange and the Company is required to make payment to any financial institution(s)/stock exchange, the amount to be paid to financial institution(s)/stock exchange shall be treated as loans/advances to FCEL and shall be subject to such mark-up rate not less than the borrowing cost of the Company in accordance with the criteria laid down in Section 208 of the Ordinance. The mark up shall be charged on quarterly basis and paid to the Company within one month of the close of the quarter. In case it is not paid by FCEL within one month of the close of quarter, then the mark up shall be automatically settled after one month by adding the same in the principal for calculation of mark-up for the next quarter. The total outstanding loan/advance amount (including principal and any markup added in the same) shall be repaid after completion of two years and further extendable to one year, from the dates of disbursements of loans/ advance or at any earlier date, as may be practical based on cash flows of FCEL.

(vii) Particulars of collateral security to be obtained from borrower and; if not needed, justification thereof;

No collateral security is required as FCEL is a subsidiary of the Company.

(viii) Source of funds from where loan or advance will be given

Available cash resources and/or future internal cash generation from the operations of Company.

(ix) Repayment schedule

The total outstanding loan/advance amount (including principal and any mark-up added in the same as per the calculations stated in above point no. vi) shall be repaid after completion of two years, extendable for one year, from the date of disbursement of loans/advance, if Guarantee and/or Security is called by the financial institutions, or at any earlier date, as may be practical based on cash flows of FCEL.

(x) Benefits likely to accrue to the Company and the shareholders from the proposed investments

The Company will receive mark-up on the actual amounts advanced to FCEL, if Guarantee and/or Security is called by financial institutions, the rate of which shall not be less than average borrowing cost of the Company. The terms applicable to the provision of Guarantee and/or Security are a return in the form of commission in a manner and to the extent as determined by the Chief Executive of the Company which shall not be less than any financial cost to the Company. All the benefits that will accrue to FCEL on its operations will become part of the returns to the Company in future.

STATUS OF INVESTMENTS AS REQUIRED VIDE SRO 865(1)/2000 DATED 06 DECEMBER 2000

EVER GREEN WATER VALLEY (PVT.) LIMITED ("EGWVL")

The Company was granted approval in the last Extraordinary General Meeting held on 26 September 2009 to make long term investment by way of issue of Corporate Guarantee to financial institution(s) for securing the obligations of Ever Green Water Valley (Pvt.) Limited ("EGWVL"), a wholly owned subsidiary of Trident Construct (Private) Limited, the subsidiary of the Company to the extent of up to Rs. 352.100 Million (Rupees Three hundred fifty two million one hundred thousand only) for a period of one year, extendable for another one year, if required. The Guarantee has not been executed to date, due to some procedural requirements. The financial position of EGWVL based on the audited financial statements as at 30 June 2009 is stated hereunder:

	30 June 2009 (Audited) Rupees	30 June 2008 (Audited) Rupees
Non-current assets	1,575,602	56,400
Current assets	70,223,415	28,600
Current liabilities	259,017	45,000
Non-current liabilities	-	-
Shareholders' equity	71,540,000	40,000

INSPECTION OF DOCUMENTS

Copies of Memorandum and Articles of Association, Statement under section 160(1)(b) of the Companies Ordinance, 1984, annual and quarterly accounts along with all published or otherwise required accounts of all prior periods of the Company and the investee company where applicable and to the extent required, along with the financial projections of the Company and the investee company where required, and other related information of the Company and the investee company may be inspected/procured during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

The Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings which may also be inspected during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of First Capital Securities Corporation Limited ("the Company" or "FCSC") is pleased to present the audited annual financial statements of the Company for the year ended June 30, 2009.

Operational Results

The Company's financial results for the Financial Year 2009 are summarized below:

	Rupees	Rupees
Revenue	54,420,822	4,093,191,511
Unrealized (loss)/gain on remeasurement of short term investments	(1,406,536,381)	1,543,313,588
Operating expenses	77,564,486	181,829,671
Operating (loss)/profit	(1,429,680,045)	5,454,675,428
Finance and other costs	21,619,053	43,126,300
(Loss)/profit after taxation	(1,372,710,006)	5,441,445,612
Earnings per share (Basic & diluted)	(5.48)	33.48

During the financial year 2009, the Company reported an after tax loss of Rs. 1,371.16 million as compared to a profit of Rs. 5,441.45 million the previous year. Operating expenses for the year were Rs 77.56 million as compared to Rs. 181.82 million last year. Major reason for fall in revenue was the unrealized loss on remeasurement of investments as a significant drop in prices was recorded for different investments of the Company. FY09 witnessed a major decline in the stock market performance due to global economic recession, massive selling by foreign investors and Pak Rupee devaluation. During the year under review, Pakistan equity market witnessed one of its worst performances. The reverse rally at KSE started from 2HFY08 which continued in FY09 with the market concluding the year on a negative note. Benchmark KSE-100 Index lost a massive 5,127 points or 42% average decline in equity values in FY09 to close at the level of 7,162.

Performance of Key Investments

Equity Brokerage

First Capital Equities Limited ("FCEL")

After seven consecutive years of perpetual growth in profitability, FCEL reported a loss of Rs. 380 million verses net profit of Rs. 293 million for the last year. Earning per share of FCEL was Rs. (3.52) for FY09 compared with Rs. 2.71 for FY08. Loss during the year was due to challenging market conditions, reduced trading activities at the local bourses, steep decline in market values of the FCEL's share portfolio and increase in financial charges on short-term borrowings. Some positive factors that helped FCEL mitigate the stock market meltdown and domestic liquidity constraints include its widespread geographical presence, major clientele of offshore fund and local affiliate status with Auerbach Grayson (AGA), an international brokerage house based in the USA. Brokerage revenue fell by only 34% compared to 54% decline in average turnover at KSE while placement income increased by 52% from the previous year.

Lanka Securities (Private) Limited ("LSL")

LSL is a licensed stock broker on the Colombo Stock Exchange, out of a total of only 21 firms that are licensed by the Securities and Exchange Commission of Sri Lanka. During the year the LSL reported an after tax profit of LKR 17.28 million translating into EPS of LKR 1.48 as compared to 2.47 in the previous year.

First Capital Investments Limited ("FCIL")

FCIL reported loss after tax of Rs.15.70 million in FY09 against loss of of Rs. 5.48 million in the previous year. The main reason for the loss can be attributed to the dismal performance of capital markets resulting in no dividend income and losses by its associate First Capital Mutual Fund Limited (FCMF).

Media

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

During the year, WPL continued to show good performance. Its revenues increased by 38% to Rs. 111.65 million as compared to Rs. 80.91 million in the previous year. After tax profit of WPL amounted to Rs. 37.67 million translating into EPS of Rs. 12.56.

Media Times Limited ("MTL")

MTL posted net revenues of Rs. 504 million and a net loss of Rs. 2.58 million during the year. MTL recorded an increase of 10% in consolidated revenues over last year but gross profit margins showed a decrease of 22% owing to the cost side which remained on higher side due to recession and inflation including content & newspaper raw material prices. Timely measures have been taken to curtail operating cost by realizing HR cost and other operational expenses; consolidating resources and maximizing economies of scales.

Construction

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

Trident is engaged in business of construction, development and other related activities of real estate properties. The company earned profit after tax of Rs. 155.59 million against Rs. 229.03 million in the last financial year which translates into EPS of Rs. 7.59 as compared to Rs.11.17 last year. Share capital was increased from Rs. 20 million to Rs. 205 million in the current year through the issue of bonus shares. Despite economic recession, Trident tried to maintain steady operational growth in earnings and asset base. Moreover, during the year Trident acquired management control of Ever Green Water Valley (Pvt.) Limitd, as a wholly owned subsidiary, whose business objectives are installation of water filtration plants of different capacities across Pakistan

Real Estate & Property Development

Pace (Pakistan) Limited ("Pace")

Despite challenging business environment financial year 2009 was for Pace. It recorded gross profit of PKR 317 million and maintained its position of a progressive and dynamic real estate company. Pace earned net profit of PKR 437 million as compared to last year's profit of PKR 1,407 million with an basic EPS of Rs. 1.93 per share. During FY09, Pace achieved good sales which, although a bit lower than previous year, represent its resilience to challenges and have proved it to be a sustainable real estate brand. Overall profits however have gone down mainly due to fair value adjustments during the year which were recorded higher last year owing to market conditions prevailing at that time.

Pace Barka Properties Limited ("PBL")

During the financial year under review, PBL earned net profit after tax of PKR 1,185.43 million as compared to last year's profit after tax of PKR 470.04 million. This increase in profit is mainly attributable mainly to substantial increase in percentage of completion of the project and recording of fair value gain on investment properties of PBL. The increase in fair value of PBL's investment properties is mainly due to the efficient and effective investment in carefully selected properties.

Future Outlook

The Company had to face serious challenges in the year under review. Management is confident that its subsidiaries and associated companies are making their best efforts to improve the business on all fronts.

After a year of global market meltdowns, a trend that also affected the local markets, macro economic factors of Pakistan's economy are showing signs of improvement. Stock market has started returning to normalcy, foreign portfolio investment is increasing, and real estate sector is also showing some improvement.

It is expected opportunities for profitable business would emerge in the near future and your Company would once again be well positioned to avail these opportunities.

Key Financial Indicators

The key financial indicators of the Company's performance for the last six years are annexed to the report.

Payouts for the Shareholders

The Company announced final bonus shares in proportion of fifteen (15) bonus shares for every one hundred (100) shares held i.e. 15% fully paid ordinary shares. This is in addition to interim bonus of 10% issued earlier during the year, thus making a total bonus issue of 25% for the year.

Earnings per share

Loss per share (basic and diluted) for the year ended 2009 was Rs. (5.48) as compared to earnings per share (basic and diluted) of Rs.33.48 per share for the last year.

Changes in the Board of Directors

During the period Mr. Omer Subhan Salamat was appointed as director in place of Khawaja Khalil Shah while Mr. Shehryar Ali Taseer was appointed as director in place of Syed Kashan Kazmi.

Code of Corporate Governance

This statement is being presented to comply with the "Code of Corporate Governance" (Code) contained in the Listing Regulations of the Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Code. The directors hereby confirm the following as required by clause (xix) of the Code.

- 1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in the equity.
- 2. Proper books of account of the Company have been maintained.
- 3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure is disclosed.
- 5. The system of internal controls is sound in design and has been implemented and effectively monitored.
- **6.** There are no significant doubts upon the Company's ability to continue as a going concern.
- 7. There has been no material departure from the best practices of Corporate Governance as detailed in Listing Regulations.
- 8. The key financial data of last six years is summarized in the report.
- 9. There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding and have not been disclosed in annexed accounts.

Board Meetings during the year

Five meetings of the Board of Directors were held during the year. Attendance by each director is as under:

Directors	Meetings Attended
Mr. Salmaan Taseer (Chairman & Chief Executive)	5
Mrs. Aamna Taseer	5
Mr. Sulieman Ahmed Said Al-Hoqani	2
Mr. Omer Subhan Salamat	3
Khawaja Khalil Shah (Resigned)	1
Mr. Jamal Said Al-Ojaili	1
Syed Kashan Kazmi	5
Mr. Shahbaz Ali Taseer	5
Mr. Shehryar Ali Taseer	-

The Directors who could not attend the meeting were duly granted leave by the Board.

Trading of Directors

Details of trading in shares of the Company during the financial year, by the Directors, CEO, CFO, Company Secretary and their spouses and any minor children is given in Annexure-I.

Audit Committee

The Board of directors in compliance with the Code of Corporate Governance has established an Audit Committee consisting of following Directors:

Shahbaz Ali Taseer (Chairman) Aamna Taseer (Member) Omer Subhan Salamat (Member)

During the year Mr. Omer Subhan Salamat was appointed in place of Khawaja Khalil Shah.

Auditors

The present Auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants shall retire and be eligible to offer themselves for reappointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants as the auditors of the Company for the financial year ending 30 June 2010.

Pattern of Shareholdings

The pattern of shareholdings as required under the section-236 of the Companies Ordinance, 1984 as well as per Listing Regulations of Stock Exchanges is enclosed.

Acknowledgement

Availing this opportunity the Board desires to place on record their appreciation to the financial institutions, Government authorities and other stakeholders for their dedication and commitments. We would like to thank all shareholders of the company for the trust and confidence. Conclusively we would like to express our gratitude towards Securities and Exchange Commission of Pakistan for its persistent guidance. Finally the Board would like to record its appreciation to all staff members for their hard work.

For and on behalf of the Board of Directors

Lahore 09 October 2009

Salmaan Taseer
Chairman & Chief Executive Officer

Aamna Taseer Director

Annexure I

TRADING BY BOARD MEMBERS, COMPANY SECRETARY, CFO AND THEIR SPOUSE & IF ANY MINOR CHILDREN

	Opening balance as on 01-07-2008	Purchase	Bonus	Sale	Closing balance as on 30-06-2009
Directors					
Salmaan Taseer (CEO)	5,386,626	17,300,000	4,638,776	-	27,325,402
Aamna Taseer	837,739	9,999	457,779	-	1,305,517
Sulieman Ahmed Said Al-Hoqani	46,996,562	-	21,957,529	33,077,257	35,876,834
Jamal Said Al-Ojaili	950	-	513	-	1,463
Syed Kashan Kazmi	1,731	-	934	-	2,665
Khawaja Khalil Shah (Resigned)	-	-	-	-	-
Shahbaz Ali Taseer	500	-	270	-	770
Omer Subhan Salamat	500	-	50	-	550
Spouses	-	-	-	-	-
Minor Children	-	-	-	-	-
Chief Financial Officer					
Syed Kashan Kazmi	1,731	-	934	-	2,665
Company Secretary					
Muhammad Irfan Khawaja	-	-	-	-	_

===== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

Annexure II

KEY FINANCIAL DATA FOR LAST 8 YEARS

FINANCIAL DATA Rupees in Thousands

	2009	2008	2007	2006	2005	2004	2003	2002
Operating revenue	(1,352,116)	5,636,505	1,723,995	429,056	61,535	75,514	41,699	47,827
Operating expenses	77,564	181,830	45,168	35,274	42,898	45,942	41,899	51,673
Operation profit	(1,429,680)	5,454,675	1,678,827	393,782	18,637	29,572	(199)	(3,846)
Other revenue	80,135	30,014	3,366	8,557	2,237	2,451	5,582	13,318
Financial Expenses	21,619	43,126	46,414	25,507	23,006	11,861	5,017	2,666
Taxation	1,546	118	227	476	-	5,698	1,320	3,544
Profit after Taxation	(1,372,710)	5,441,446	1,635,552	376,365	(2,132)	211,429	165,547	91,153
Cash Dividend Final (%)	-	-	-	-	-	-	-	-
Bonus Share Interim & Fina	1 25%	40%	20%	35%	47.5%	-	38%	-

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2009

INCORPORATION NUMBER: 0032345 OG of 11-04-1994

No. of		Shareholdings		Shares Held
Shareholders	From		To	Shares field
379	1	-	100	15,970
744	101	-	500	204,536
651	501	_	1000	481,808
1145	1001		5000	2,839,870
230	5001	-	10000	1,559,305
39	10001	-	15000	470,071
29	15001	-	20000	495,646
19	20001	-	25000	420,561
11	25001	-	30000	308,638
9	30001	-	35000	288,660
11	35001	-	40000	415,172
8	40001	_	45000	340,422
4	45001	_	50000	183,584
4	50001		55000	213,510
3	55001	-	60000	168,944
3	65001	-	70000	205,094
1	80001	-	85000	82,000
3	90001	-	95000	277,727
1	100001	-	105000	100,008
1	105001	-	110000	105,868
1	110001	-	115000	112,970
1	115001	_	120000	119,400
5	125001		130000	638,075
1	140001	-	145000	143,000
1	150001	-	155000	154,000
1	155001	-	160000	155,821
2	160001	-	165000	322,500
2	190001	-	195000	381,942
1	200001	-	205000	200,855
1	315001	-	320000	315,700
1	340001	-	345000	342,650
1	390001	_	395000	394,900
1	515001		520000	517,906
1	545001		550000	550,000
1	615001	-	620000	616,000
1	640001	-	645000	642,180
1	745001	-	750000	748,136
1	890001	-	895000	894,850
1	955001	-	960000	956,560
1	965001	-	970000	967,467

===== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

No. of		Shareholdings		Shares Held
Shareholders	From		То	
1	995001	-	1000000	1,000,000
1	1125001	-	1130000	1,129,276
1	1160001	_	1165000	1,160,731
1	1300001		1305000	1,302,185
1	1305001	-	1310000	1,305,517
1	2480001	-	2485000	2,482,205
1	3155001	-	3160000	3,155,538
1	3175001	-	3180000	3,177,518
1	3270001	-	3275000	3,273,108
1	7285001	-	7290000	7,288,192
1	7925001	-	7930000	7,925,540
1	8950001	_	8955000	8,950,092
1	20825001	_	20830000	20,826,730
1	25900001		25905000	25,900,840
1	26915001	-	26920000	26,917,352
1	30285001	-	30290000	30,288,934
1	31750001	-	31755000	31,752,149
1	54095001	-	54100000	54,096,461
3339				250,284,674

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2009

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	64,513,131	39.695
Associated Companies, undertakings and related parties.	3,155,538	1.942
NIT and ICP	3,179,828	1.957
Banks, Development Financial Institutions, Non Banking Financial Institutions	40,335,152	24.818
Insurance	8,927,542	5.493
Modarabas and Mutual Funds	4,235,796	2.606
Share holders holding 10% or more	147,587,631	90.811
General Public a) Local b) Foreign	12,483,304 583,209	7.681 0.359
Others: - Joint Stock Companies - Foreign Companies	25,988,174 86,883,000	15.991 53.459

Note: Some of the shareholders are reflected in more than one category.

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT 30 JUNE 2009

Shareholders' Category	Number of Shares held
Associated Companies, undertaking and related parties	
Worldcall Telecom Limited	3,155,538
NIT and ICP	
National Bank of Pakistan, Trustee Deptt	3,177,518
Investment Corporation of Pakistan	2,310
Directors, CEO and their Spouse and Minor Children	
Salmaan Taseer (CEO/Director)	27,325,402
Aamna Taseer (Director)	1,305,517
Shahbaz Ali Taseer (Director)	700
Mr.Omer Subhan Salamat (Director)	550
Sulieman Ahmad Said Al-Hoqani (Director)	35,876,834
Mr. Jamal Said Al-Ojaili (Director)	1,463
Syed Kashan Kazmi (Director)	2,665
Executives	
Mr. Kamil Aziz	4,589
Public Sector Companies and Corporations Banks Development Financial Institutions, Non-Banking Finance Institutions,	25,988,174
Insurance Companies, Modaraba and Mutual Fund etc.	53,498,490
Shareholders holding 10% or more voting interest in the Company	
Salmaan Taseer	27,325,402
Amythest Limited	84,385,395
Sulieman Ahmad Said Al-Hoqan	35,876,834

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2009

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

- 1) The Board of Directors comprise of seven Directors. The Company encourages representation of independent non-executive directors on its Board. At present the board includes at least 2 independent non-executive directors.
- 2) The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
- 3) All the resident directors of the Company are registered as taxpayers and none of them has convicted by a Court of competent jurisdiction as a defaulter in payment of any loan to a banking company, a DFI or an NBFI. No one is a member of Stock Exchange.
- 4) All casual vacancies occurring in the Board were filed up by the directors within 30 days thereof.
- 5) The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
- 6) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 7) All the powers of the board have been duly exercised and decisions on material transactions.
- 8) The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9) The Board arranged orientation courses for its directors during the year to apprise them of their duties and responsibilities.
- 10) The Board approved appointment of Company Secretary, Chief Financial Officer and Internal Auditors including remuneration and terms and conditions of employment, as determined by the CEO
- The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

- The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding
- 14) The Company has complied with all the corporate and financial reporting requirements of the Code.
- The Board has formed an Audit Committee. At present the committee includes three non-executive directors including the chairman of the committee.
- The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17) The Board has set-up an effective internal audit function having suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
- 19) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 20) The Company has fully complied with the requirements on related party transaction to the extent as contained in the listing regulations of Stock Exchanges(s).
- 21) We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Lahore Salmaan Taseer Aamna Taseer
09 October 2009 Chairman & Chief Executive Officer Director

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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **First Capital Securities Corporation Limited ("the Company")** to comply with the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code. As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) a Listing Regulations No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price regarding proper justification for using such alternate pricing mechanism. Further, all such transaction are also required to be separately placed before the audit committee.

We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June 2009.

Lahore 09 October 2009 KPMG Taseer Hadi & Co. Chartered Accountants (Kamran Igbal Yousafi)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **First Capital Securities Corporation Limited** ("the Company") as at 30 June 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2009 and of the loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source by the Company under Section 7 of the Zakat and Ushr Ordinance, 1980.

Lahore: 09 October 2009

KPMG Taseer Hadi & Co. Chartered Accountants (Kamran Iqbal Yousafi)

==== FIRST CAPITAL SECURITIES CORPORATION LIMITED ====

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Non current assets			
Property and equipment	3	184,140,444	114,750,664
Long term loans	4	349,429,002	330,700,000
Investment property	5	850,008,150	736,307,933
Long term investments	6	6,817,025,949	7,175,927,758
Long term deposits	7	646,838	646,838
		8,201,250,383	8,358,333,193
Current assets			
Trade debts	8	1,681,297	1,885,006
Loans and advances	9	2,303,978	113,248
Short term prepayments		111,777	108,747
Taxation recoverable		18,743,777	21,418,663
Other receivables	10	11,401,062	11,238,189
Investments at fair value through profit or loss	11	1,905,044,077	3,366,163,035
Cash and bank balances	12	17,279,396	350,905,292
Command Balt History		1,956,565,364	3,751,832,180
Current liabilities			
Current portion of liabilities against assets subject to finance lease	13	666,661	587,805
Mark up accrued	13	2,755,132	81,098
Short term borrowings - secured	14	70,325,587	14,000,000
Trade and other payables	15	309,947,791	367,058,185
Trade and other payables	10	383,695,171	381,727,088
Working capital		1,572,870,193	3,370,105,092
Net assets		9,774,120,576	11,728,438,285
Non current liabilities			
Liabilities against assets subject to finance lease	13	984,576	1,647,793
Staff retirement benefits	16	11,730,619	8,200,796
		12,715,195	9,848,589
Contingencies and commitments	26	0.7(1.405.201	11 710 500 (0)
Net capital employed		9,761,405,381	11,718,589,696
Represented by:			
Share capital and reserves			
Issued, subscribed and paid-up capital	17	2,502,846,740	1,625,225,160
Reserves		2,321,471,026	2,905,945,335
Unappropriated profit		4,937,087,615	7,187,419,201
		9,761,405,381	11,718,589,696

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Operating revenue			
Unrealized gain on remeasurement of investment property	5	78,442,609	-
Unrealized (loss)/gain on remeasurement of short term investments	11	(1,406,536,381)	1,543,313,588
Financial consultancy services		1,500,000	10,562,500
Money market services	18	12,593,425	13,030,021
(Loss)/gain on sale of investments		(66,572,022)	4,055,999,626
Gain on sale of investment property		250,000	-
Rental income from investment property		15,601,810	-
Dividend income	19	12,605,000	13,599,364
		(1,352,115,559)	5,636,505,099
Operating expenses	20	77,564,486	181,829,671
Operating (loss)/profit Finance and other costs	21	(1,429,680,045) 21,619,053	5,454,675,428 43,126,300
		(1,451,299,098)	5,411,549,128
Other operating income	22	80,135,451 (1,371,163,647)	30,014,447 5,441,563,575
(Loss)/profit before taxation Taxation	23	(1,5/1,103,04/) (1,546,359)	(117,963)
(Loss)/profit after taxation		(1,372,710,006)	5,441,445,612
Earnings per share- basic and diluted	25	(5.48)	21.74

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

==== FIRST CAPITAL SECURITIES CORPORATION LIMITED ====

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Cash flows from operating activities			
(Loss)/profit before taxation		(1,371,163,647)	5,441,563,575
Adjustments for:			
Finance and other costs		21,619,053	43,126,300
Unrealized loss/(gain) on remeasurement of investments at fair value		1 407 527 201	(1.542.212.500)
through profit or loss Unrealized gain on remeasurement of investment property at fair value		1,406,536,381	(1,543,313,588)
through profit or loss		(78,442,609)	_
Dividend income		(12,605,000)	(13,599,364)
Depreciation		1,233,187	1,308,032
Gain on disposal of property and equipment		(1,468,000)	(1,550,500)
Gain on disposal of investment property		(250,000)	
Debts written off directly		(105,000)	59,219
Gain on currency translation Gain on disposal of subsidiary		(195,900) (249,503)	-
Mark up income		(76,879,783)	(19,750,877)
Provision for compensated absences		247,981	549,287
Provision for staff retirement benefits		3,518,967	2,646,284
		1,263,064,774	(1,530,525,207)
(Loss)/profit before working capital changes		(108,098,873)	3,911,038,368
Effect on cash flow due to working capital changes:		202.700	2 100 077
Trade debts Loans and advances		203,709 (2,190,730)	2,199,077 317,684
Short term prepayments		(3,030)	6,849
Other receivables		(11,377,656)	132,428
Short term investments-net		54,582,577	1,380,322,169
Trade and other payables		1,889,911	2,588,433
		43,104,781	1,385,566,640
Cash (used in)/ generated from operations Staff retirement benefits - net		(64,994,092)	5,296,605,008
Finance and other costs paid		10,856 (18,945,019)	(12,500) (47,432,402)
Taxes paid		1,128,527	(4,064,734)
F		(17,805,636)	(51,509,636)
Net cash (used in)/generated from operating activities		(82,799,728)	5,245,095,372
Cash flows from investing activities			
Capital expenditure incurred		(70,622,967)	(111,220,449)
Dividend received		23,704,364	2,643,715
Proceeds from disposal of property and equipment		1,468,000	1,583,000
Proceeds from disposal of investment property		1,600,000	
Investment property		(95,855,894)	(377,726,966)
Proceeds from disposal of subsidiary Long term loans-net		725,000 (18,729,002)	(315,180,000)
Long term investment		(226,047,997)	(3,849,161,219)
Long term deposits		-	(609,338)
Mark up received		76,995,202	19,635,458
Net cash used in investing activities		(306,763,294)	(4,630,035,799)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(584,361)	(599,470)
Short term borrowings-net		56,325,587	(281,000,000)
Net cash generated from/(used in) financing activities		55,741,226	(281,599,470)
Net (decrease)/increase in cash and cash equivalents		(333,821,796)	333,460,103
Cash and cash equivalents at the beginning of the period Exchange gain/(loss) on translation of deposit account		350,905,292 195,900	17,754,146
Cash and cash equivalents at the end of the period	12	17,279,396	(308,957)
Cash and cash equivalents at the end of the period	12	11,217,370	330,703,272

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

==== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

			Revenue reserve	_
	Share	Fair value	Unappropriated	
	<u>Capital</u>	reserve	Profit	<u>Total</u>
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2007	1,354,354,300	1,667,705,724	2,016,844,449	5,038,904,473
Fair value gain during the period	-	2,905,945,335	-	2,905,945,335
Fair value gain on realization	-	(1,667,705,724)	-	(1,667,705,724)
Profit for the year	-	-	5,441,445,612	5,441,445,612
Total recognized income and				
expenses for the year	-	1,238,239,611	5,441,445,612	6,679,685,223
Issuance of bonus shares	270,870,860	-	(270,870,860)	-
Balance as at 30 June 2008	1,625,225,160	2,905,945,335	7,187,419,201	11,718,589,696
Fair value loss during the period	-	(584,474,309)	-	(584,474,309)
Loss for the year	-	-	(1,372,710,006)	(1,372,710,006)
Total recognized income and				
expenses for the year	-	(584,474,309)	(1,372,710,006)	(1,957,184,315)
Issuance of bonus shares	877,621,580	-	(877,621,580)	-
Balance as at 30 June 2009	2,502,846,740	2,321,471,026	4,937,087,615	9,761,405,381

The annexed notes 1 to 30 form an integral part of these financial statements.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS's) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments and certain financial assets that are stated at fair value, and recognition of certain employee benefits at present value.

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are:

a)	Useful life and residual values of property and equipment	Note 2.3
b)	Impairment of available for sale financial assets	Note 2.5
c)	Provisions	Note 2.15
d)	Staff retirement benefits	Note 2.17
e)	Provision for taxation	Note 2.20

2.3 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income applying the straight-line method whereby the cost is written-off over its estimated useful life at the rates specified in note 3 to the financial statements. Residual value and the useful life of an asset are reviewed at least at each financial year end.

Depreciation on additions is charged on a pro-rata basis from the month in which the asset is put to use, while for disposals depreciation is charged up to the month preceding the disposal of the asset. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Maintenance and repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired. Gains and losses on disposals of assets are included in income.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

2.4 Leases

Leases in term of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs are classified as current and long term depending upon the timing of the payment. Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments, if any are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on a straight-line method at the rates given in note 3. Depreciation of leased assets is charged to income.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Residual value and the useful life of an asset are reviewed at least at each financial year end.

2.5 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognized in the profit and loss. Individually significant financial assets are tested for impairment on individual basis. An impairment loss in respect of available for sale financial assets is calculated by the reference to its current fair value. Any cumulative loss in respect of an available for sale financial assets recognised previously in equity is transferred to profit and loss.

Impairment losses are reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

For available for sale financial assets that are equity securities, the reversal is recoginsed directly in equity.

2.6 Investments

Investment in equity instruments of subsidiaries and associates

Investment in subsidiaries and associates where the Company have significant influence are classified as available for sale, for the purpose of measurement in the Company's separate financial statements.

Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains and losses being taken directly to equity until the investment is disposed off or impaired. At the time of disposal, the respective surplus or deficit is transferred to income currently. Fair value of quoted investments is their bid price at the balance sheet date.

Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each year end. Impairment loss, if any, is charged to income currently.

Investments at fair value through profit or loss

These include investments classified as held for trading or upon initial recognition are designated by the Company as at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in income currently. Fair value of investments is their quoted bid price at the balance sheet date. Transaction costs are charged to income currently.

2.7 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially recognized at cost, being the fair value of the consideration given, subsequent to initial recognition these are stated at fair value. The fair value is determined annually

by an independent approved valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the profit and loss account. Rental income from investment property is accounted for as described in note 2.18.

When an item of property and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the profit and loss account.

2.8 Settlement date accounting

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

2.9 Long term loan

These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

At initial recognition these financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition these are measured at amortized cost using the effective interest method less impairment loss, if any. A provision for impairment of long term loan is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of loan.

2.10 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.11 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company de-recognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. A financial liability or part of financial liability is de-recognized from the balance sheet, when and only when, it is extinguished that is when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the recognition, de-recognition of the financial assets and liabilities is included in the profit and loss account currently.

Significant financial assets include long term loan, long term deposits, short term investments, trade debts, loans and advances, other receivables and cash and bank balances.

Significant financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are liability against assets subject to finance lease, mark up accrued, short term borrowings trade and other payables.

2.12 Financial assets and liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

2.14 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

2.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.16 Securities sold under repurchase agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as "securities sold under repurchase agreements" in short term borrowings. The difference between sale and repurchase price is treated as mark-up on borrowings and is accrued over the life of the repo agreement.

2.17 Staff retirement benefits

Defined benefit plan

The Company operates an un-funded gratuity plan for its eligible staff under which benefits are paid on cessation of employment subject to a minimum qualifying period of service, that is one year. The liability under the plan is determined on the basis of actuarial valuations carried out by using the "Projected Unit Credit Method" and is charged to income.

The Company recognizes actuarial gains/losses above the 10% of present value of obligation at the end of previous year over the expected remaining average service life of the employees.

2.18 Revenue recognition

Capital gains or losses on sale of investments are recognised in the year in which they arise.

Money market brokerage, consultancy and advisory fees are recognized as and when such services are provided.

Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.

Dividend income is recognized when the right to receive the dividend is established i.e. at the time of closure of share transfer book of the company declaring the dividend.

Return on securities other than shares is recognized as and when it is due on time proportion basis.

Mark-up/interest income is recognized on accrual basis.

Rental income is recognized on accrual basis.

2.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred.

2.20 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

2.21 Foreign currency

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

2.22 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and other short term highly liquid investments (if any) that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

2.23 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, subject to approval of Board of Directors, it is in the interest of the Company to do so.

2.24 Standards, Interpretations and amendments to published approved accounting standards

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2009:

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Company's financial statements.

Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Company's financial statements.

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Company's financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of

subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Company's financial statements.

IFRS 7 - "Financial Instrument: Disclosures", requires extensive disclosures about the significance of the financial instruments for the financial position and performance of the Company along with the nature and extent of risk arising from such financial instruments to which the company is exposed during the year and at the end of the reporting period, and how the company manages those risks. Adoption of this standard has resulted in additional disclosures given in note 27 to the financial statements.

IFRS 8 — Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business and geographical segments. This standard will have no effect on the Company's reported total profit or loss or equity.

IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Company's operations.

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant

In addition to above, International Accounting Standards Board made certain amendments to existing standards and interpretations as part of its first and second annual improvements projects. These amendments are unlikely to have impact on the company's financial statements.

		Note	2009 Rupees	2008 Rupees
3	Property and equipment			
	Operating fixed assets	3.1	2,654,485	3,813,172
	Capital work in progress	3.2	181,485,959	110,937,492
			184,140,444	114,750,664

3.1 Property and equipment

		TSOS	L			2009	ī	DEPRECIATION			NET BOOK
						Accumulated				Accumulated	VALUE
	As at 01 July 2008	additions/ (deletions)	Adjustments	As at 30 June 2009	Rate	as at 01 July 2008	Deletions	Adjustments	For the year	as at 30 June 2009	as at 30 June 2009
Owned assets		R	Rupees		%	•		Rupees			Rupees
Leasehold improvements	470,315			470,315	10	470,315			1	470,315	
Computers	4,482,628	51,500		726,494	33	4,256,411	- 000 0		148,223	597,000	129,494
Office equipment	4.389,561	(3,807,034)	,	1,903,190	10	3.920,258	(3,807,034)	,	165,982	1,599,869	303,321
I		(2,486,371)					(2,486,371)				
Furniture and fixtures	2,237,100	23,000	1	154,000	10	2,176,115	- 001 201 67	1	23,782	93,797	60,203
Vehicles	5,701,755	(2,100,100)	,	4,951,430	20	5,091,388	(2,100,100)	,	359,000	4,700,063	251,367
	000	(750,325)		0		100	(750,325)		100,00		100
	17,281,359	/4,500 (9,150,430)		8,205,429		15,914,48/	(9,150,430)		096,987	/,461,044	/44,385
Leased assets											
Vehicles	2,681,000			2,681,000	20	234,700			536,200	770,900	1,910,100
2009	19,962,359	74,500		10,886,429		16,149,187	,		1,233,187	8,231,944	2,654,485
		(9,150,430)					(9,150,430)				
						2008					
		LSOO	ST				IQ	DEPRECIATION			NET BOOK
						Accumulated				Accumulated	VALUE
	As at	additions/	Adjustments	Asat		as at	Deletions	Adjustments	For the	as at	as at
	01 July 2007	(deletions)		30 June 2008	Rate	01 July 2007			year	30 June 2008	30 June 2008
			kupees		%			Kupees			kupees
Owned assets											
Leasehold improvements	470,315	,	,	470,315	10	423,285			47,030	470,315	
Computers	4,268,171	214,457	,	4,482,628	33	4,123,892	,	,	132,519	4,256,411	226,217
Office equipment	4,358,561	31,000	,	4,389,561	10	3,748,478	,	,	171,780	3,920,258	469,303
Furniture and fixtures	2,199,600	37,500	,	2,237,100	10	2,133,712	,	,	42,403	2,176,115	60,985
Vehicles	8,412,255	,	845,000	5,701,755	20	7,427,788	,	507,000	679,600	5,091,388	610,367
		(3,555,500)					(3,523,000)				
	19,708,902	282,957 (3,555,500)	845,000	17,281,359		17,857,155	(3,523,000)	507,000	1,073,332	15,914,487	1,366,872
Leased assets											
Vehicles	845,000	2,681,000	(845,000)	2,681,000	20	507,000		(507,000)	234,700	234,700	2,446,300
2008	20,553,902	2,963,957		19,962,359		18,364,155	(3.523.000)		1,308,032	16,149,187	3,813,172
		(0.04/0.04/0)					(2224212)				

3.1.1 Book value for all deletions made during the period was below Rs. 50,000

This represents 43% (2008: 30%) advance payment to Pace (Pakistan) Limited for purchase of offices at Pace Tower Gulberg, Lahore and 62% (2008: nil) advance payment of Pace Barka Properties for purchase of a shop.

		Note	2009 Rupees	2008 Rupees	
4	Long term loans - unsecured considered good - related parties				
	Media Times Limited	4.1	349,429,002	330,700,000	

- **4.1** This represents loan to an associated company and carries minimum mark up at the rate of 18%, subject to the provisions of section 208 of the Companies Ordinance 1984. The total outstanding loan amount shall be repaid within four years from the date of disbursement.
- **4.2** The maximum aggregate amount of loan outstanding during the year was Rs. 407,725,000 (2008: Rs. 330,700,000).

	Note	2009 Rupees	2008 Rupees
Investment property			
Opening balance		736,307,933	-
Add: Acquisition during the year		36,607,608	736,307,933
		772,915,541	736,307,933
Less: Disposal during the year		(1,350,000)	-
	•	771,565,541	736,307,933
Increase in fair value		78,442,609	-
Balance as at 30 June	5.1	850,008,150	736,307,933

5.1 Investment property acquired during the period comprises various shops acquired from Pace (Pakistan) Limited in various shopping malls situated in Gujrat and Gujranwala. The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators as at 30 June 2009. Fair value was determined giving due regard to the recent market transactions for similar properties in the same location and conditions as the company's investment property.

Note 2009 2008 Rupees Rupees

26.1

6 Long term investments - available for sale

Subsidiary company - Listed

5

First Capital Equities Limited

54,265,200 (2008: 43,412,160) fully paid ordinary shares of Rs.10/- each Equity held 50.23% (2008: 50.23%) Purchase of investment at market price Sale of investment at market price Fair value adjustment

6,665,937,168	1,910,135,040
-	5,508,752,487
-	(3,658,895,694)
(1,748,424,744)	2,905,945,335
4,917,512,424	6,665,937,168

===== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

	Note	2009 Rupees	2008 Rupees
Subsidiary companies - Unlisted			
Mileage (Private) Limited (formerly First Capital Associates (Private) Limited) - wholly owned Nil (2008: 100,000) fully paid ordinary shares			
of Rs 10 each		475,497	475,497
Sale of all shares		(475,497)	- 1
		-	475,497
		4,917,512,424	6,666,412,665
First Conital Investments Limited			
First Capital Investments Limited 7,855,000 (2008: 7,855,000) fully paid ordinary shares of Rs10 each			
Equity held: 76.56% (2008: 76.56%)		78,550,000	25,000,000
Addition through subscription of right shares		-	53,550,000
Impairment loss		(1,709,893)	-
		76,840,107	78,550,000
World Press (Private) Limited 1,949,041 (2008: 1,949,041) fully paid ordinary shares of Rs.10/- each Equity held 65% (2008: 65%) Addition through subscription of right shares		19,490,410 - 19,490,410	4,501,250 14,989,160 19,490,410
Trident Construct (Private) Limited 10,455,000 (2008:1,020,000) fully paid ordinary shares of Rs10 each	6.2	10,200,000	10,200,000
Equity held: 51.76% (2008:51.76%)			
Lanka Securities (Private) Limited Foreign entity 7,129,800 (2008: 7,129,800) fully paid ordinary shares of LKR.10 each			
Equity held: 51% (2008: 51%)		46,229,683	8,170,141
Addition through subscription of right shares			38,059,542
		46,229,683	46,229,683

	Note	2009 Rupees	2008 Rupees
Associated company - Listed			
Media Times Limited			
31,449,389 (2008: 11,000,000) fully paid ordinary			
shares of Rs10 each			
Equity held: 23.45% (2008: 10.95%)		110,000,000	110,000,000
Purchase of investment at market price 20,449,389 shares		227,757,890	-
Fair value adjustment		1,163,950,435	-
	6.3	1,501,708,325	110,000,000
Associated companies - Unlisted			
Pace Super Mall (Private) Limited			
4,500 (2008: 4,500) fully paid ordinary			
shares of Rs10 each			
Equity held: 10% (2008: 10%)	6.4	45,000	45,000
Pace Barka Properties Limited			
24,500,000 (2008: 24,500,000) fully paid ordinary			
shares of Rs10 each			
Equity held: 8.03% (2008: 8.03%)		245,000,000	20,000,000
Addition through subscription of right shares			225,000,000
	6.4	245,000,000	245,000,000
		,,000	,,
Total investments	-	6,817,025,949	7,175,927,758
	=	, , , , ,	

- **6.1** All subsidiaries and associated companies have been incorporated in Pakistan except for Lanka Securities (Private) Limited which is incorporated in Sri Lanka.
- **6.2** During the year Trident Construct (Private) Limited issued bonus shares @ 905% and 1.99% dated 1 March 2009 and 25 June 2009 respectively.
- **6.3** The shares having market value amounting to Rs. 1,303 million are pledged.
- **6.4** The Company's investment in Pace Super Mall (Private) Limited and Pace Barka Properties Limited is less than 20%, however these have been considered as associates as per the requirements of IAS 28 'Investment in Associates', as the Company has significant influence over the financial and operating policies of these companies.

		Note	2009 Rupees	2008 Rupees
7	Long term deposits			
	Deposits with leasing companies		609,338	609,338
	Deposits with others		37,500	37,500
			646,838	646,838
8	Trade debts			
	Unsecured, considered good:			
	Money market receivables		1,681,297	1,885,006
9	Loans and advances -			
	Unsecured, considered good			
	Advances to staff	9.1	2,303,978	113,248

9.1 Advances given to staff for expenses are in accordance with the Company's policy. Such advances are unsecured, interest free and are adjusted against salary/expense claims. These advances are secured against gratuity. Advance to staff do not include any amount due from Chief Executive and Directors (2008: Nil). However, they includes an amount due from an executive of Rs.2,000,000 (2008: Nil) which is as per terms of his employment and secured against gratuity.

		Note	2009 Rupees	2008 Rupees
10	Other receivables			
	Dividend		11,800	11,111,164
	Mark up receivable on long term loan		-	115,419
	Taxation refundable		6,677,426	-
	Service charges refundable from Pace		4,561,836	-
	Others		150,000	11,606
		_	11,401,062	11,238,189

30 June 2009

30 June 2008

						10 2007		10 2000
					Carrying	Fair	Carrying	Fair
				NT-4-	Value		Value	
				Note		Value		Value
					Rupees	Rupees	Rupees	Rupees
Shor	t term investments - at fair value through	profit ar	ıd loss					
Thes	e are made up as under:							
Held	for trading							
	Related parties			11.1	36,730,831	21,856,600	14,833,051	14,865,919
	Others			11.2	38,418,975	21,767,592	51,533,644	44,609,599
Othe	rs-related parties			11.3	3,236,430,652	1,861,419,885	1,756,482,752	3,306,687,517
oune	is related parties				3,311,580,458	1,905,044,077	1,822,849,447	3,366,163,035
Add:	Unrealised (loss)/gain on account							
	of remeasurement to fair value			_	(1,406,536,381)		1,543,313,588	-
				_	1,905,044,077	1,905,044,077	3,366,163,035	3,366,163,035
		Note	Number of sh	nares/certificat	es 30 Jun	ne 2009	30 Jun	e 2008
			2009	2008	Carrying	Fair	Carrying	Fair
			2009	2008	Value	Value	Value	Value
11.1	Held for trading - related parties				Rupees	Rupees	Rupees	Rupees
11.1	Insurance							
	Shaheen Insurance Company Limited		812,513	168,720	36,730,831	21,856,600	14,833,051	14,865,919
	Equity held 1.38% (2008:0.96%)							
11.2	Held for trading - others							
	Cement							
	DG Khan Cement Company Limited		70,000	55,000	3,573,800	2,075,500	3,868,967	3,692,700
	Pioneer Cement Limited		349	354,849	9,831			9,996,096
			347	334,047	7,031	4,737	12,750,044	7,770,070
	Insurance		40.000	10.000	24442		2.752.167	2 505 200
	Adamjee Insurance Company Limited		10,000	10,000	2,164,250	839,900	2,752,167	2,707,200
	Cable and Electrical goods							
	Pak Electron Limited		93	93	5,208	3 2,279	6,236	5,208
	Commercial Bank / Investment co.							
	Askari Commercial Bank Limited		52,000	52,000	1,506,990	794,560	3,037,250	2,089,880
	JS bank Limited		101,000	101,000	1,387,740			1,387,740
	Habib bank Limited		19,180	3,900	2,444,350		212,905	813,657
			19,100		2,444,330	1,030,031		
	Bank Alfalah Limited		-	100,000	-		5,152,500	4,106,000
	United Bank Limited		25,000	-	1,553,594	957,250	-	-
	Textile composit							
	Nishat Mills Limited		20,000	-	949,395	756,400	-	-
	Fuel and Energy							
	Bosicar Pakistan Limited		150,000	150,000	2,010,000	1,044,000	3,435,225	2,010,000
	Pak Oil Fields Ltd.		18,000	-	3,662,884	2,626,200	-	-
	Pakistan State Oil Company Ltd.		12,500	-	3,556,809	2,670,625	-	-
	Leasing Standard Chartered Leasing Limited		70,000	70,000	427,000	140,700	777,000	427,000
	Food & Personal care products		70,000	70,000	427,000	140,700	777,000	427,000
	Zulfiqar Industries Limited		12,980	19,000	1,805,400	821,634	2,622,000	2,907,000
	Funds Namco Balanced Fund Limited		1 425 200	1 425 200	12 261 712	6774144	12 002 200	12 261 712
			1,435,200	1,435,200	13,361,712	6,774,144		13,361,712
	Dawood Islamic Fund - Units		-	11,021	20.410.057		1,000,000	1,105,406
					38,418,975	21,767,592	51,533,644	44,609,599
11.3	Others-related parties							
	First Capital Equities Limited		18,425,000	14,740,000	2,263,327,000	1,669,673,500	695,398,500	2,263,327,000
	Equity held 17.06% (2008:17.06%)							
	Worldcall Telecom Limited	11.3.1	6,371,207	7,737,207	92,509,920	15,928,018	141,977,748	112,344,246
	Equity held 0.74% (2008: 0.9%)							
	Pace (Pakistan) Limited	11.3.2	31,508,668	32,851,668	880,593,720	175,818,367	919,106,504	931,016,271
	Equity held 13.53% (2008:14.9%)		- ,,	- ,,				
					3,236,430,652	1,861,419,885	1,756,482,752	3,306,687,517

 $[\]textbf{11.3.1} \ This includes \ 2.9 \ million \ shares \ held \ under \ lien \ as \ security \ by \ National \ Accountability \ Bureau. \ Refer to \ note \ 26.1.$

11.

^{11.4} The shares having market value amounting to Rs. 128,898,117 are pledged.

==== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

Cash and bank balances	Note	2009 Rupees	2008 Rupees
In hand At bank		11,055	12,426
Current accounts	12.1	2,067,316	2,571,711
Deposit accounts	12.2	15,201,025	348,321,155
	_	17,268,341	350,892,866
	- -	17,279,396	350,905,292

- 12.1 Including in current account is Sri Lankan Rupees amounting to LKR: 2,716,355 (2008: LKR: 2,716,855).
- **12.2** The balance in deposit accounts bear mark up which ranges from 0.5% to 10.75% (2008: 2.85% to 10.75%) per annum.

13 Liabilities against assets subject to finance lease

12

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	Not later	30 June 2009 Later than one year and not late than five years R u p e e s	r Total
Minimum lease payments	770,272	1,004,460	1,774,732
Future finance charge	(103,611)	(19,884)	(123,495)
Present value of minimum lease payments	666,661	984,576	1,651,237
	Not later than one year	30 June 2008 Later than one year and not later than five years	Total
		Rupees	
Minimum lease payments	759,347	1,760,166	2,519,513
Future finance charge	(171,542)	(112,373)	(283,915)
Present value of minimum lease payments	587,805	1,647,793	2,235,598

13.1 Rentals are payable in monthly installments. The Company has the right to exercise purchase option at the end of the lease term by adjusting the security deposit agianst the residual value of shares. The present value of minimum lease payments have been discounted at an effective rate of 12.30% to 15.2% (2008: 9.02% to 13.01%) per annum.

		Note	2009 Rupees	2008 Rupees
14	Short term borrowings - secured			
	Running finance facility with Bank Alfalah Limited	14.1	70,325,587	14,000,000

14.1 The Company has running finance facility of Rs. 75 million (2008: 75 million) from a commercial bank under mark up arrangement at the rate of 3 Months KIBOR plus 3% per annum (2008: KIBOR plus 2% per annum). This running finance facility is secured by pledge of listed securities.

		Note	2009 Rupees	2008 Rupees
15	Trade and other payables			
	Bills payable		2,186,886	432,055
	Security deposit Pace Shopkeepers		2,117,750	-
	Payable against trading of shares		-	2,376,939
	Payable against purchase of property	15.1	299,332,681	358,580,967
	Accrued liabilities		3,401,030	2,788,947
	Withholding tax		41,786	-
	Unclaimed dividend		1,858,918	1,873,149
	Other liabilities		1,008,740	1,006,128
			309,947,791	367,058,185

15.1 This amount is payable to Pace (Pakistan) Limited, an associated company, against purchase of properties as referred in note 5.

16

Staff r	etirement benefits	2009 Rupees	2008 Rupees
	nt recognised in the Balance Sheet as follows:		
Presen	t value of defined benefit obligation	13,329,159	10,201,283
	ognised actuarial losses to be		
-	gnized in later period	(1,598,540)	(2,000,487)
Balan	ce sheet liability as on 30 June	11,730,619	8,200,796
16.1	Movement in net obligation		
	Net liability as on 1 July	8,200,796	5,567,012
	Liability transferred from other sister concerns	215,856	-
	Liability transferred to other sister concerns	-	(18,400)
	Amount recognized during the year	3,518,967	2,664,684
	Benefits payments made by the Company		
	during the year	(205,000)	(12,500)
	Net liability as on 30 June	<u>11,730,619</u>	8,200,796
16.2	Movement in present value of defined benefit benefit obligation is as follows:		
	Present value of defined benefit obligation		
	as at 01 July	10,201,283	7,316,886
	Current service cost	2,213,116	1,848,146
	Interest cost	1,224,154	731,689
	Liability transferred from other sister concern	215,856	- (10, 400)
	Liability transferred to other Company	(205,000)	(18,400)
	Benefit paid during the period	(205,000)	(12,500)
	Actuarial (profit)/loss Present value of defined benefit obligation	(320,250)	335,462
	as at 30 June	13,329,159	10,201,283
16.3	Salaries, wages and other benefits include following in respect of retirement benefits		
	Current service cost	2,213,116	1,848,146
	Interest cost	1,224,154	731,689
	Actuarial loss charged	81,697	84,849
	Total amount chargeable to Profit and Loss account	3,518,967	2,664,684
16.4	The Company expects to contribute Ds. 2.250.067 to defined or	etvity plan in 2010	

16.5 Principal actuarial assumptions

Discount rate 12% per annum 12% per annum Expected rate of Eligible Salary increase in future years 11% per annum 11% per annum Average expected remaining working life time of employees 13 years 12 years

2009 2008 2007 2006 2005 **Rupees** Rupees Rupees Rupees Rupees

16.6 Historical information for Gratuity plan

on plan liabilities gains/(losses)

Present value of defined benefit obligation Actuarial experience adjustments

13,329,159 10,201,283 7,316,886 5,146,271 3,870,087 **320,250** (335,462) (892,554) (352,033) (262,252)

2009 2008 Rupees Rupees

17 Share capital

Authorized

300,000,000 (2008: 170,000,000) ordinary shares

shares of Rs 10 each 3,000,000,000 1,700,000,000

 Number of Shares
 2009
 2008

 2009
 2008
 Rupees
 Rupees

Issued, subscribed and paid-up capital

Ordinary shares of Rs 10
each fully paid in cash
Ordinary shares of Rs 10
each issued as bonus shares

 38,165,030
 381,650,300
 381,650,300
 381,650,300

 212,119,644
 124,357,486
 2,121,196,440
 1,243,574,860

 250,284,674
 162,522,516
 2,502,846,470
 1,625,225,160

17.1 Worldcall Telecom Limited holds 3,155,528 (2008:2,049,051) shares with a percentage holding of 1.26% (2008: 1.26%).

===== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

			Note	2009 Shares	2008 Shares
	17.2	Movement of Number of shares			
		Shares as on 01 July		162,522,516	135,435,430
		Bonus issue		87,762,158	27,087,086
		Shares as on 30 June		250,284,674	162,522,516
10	M				
18	Money	market services			
	Money	market income - local currency		6,474,325	7,364,841
	Money	market income - foreign currency		6,119,100	5,665,180
				12,593,425	13,030,021
19	Divide	nd income			
	Local s	subsidiary company		10,200,000	11,111,164
		isted companies		2,405,000	2,488,200
				12,605,000	13,599,364
20	Opera	ting expenses			
	Salarie	s, wages and benefits	20.1	33,684,347	26,983,334
		ates and taxes		416,953	365,500
	Telepho	one, fax, etc.		1,373,386	1,326,093
	Utilitie	s		170,900	120,000
	Insurar	ace		588,209	492,281
		g and stationery		755,363	988,818
		ng and conveyance		2,409,109	2,543,911
	_	s and maintenance		1,600,780	1,573,522
	_	e, courier, etc.		53,533	59,672
		e running expenses		4,615,306	3,604,180
		apers and periodicals inment		13,172 538,394	10,555 751,560
		age commission and capital value tax		3,257,203	130,770,826
		c charges on rental income		10,177,635	-
		and professional		11,805,185	8,354,732
	_	isement		573,497	788,427
	Debts v	written off directly		-	59,219
	Tender	able gain paid		699,965	-
		rs' remuneration	20.2	1,131,000	1,240,000
	Deprec		3.1	1,233,187	1,308,032
	_	ment loss on investments	6	1,709,893	-
	Others			757,469	489,009
				77,564,486	181,829,671

20.1 Salaries, wages and benefits includes Rs. 3,518,967 (2008: Rs.2,664,684) and Rs.247,981 (2008: Rs.549,287) in respect of gratuity fund contribution by Company and accumulated compensated absences respectively.

			2009 Rupees	2008 Rupees
	20.2	Auditors' remuneration		
		Annual audit fee	475,000	475,000
		Fee for audit of consolidated accounts	425,000	425,000
		Half yearly review	100,000	100,000
		Other certifications	21,000	50,000
		Out of pocket expenses	110,000	190,000
			1,131,000	1,240,000
21	Financ	ee and other costs		
	Cost of	repo transactions	9,769,314	38,595,745
		uous funding system cost	2,234,648	1,368,743
	Mark u	p on running finance facility	9,382,375	1,651,850
	Mark u	p charged by related parties on short term borrowings	-	4,932
	Financ	e charges on liabilities against assets subject to finance lease	180,449	106,331
	Loan a	rrangement fee	13,417	1,068,268
	Bank c	harges and commission	38,850	21,474
	Foreign	n exchange loss	-	308,957
			21,619,053	43,126,300
22	Other	operating income		
	Incom	e from financial assets		
	Incor	ne on deposit accounts	19,933,487	8,232,641
	Incom	e from loan to related parties		
	Mark	-up income	56,946,296	11,518,236
	Incom	e from non-financial instruments		
	Gain	on disposal of property and equipment	1,468,000	1,550,500
	Gain	on CFS investment transactions	1,336,425	6,843,123
	Tend	erable gain received from related party	-	1,849,455
	Gain	on curency translation	195,900	-
	Gain	on sale of subsidiary (Un-listed securities Mileage)	249,503	-
	Misc	ellaneous income	5,840	20,492
			80,135,451	30,014,447

Taxation	2009 Rupees	2008 Rupees
Current	1,546,359	117,963

- 23.1 In view of the available tax losses, provision for current year taxation represents tax on rental income under section 15 and 16 of Income Tax Ordinance 2001.
- The Company's assessments have been finalized up to tax year 2004. All pending issues relationg to the previous years have been resolved in favour of the company, resulting in a refund of Rs 6,677,426.

Return for the tax year 2005 to tax year 2008 were filed and are deemed to be assessed.

23.3 Deferred tax

23

The Company has a deferred tax asset amounting to Rs. 153,296,097 (2008: Rs. 112,537,932) arising on unused tax losses and deductible temporary differences amounting to Rs. 437,307,665 (2008: Rs. 320,415,890) and Rs. 681,184 (2008: Rs. 1,121,057) respectively. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However, in view of taxable profits not available in foreseeable future owing to the effect of exempt income, the Company has not incorporated the deferred tax asset in these financial statements.

24 Transactions with related parties

Related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, subsidiary undertakings, associated companies, directors and key management personnel. Balances with related parties are shown in the relevant notes to the accounts. The transactions with related parties other than those which have been disclosed in other notes are as follows:

	2009 Rupees	2008 Rupees
Subsidiary companies		_
Finance cost charged	9,769,314	33,428,460
Mark up income	1,825,729	_
Brokerage / Commission / Loan arrangement fee paid	2,591,860	5,410,157
Dividend income	10,200,000	11,111,164
Purchase of goods/services	582,546	777,057
Short term borrowings - Repo	276,000,000	720,000,000
Repayment of short term borrowings - Repo	276,000,000	890,000,000
Long term loan given	10,600,000	-
Long term loan matured	10,600,000	_
Placements entered and rolled over	32,200,000	675,000,000
Placements matured	32,200,000	675,000,000
Long term investments	-	106,598,702

Associated companies		2009 Rupees	2008 Rupees
			1 010 561 250
Short term investments sold		-	1,910,561,350
Long term investments made		227,757,890	225,000,000
Income from financial consultancy services		1,500,000	10,562,500
Mark up income		56,456,992	11,518,236
Short term borrowing availed and repaid		-	1,000,000
Long term loan given		161,276,053	330,700,000
Long term loan matured		142,547,051	-
Insurance premium		488,937	439,901
Insurance claim		93,120	248,365
Finance cost charged		-	4,932
25 Earnings per share - basic		2009	2008
Net (loss)/profit for the year	Rupees	(1,372,710,006	5,441,445,612
Weighted average number of ordinary shares			
Weighted average number of ordinary shares			
as at 30 June	Numbers	250,284,674	250,284,674
Earnings per share - basic	Rupees	(5.48)	21.74

For the purpose of computing earnings per share, the number of shares of the previous year have been adjusted for the effect of bonus shares issued during the year.

Earnings per share - diluted

There is no dilution effect on the basic EPS as the Company has no such commitments.

26 Contingencies and commitments

26.1 Pursuant to the agreement to purchase shares dated 23 September 2000 between ABN AMRO Asia Limited ("ABN AMRO") and the Company, the Company acquired ABN AMRO's entire stake in First Capital Equities Limited (FCEL) formerly First Capital ABN AMRO Equities (Pakistan) Limited ("FCABN") for a total sum of Rs. 1 million.

As agreed between the Company and ABN AMRO, loans arranged for FCEL (formerly FCABN) to discharge the obligations of FCEL are secured specifically against defaulting clients and are repayable only out of amount received from such defaulting clients. The Company has provided a guarantee to ABN AMRO that FCEL will remit all amounts received from defaulting clients to ABN AMRO.

- **26.2** First Cpital Equities Limited, a subsidiary of the company, has availed a term finance facility from a commercial bank at mark up rate 13% which is repayable over a period of 18 months from the date of disbursement in six equal quarterly installments. This arrangement is secured by legal mortgage of Rs. 55,250,000 on the property of the company.
- 26.3 During 2002 the senior management of the Company was contacted by National Accountability Bureau in respect of certain transactions in FIBs carried out by the Company related to Workers Welfare Fund ("WWF") during the year 1999. On review of related records and information and discussions with the senior management, National Accountability Bureau's investigation concluded that two employees of the Company had colluded with WWF officials to defraud WWF.

On this basis, National Accountability Bureau required the Company to pay or guarantee to pay on account of WWF a sum of Rs. 46 million. Keeping in view that public funds were involved and based on legal advise that it was the Company's vicarious liability, the Company had paid National Accountability Bureau an amount of Rs. 13.8 million and had provided adequate security against the balance amount recovered from the parties involved.

National Accountability Bureau had recovered Rs 12.127 million from various parties involved and informed that Company's liability stands reduced by the said amount. The Company had also paid an amount of Rs 10 million as full and final settlement during the financial year ended 30 June 2004. Thus a sum of Rs 23.8 million as discussed above has so far been written off in the Company's accounts. However, the Bureau has again raised a demand of Rs. 10 million, which remains un-recovered from various parties involved. The Company has informed National Accountability Bureau that the said amount is not payable. The Company has also lodged a counter claim for sums paid to National Accountability Bureau, which were actually siphoned by the employees of WWF and other parties involved.

The Company remains contingently liable to the extent of Rs. 10.073 million.

- 26.4 Securities and Exchange Commission of Pakistan ("SECP") has raised demand of Rs. 7.67 million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Worldcall Communications Limited (now Worldcall Telecom Limited, an associated company). Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP has filed an appeal in the Supreme Court of Pakistan against the judgment of Honorable Lahore High Court. At present the said appeal is pending adjudication before the Supreme Court of Pakistan and the Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.
- 26.5 Securities and Exchange Commission of Pakistan ("SECP") has raised demand of Rs. 0.823 million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited, an associated company. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP has filed an appeal in the Supreme Court of Pakistan against the judgment of Honorable Lahore High Court. At present the said appeal is pending adjudication before the Supreme Court of Pakistan and the Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.

2009	2008	
Rupees	Rupees	
239,830,434	258,854,148	

26.6 Commitments in respect of capital expenditure

The company has exposure to the following risks from its use of financial instruments:

Credit risk

27

- Liquidity risk

Financial instruments

Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

27.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts and loans and advances. The Company has no significant concentration of credit risk as exposure is spread over a large number of counter parties in the case of trade debts. To manage exposure to credit risk, the Company applies credit limits to its customers and obtains advances from certain customers.

27.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2009 Rupees	2008 Rupees
Long term loans	349,429,002	330,700,000
Long term investments	6,817,025,949	7,175,927,758
Long term deposits	646,838	646,838
Loans and advances	2,303,978	113,248
Trade debts	1,681,297	1,885,006
Investments at fair value through profit or loss	1,905,044,077	3,366,163,035
Other Receivables	4,723,636	11,238,189
Bank balances	17,268,341	350,892,866
	9,098,123,118	11,237,566,940

The trade debts as at the balance sheet date are classified in Pak Rupees.

	2009 Rupees	2008 Rupees
The aging of trade receivables at the reporting date is:		
Past due 0 - 30 days	1,108,117	983,567
Past due 31 - 60 days	372,479	427,676
Past due 61 - 90 days	109,360	424,221
Past due 91 - 120 days	67,547	18,534
Past due 120 days	23,794	31,008
	1,681,297	1,885,006

Based on past experience the management believes that no impairment allowance is necessary in respect of trade receivables past due as majority of receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank Balances as at balance sheet date are classified as follows:

	2009 Rupees	2008 Rupees
Foreign	1,902,059	1,706,504
Domestic	15,366,282	349,186,362
	17,268,341	350,892,866

27.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from Bank Alfalah Limited to meet any deficit, if required to meet the short term liquidity commitments.

==== FIRST CAPITAL SECURITIES CORPORATION LIMITED =====

The following are the contractual maturities of financial liabilities as on 30 June 2009:

	Carrying Amount	6 months or less	6 - 12 months	1-2 years	More than
	Rupees	Rupees	Rupees	Rupees	2 years Rupees
Liabilities against assets subject					
to finance lease	1,651,237	321,450	345,212	984,575	-
Running finance under markup					
Arrangements-secured	70,325,587	70,325,587	-	-	-
Trade and other payables	309,947,791	289,388,480	2,117,750	18,441,561	-
Mark up accrued	2,755,132	2,755,132	-	-	-
	384,679,747	362,790,649	2,462,962	19,426,136	

The following are the contractual maturities of financial liabilities as on 30 June 2008 :

	Carrying Amount	6 months or less	6 - 12 months	1-2 years	More than 2 years
	Rupees	Rupees	Rupees	Rupees	Rupees
Liabilities against assets subject					
to finance lease	2,235,598	284,696	303,109	666,383	981,410
Running finance under markup					
Arrangements-secured	14,000,000	14,000,000	-	-	-
Trade and other payables	367,058,185	167,846,538	199,211,647	-	-
Mark up accrued	81,098	81,098	-	-	-
	383,374,881	182,212,332	199,514,756	666,383	981,410

27.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

27.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. The Company is exposed to foreign currency's risk on conversion of balance in foreighn currency account maintained in Lanka Rupees (LKR). The Company's exposure to foreign currency risk for LKR is as follows:

	2009 Rupees	2008 Rupees
Foreign currency bank accounts	1,902,059	1,706,504
Net exposure	1,902,059	1,706,504

The following significant exchange rates have been applied:

	Avera	ige rate	Reporting	g date rate
	2009	2008	2009	2008
LKR to PKR	0.66	0.58	0.70	0.63

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax loss for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency account balance.

	2009 Rupees	2008 Rupees
Effect on profit and loss		
Lankan Rupee	190,144	170,681
	190,144	170,681

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax loss.

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

27.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2009	2008	2009	2008
	Effect	ive rate	ve rate Carrying amount	
	(in Per	centage)	(Rupe	ees)
Financial liabilities				
Variable rate instruments:				
Liabilities against assets subject to finance lease	12.3 to 15.08	9.02 to 13.01	1,651,237	2,235,598
Short term borrowings	15.74 to 18.5	11.74 to 12.17	70,325,587	14,000,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Increase	Decrease
	Rup	ees
As at 30 June 2009	(560,402)	560,402
As at 30 June 2008	(158,493)	158,493

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

27.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

27.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

27.4 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2009 and at 30 June 2008 were as follows:

	2009 Rupees	2008 Rupees
Total debt	71,976,824	16,235,598
Total equity and debt	9,833,382,205	11,734,825,294
Debt-to-equity ratio	0.73%	0.14%

The increase in the debt-to-equity ratio in 2009 resulted primarily from additional borrowings made during the year to finance the expansion project and meet additional working capital requirements. Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

28 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, full time working directors and executives of the Company is as follows:

	Chief Executive	ecutive	Directors	rs	Executives	ves
•	2009	2008	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	ı	ı	2,100,000	1,464,000	19,047,168	13,115,850
Medical		•	104,686	80,708	1,163,974	724,117
Utilities	1	1,115,564	1,285,496		•	•
Provision for gratuity		•	343,231	214,453	2,616,379	1,899,487
Others	1		•	2,970	664,095	607,200
		1,115,564	3,833,413	1,742,131	23,491,616	16,346,654
Number of persons			2		12	6

The Company has also provided executives with company maintained cars. No fees were paid to any director for attending Board and Audit Committee meetings.

29 Event after Balance Sheet date

The Board of Directors in their meeting held on 09 October 2009 has recommended bonus shares at the rate of 15 shares for each 100 shares held i.e. 15% (2008: 40%) as a final dividend.

30 Date of authorization for issue

These financial statements were authorized for issue on 9 October 2009 by the Board of Directors of the Company.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

Director





CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2009



Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **First Capital Securities Corporation Limited ("the Company")** and its subsidiary company (hereinafter referred as "**the Group"**) as at 30 June 2009 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. The financial statements of the subsidiary companies, First Capital Investment Limited, First Capital Equities Limited, World Press (Private) Limited, Trident Construct (Private) Limited and Ever Green Water Valley (Private) Limited were audited by and that of Lanka Securities (Private) Limited was reviewed under Sri Lanka Auditing Practice Statement by other firms of auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included for such companies, is based solely on the report of such other auditors.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly the financial position of the Group as at 30 June 2009 and the results of its operations, its cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Lahore:

09 October 2009

KPMG Taseer Hadi & Co.Chartered Accountants
(Kamran Igbal Yousafi)

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of First Capital Securities Corporation Limited ("the Group") are delighted to present the annual audited consolidated financial statements of the Group for the financial year ended on 30 June 2009.

Financial Overview	30 June 2008	30 June 2007
	Rupees	Rupees
Revenue	1,008	2,459
Direct Costs	304	275
Operating Expenses	581	656
Operating Profit	123	1,527
Share of profit of associated companies	82	60
Unrealized (loss)/gain on re measurement of investment	(909)	(35)
(Loss)/profit after Taxation	(885)	1,404
Minority interest	(33)	220
Earnings per Share (Basis & Diluted)	(3.40)	4.73

The performance of subsidiary companies of the Group are as follows.

First Capital Equities Limited ("FCEL")

First Capital Equities Limited ("FCEL") had an after-tax loss of Rs. 380 million as compared to a profit of Rs. 293 million in the corresponding period last year. Loss during the year was due to challenging market conditions, reduced trading activities at the local bourses, steep decline in market values of the company's share portfolio and increase in financial charges on short-term borrowings.

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

LSL is a licensed stock broker on the Colombo Stock Exchange, out of a total of only 21 firms that are licensed by the Securities and Exchange Commission of Sri Lanka. During the year the LSL reported an after tax profit of LKR 17.28 million translating into EPS of LKR 1.48 as compared to 2.47 in the previous year.

First Capital Investments Limited ("FCIL")

FCIL reported loss after tax of Rs.15.70 million in FY09 against loss of of Rs. 5.48 million in the previous year. The main reason for the loss can be attributed to the dismal performance of capital markets resulting in no dividend income and losses by its associate First Capital Mutual Fund Limited (FCMF).

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

During the year, WPL continued to show good performance. Its revenues increased by 38% to Rs. 111.65 million as compared to Rs. 80.91 million in the previous year. After tax profit of WPL amounted to Rs. 37.67 million translating into EPS of Rs. 12.56.

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

TCL reported revenues of Rs. 418 million and after tax profit of Rs. 155.59 million during the current period under review. Share capital was increased to Rs. 205 million through issue of bonus shares. During the year Trident acquired the management control of Ever Green Water Valley (Pvt.) Limited, as wholly owned subsidiary, which is engaged in installation of water filtration plants of different capacities across Pakistan.

Future Outlook

The Group had to face challenges in the year under review. As the Group is confident that its subsidiaries and associated companies are making their best efforts to improve the business on all fronts.

Macro economic factors of Pakistan's economy are showing signs of improvement. The stock market has started returning to normalcy, foreign portfolio investment is increasing, and real estate sector is also showing improvement.

In view of the above the Group is expected opportunities for profitable business would emerge in the near future and your Group would once again be well positioned to avail of the expected opportunities.

The Board of Directors wishes place on record its sincere appreciation and gratefulness to the stakeholders for their esteemed support and to employees for their dedication and commitment towards to the group.

For and on behalf of the Board of Directors

Lahore 09 October 2009

Salmaan TaseerChairman & Chief Executive Officer

Aamna Taseer
Director

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009	2008
		Rupees	Rupees
Non current assets			
Property, plant and equipment	3	595,179,826	837,651,529
Intangible assets	4	41,820,000	40,700,000
Long term loans	5	349,429,002	330,700,000
Investment property	6	850,008,150	736,307,933
Investment in associates	7	856,991,798	534,831,039
Long term deposits and advances	8	15,209,852	14,802,312
Deferred tax assets	20	867,481	
		2,709,506,109	2,494,992,813
Current assets	Г		
Inventories	0	16,867,627	34,760,863
Trade debts	9 10	3,705,798,389	2,599,551,840
Loans and advances	10	50,415,382	968,230,098 7,911,514
Short term prepayments Taxation recoverable		2,936,503 42,600,687	42,140,736
Deposits and other receivables	11	47,747,864	91,886,879
Placements	12	1,503,852,766	1,997,425,000
Interest receivable	12	16,528,574	18,393,819
Short term investments	13	910,694,818	1,435,122,313
Cash and bank balances	14	240,064,605	993,870,985
Cash and bank balances	17	6,537,507,215	8,189,294,047
Current liabilities		0,557,507,215	0,105,251,017
Trade and other payables	15	943,643,480	1,100,300,523
Mark up accrued		169,619,425	92,511,811
Liability against repurchase agreement	16	681,400,430	508,425,000
Short term borrowings	17	3,271,211,237	3,971,364,774
Current portion of liabilities against assets subject to finance lease	18	19,132,642	17,789,895
Current portion of long term finance	19	40,000,000	-
		5,125,007,214	5,690,392,003
Net current assets	_	1,412,500,001	2,498,902,044
Net assets		4,122,006,110	4,993,894,857
Non current liabilities			
Liabilities against assets subject to finance lease	18	20,026,308	37,354,781
Long term finance	19	7,000,000	-
Deferred tax liability	20		138,967
Staff retirement benefits	21	50,720,965	38,885,992
Contingonaics and commitments	22	77,747,273	76,379,740
Contingencies and commitments	22		
Net capital employed	_	4,044,258,837	4,917,515,117
Represented by:			
Share capital and reserves			
Issued, subscribed and paid up capital	23	2,502,846,740	1,625,225,160
Exchange translation reserve	23	20,446,936	9,670,933
Reserves capitalised		538,699,000	298,968,600
Unappropriated profit		203,729,967	2,172,678,728
Capital and reserves attributable to equity holders of the parent		3,265,722,643	4,106,543,421
Minority interest		778,536,194	810,971,696
· ·-·y	_	4,044,258,837	4,917,515,117
	_	, , ,,	

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Revenue	24	1,007,547,374	2,459,134,603
Direct costs	25	303,840,326	275,257,385
Gross profit		703,707,048	2,183,877,218
Operating expenses	26	581,028,516	656,390,446
Operating profit		122,678,532	1,527,486,772
Other income	27	582,290,988	348,659,939
		704,969,520	1,876,146,711
Finance costs	28	802,716,676	390,407,891
		(97,747,156)	1,485,738,820
Unrealized gain on remeasurement of investment property		78,442,609	-
Share of profit of associated companies	7	81,555,645	59,680,072
Unrealized loss on remeasurement of			
short term investments	13	(908,550,882)	(34,524,176)
(Loss)/Profit before taxation		(846,299,784)	1,510,894,716
Taxation	29	38,285,913	106,693,908
(Loss)/Profit after taxation		(884,585,697)	1,404,200,808
Minority interest		(32,988,916)	219,505,111
(Loss)/Profit attributable to parent company		(851,596,781)	1,184,695,697
Earnings per share - basic and diluted	30	(3.40)	4.73

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

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Lahore: Chairman & Chief Executive Officer Director

09 October 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	32	(276,412,589)	2,276,353,789
Long term deposits and advances		(407,540)	(9,708,479)
Retirement benefits paid		(8,491,586)	(3,649,778)
Finance costs paid		(725,609,062)	(320,487,299)
Taxes paid		(39,752,312)	(110,646,844)
Net cash (used in) / generated from operating activities		(1,050,673,089)	1,831,861,389
Cash flows from investing activities			
Fixed capital expenditure		(229,644,990)	(447,655,495)
Sale proceeds of property, plant and equipment		421,925,084	22,752,322
Proceeds on sale of subsidiary		725,000	-
Purchase of software		(1,400,000)	-
Investment property		(172,948,503)	(377,726,966)
Dividend received		2,827,721	12,339,777
Investment in associates		(240,605,114)	(306,963,870)
Long term loans		(18,729,002)	(304,990,000)
Mark up received		512,351,692	312,966,194
Net cash generated / (used in) investing activities		274,501,888	(1,089,278,038)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(15,985,726)	(9,228,468)
Long term finance		47,000,000	(8,280,000)
Dividend paid to minority		(9,800,000)	(7,384,668)
Proceeds from issue of shares to minority			55,691,430
,			, ,
Net cash generated from financing activities		21,214,274	30,798,294
Net (decrease) / increase in cash and cash equivalents		(754,956,927)	773,381,645
Cash and cash equivalents at the beginning of the year		993,870,985	286,494,519
Less: Adjustment of cash and bank balance of subsidiary sold		(475,499)	(65,696,222)
		993,395,486	220,798,297
Exchange gain / (loss) on translation of deposit account		1,626,046	(308,957)
Cash and cash equivalents at the end of the year	33	240,064,605	993,870,985

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Lahore: Chairman & Chief Executive Officer

Director

09 October 2009

CONSOLIDATED STATEMENT OF FOR THE YEAR ENDED 30 JUNE 2009 **CHANGES IN EQUITY**

Attributable to equity holders of the Parent

		AUTIDA	Attributable to equity notaers of the rarein	nuers of the rare	1 1			
					Revenue reserve			
		Revaluation						
	į	reserve of	,	Currency	;		:	į
	Share	an associated	Keserves	translation	Unappropriated profit	Total	Minority	Total Fouity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2007	1,354,354,300	25,313,943	80,898,000	(2,347,636)	1,450,492,381	2,908,710,988	539,869,059	3,448,580,047
Adjustment for profit of subsidiaries	1	1	1	1	1,118,167	1,118,167	(1,118,167)	1
Exchange translation difference recognized directly in equity	1	1	ı	12,018,569	1	12,018,569	9,291,681	21,310,250
Profit for the year	-	-	1	-	1,184,695,697	1,184,695,697	219,505,111	1,404,200,808
Total recognized income and expenses for the year	I	ı		12,018,569	1,185,813,864	1,197,832,433	227,678,625	1,425,511,058
Disposal of investment	1	(25,313,943)	ı	1	25,313,943	1	(7,667,759)	(7,667,759)
Dividend paid	1	,	,	,	•	•	(7,384,668)	(7,384,668)
Issue of bonus shares by subsidiary	1		218,070,600		(218,070,600)	•		•
Reserve on issue of right shares by subsidiary	1		'		•	•	40,192,934	40,192,934
Share premium on right issue by subsidiary	1	1	ı	1	ı	•	18,283,505	18,283,505
Issuance of share capital against bonus shares	270,870,860	1	ı	1	(270,870,860)		1	•
	270,870,860	(25,313,943)	218,070,600		(463,627,517)		43,424,012	43,424,012
Balance as at 30 June 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
Exchange translation difference recognized								
directly in equity	1	1	1	10,776,003	ı	10,776,003	10,353,414	21,129,417
Profit for the year	ı	-	1	1	(851,596,781)	(851,596,781)	(32,988,916)	(884,585,697)
Total recognized income and expenses for the year	ı			10,776,003	(851,596,781)	(840,820,778)	(22,635,502)	(863,456,280)
Dividend paid	1	1	1	1	1	1	(9,800,000)	(9,800,000)
Issue of bonus shares by subsidiary		,	239,730,400	ı	(239,730,400)	•	•	
Issuance of bonus shares	877,621,580	-		-	(877,621,580)		•	
	877,621,580		239,730,400		(1,117,351,980)		(9,800,000)	(9,800,000)
Balance as at 30 June 2009	2,502,846,740	1	538,699,000	20,446,936	203,729,967	3,265,722,643	778,536,194	4,044,258,837

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chairman & Chief Executive Officer

Director

Lahore: 09 October 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

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.

The group consists of following subsidiaries:

Company	Country of	Nature of business	Effecting 1	Holding %
	incorporation		2009	2008
First Capital Investments Limited (FCIL)	Pakistan	Providing investment advisory services under the Non-Banking F i n a n c e C o m p a n i e s (Establishment and Regulation) Rules, 2003.	76.56	76.56
Lanka Securities (Private) Limited (LSL)	Sri Lanka	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	51.00	51.00
World Press (Private) Limited (WPL)	Pakistan	Carrying on the business of printers, publishers, packaging, advertisement and specialized directory business, stationers and dealing in all allied products.	65.00	65.00
First Capital Equities Limited (FCEL)	Pakistan	Sale/purchase of shares, consultancy services, money market operations, underwriting, placements and equity research, etc.	67.29	67.29
Trident Construct (Private) Limited	Pakistan	Carrying on the business of all types of construction activities and development of real estate.	51.00	51.00
Ever Green Water Valley (Private) Limited	Pakistan	Installation and manufacturing of water purification plants, RO systems water softness system and other related activities.	51.00	-
Milegage (Private) Limited (Mileage)) Pakistan	Consultancy/advisory services.	-	100.00

^{1.1} Mileage (Private) Limited a wholly owned subsidiary was sold during the period and it has not been consolidated in these consolidated financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation and statement of compliance

The consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, requirements of the Companies Ordinance, 1984 or requirements of the said directives take precedence.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except for investments in associates accounted for under equity method, short-term investments and certain financial assets that are stated at fair value and recognition of certain employee benefits at present value.

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Group's financial statements or where judgments were exercised in application of accounting policies are:

a)	Useful life and residual values of property, plant and equipment	<i>Note 2.4</i>
b)	Impairment	<i>Note 2.7</i>
c)	Staff retirement benefits	Note 2.20
d)	Provisions	Note 2.23
e)	Provision for taxation	Note 2.26
f)	Contingencies and commitments	Note 22

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary companies – "the Group". The financial statements of the Subsidiaries have been consolidated on a line by line basis.

Subsidiaries

Subsidiaries are entities controlled by the Parent Company. Control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The financial statements of the Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Detail of subsidiaries is given in note 1.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intragroup balances and any unrealized gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Minority interest is that part of net results of operations and of net assets of Subsidiaries attributable to interests which are not owned by the Group. Minority interest is presented separately in the consolidated financial statements.

2.4 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to income applying the straight line method whereby the cost is written-off over its estimated useful life at the rates specified in note 3 to the financial statements. Depreciation on additions is charged on a pro-rata basis from the month in which the asset is put to use, while for disposals depreciation is charged upto the month preceding the disposal of the asset. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

Maintenance and repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired. Gains or losses on disposal of fixed assets, if any, are taken to income currently.

2.5 Leases

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are stated at the lower of its fair value and present value of minimum lease payments under the lease agreement at the date of commencement of lease, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs are classified as current and long term depending upon the timing of the payment. Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is calculated at the rate implicit in the lease and charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the estimated useful life of the asset on straight-line method at the rates given in note 3. Depreciation of leased assets is charged to income.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

2.6 Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is stated at cost less any identified impairment loss.

Negative goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the interest in subsidiary's net assets acquired over its cost of acquisition.

The negative goodwill in excess of the fair value of non-monetary assets of the subsidiary is charged to profit and loss.

Stock exchange membership cards and room

These are stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is recorded in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

2.7 Impairment

The carrying amount of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss.

Impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

2.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially recognized at cost, being the fair value of the consideration given, subsequent to initial recognition these are stated at fair value. The fair value is determined annually by an independent approved valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the profit and loss account. Rental income from investment property is accounted for as described in note 2.24.

When an item of property and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the profit and loss account.

2.9 Investments

Investments in equity instruments of associates

Investments in associates where the Group has significant influence, are accounted for using the equity method.

In case of investments accounted for under the equity method, the method is applied from the date when significant influence commences until the date when that significant influence ceases. When the Parent Company's share of losses exceeds the carrying amount of the associates, the carrying amount is reduced to nil and the recognition of further losses is discontinued except to the extent that the Parent Company has incurred obligations in respect of the associates.

Investments at fair value through profit or loss

These include investments classified as held for trading or investments which upon initial recognition are designated by the Group as at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in income currently. Fair value of investments is their quoted bid price at the balance sheet date.

Investments available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains and losses being taken directly to equity until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to income currently. Fair value of quoted investments is their bid price at the balance sheet date.

Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each year end. Impairment loss, if any, is charged to income currently.

Held-to-maturity financial assets

Held-to-maturity investments are non derivative financial assets which carry fixed or determinable payments and fixed maturities and which the company has the positive intention and ability to hold to maturity. After initial measurement, held to maturity investments are measured at amortized cost. The cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognised amount and the maturity amount, less allowance for impairment. This calculation includes all fees paid or received that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in the profit or loss account when the investments are derecognized or impaired, as well as through the amortization process.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortization process.

Fair Value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the balance sheet date except for the units of open end funds which are valued at the closing redemption price. Investments for whom there is no active market and fair value cannot be reasonably calculated, are carried at cost.

2.10 Settlement date accounting

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by the Group. Regular way purchases or sales of financial assets are those contracts which require delivery of assets within the time frame generally established by regulation or convention in the market.

2.11 Capital Work in Progress

Capital Work in Progress is stated at cost less any identified impairment loss.

2.12 Long term loan

These include non derivative financial assets and are measured at fair value plus transaction costs that are directly attributable to the financial asset. After initial recognition these are measured at amortized cost using the effective interest method less impairment loss, if any. A provision for impairment of long term loan is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of loan.

2.13 Deferred cost

These included preliminary expenses and other similar expenses incurred in connection with incorporation or public offering of Group companies upto the year 2004. In order to comply with the substituted Fourth Schedule to the Companies Ordinance, 1984, the Group has adopted the treatment allowed by Circular No. 1 of 2005 issued by Securities and Exchange Commission of Pakistan whereby deferred costs incurred prior to 01 July 2004 are being amortized over the remaining available period whereas deferred costs incurred subsequent to this date are charged to income currently.

2.14 Stores, spares and loose tools

Usable stores and spares are valued at the lower of weighted average cost and net realizable value, while items considered obsolete are carried at nil value. Items in transit are stated at cost comprising invoice values plus other charges incurred thereon.

Net realizable value is the estimated selling price in ordinary course of business, less estimated incidental selling cost.

2.15 Inventories

Inventories except for stock in transit, are stated at lower of cost and net realizable value. Cost is determined as follows:

- Raw materials are valued using weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.
- Work in process is valued at the cost of material including appropriate conversion cost.
- Finished goods are valued at cost comprising cost of materials and appropriate conversion cost.

Net realizable value is the estimated selling price in ordinary course of business, less estimated incidental selling cost.

2.16 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.17 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

2.18 Securities purchased and sold under resale/repurchase agreements

Repurchase agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as "securities sold under repurchase agreements" in short term borrowings. The difference between sale and repurchase price is treated as markup on borrowings and is accrued over the life of the repo agreement.

Reverse repurchase agreements

Investments purchased with a corresponding commitment to resell at a specified future date (Reverse repo) are not recognized in the balance sheet. Amounts paid under these obligations are recorded as fund placements. The difference between purchase and resale price is treated as mark-up/interest income on placements and is accrued over the life of the reverse repo agreement.

2.19 Mark up bearing borrowings

Mark up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction cost. Subsequent to the initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

2.20 Staff retirement benefits

Defined benefit plan

The Group operates an un-funded gratuity plan for its eligible staff under which benefits are paid on cessation of employment subject to a minimum qualifying period of service, that is one year. The liability under the plan is determined on the basis of actuarial valuations carried out by using the Projected unit credit method and are charged to income.

The Group recognizes actuarial gains/(losses) in excess of 10% of and present value of obligation at the end of previous year over the expected remaining average service life of the employees.

Lanka Securities (Private) Limited operates an un-funded gratuity plan for those employees who have completed specific period of service and provision is made annually to cover the obligations under the plan. These benefits are calculated with reference to last drawn salary and prescribed qualifying period of services of the employees.

2.21 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instruments. The Group de-recognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. A financial liability or part of financial liability is de-recognized from the balance sheet, when and only when, it is extinguished that is when the obligation specified in the

contract is discharged, cancelled or expired. Any gain or loss on the recognition, de-recognition of the financial assets and liabilities is stated in their respective notes.

Financial assets are long term loan, long term deposits and advances, placements, short term investments, trade debts, advances, other receivables and cash and bank balances.

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term finance, liability against assets subject to finance lease, short term borrowings, markup accrued and trade and other payables.

2.22 Offsetting of financial assets and financial liabilities.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognized amounts and intends to either settle on net basis or realize the asset and settle the liability simultaneously.

2.23 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

2.24 Revenue recognition

- a) Capital gains or losses on sale of investments are recognised in the year in which they arise.
- b) Brokerage income, consultancy and money market services are recognized on accrual basis and when services are provided.
- c) Income on placements on account of continuous funding system is recognised on accrual basis.
- d) Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.
- e) Income from bank deposits, loans and advances is recognized on accrual basis.
- f) Dividend income is recognized at the time of book closure of the company declaring the dividend.
- g) Return on securities other than shares is recognized as and when it is due on time proportion basis.
- h) Mark-up/interest income is recognized on accrual basis.
- i) Investment advisory fee is accounted for on accrual basis.
- j) Revenue from sale of goods is recorded when the risks and rewards are transferred i.e. on delivery of goods to customers.
- **k)** Rental income is recognized on accrual basis.
- Revenue from printing services are accounted for at the time of acceptance of goods by the customers.

m) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. Stage of completion is measured by the proportion that contract costs incurred for work performed

to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred and it is probable that these will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2.25 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred.

2.26 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

2.27 Foreign currency translation

Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of balance sheet;
- b) income and expenses for each income statement are translated at average exchange rates; and
- c) all resulting exchange differences are recognized as a separate component of equity.

When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of gain or loss on sale.

2.28 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and other short term highly liquid investments (if any) that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

2.29 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, subject to approval of Board of Directors, it is in the interest of the Group to do so.

2.30 Fiduciary assets

Assets are held in trust or in fiduciary capacity are not treated as assets of the Group and accordingly are not disclosed in these financial statements.

2.31 Standards, Interpretations and amendments to published approved accounting standards

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2009:

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

Revised IAS 23 - Borrowing costs (effective from 01 January 2009). Revised IAS 23 removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on Company's financial statements.

Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual period beginning on or after 01 January 2009) — Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the company's financial statements, with retrospective application required, are not expected to have any impact on the financial statements.

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value and transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognized in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Company's financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary,

while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Company's financial statements.

IFRS 7 - "Financial Instrument: Disclosures", requires extensive disclosures about the significance of the financial instruments for the financial position and performance of the Company along with the nature and extent of risk arising from such financial instruments to which the company is exposed during the year and at the end of the reporting period, and how the company manages those risks. Adoption of this standard has resulted in additional disclosures given in note 34 to the financial statements.

IFRS 8 — Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business and geographical segments. This standard will have no effect on the Company's reported total profit or loss or equity.

IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Company's operations.

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant to the Company's operations.

In addition to above, International Accounting Standards Board made certain amendments to existing standards and interpretations as part of its first and second annual improvements projects. These amendments are unlikely to have impact on the company's financial statements.

2.32 Proposed dividend and appropriations to reserves

Dividends declared and appropriations to reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared/appropriations are made.

3	Property dividend and appropriation to reserves	Note	2009 Rupees	2008 Rupees
	Operating fixed assets	3.1	291,171,507	484,283,828
	Capital work in progress	3.4	304,008,319 595,179,826	353,367,701 837,651,529

3.1 Property, plant and equipment

Following is the statement of operating fixed assets

			COST						DEPRECIATION	NOLLA			NET BOOK
	As at 01 July 2008	Exchange adjustments	Additions/ (deletions)	Adjustment/ transfers	Disposal of subsidiary	As at 30 June 2009	as at 01 July 2008	Exchange adjustments	Adjustments/ (deletions)	Disposal of subsidiary	For the year	As at 30 June 2009	as at 30 June 2009
Owned assets))				Rupees	beesd					(Rupees
Freehold land	158,237,100		- (133.999.875)	•		24,237,225					•		24,237,225
Freehold building	53,188,584	,	31,728,603 (43,419,000)	•		41,498,187	4,955,394		- (4.983.663)		1,769,673	1,741,404	39,756,783
Construction equipment	173,619,493		22,184,126			195,803,619	40,012,575				36,837,849	76,850,424	118,953,195
Leasehold improvements	23,856,144	414,864	1,766,692	(100,351)	(80,500)	11,930,948	4,278,834	344,208	(33,450)	(53,897)	761,660	4,463,072	7,467,876
Plant and machinery	3,857,111	•	1,195,623	4,010,770		9,063,504	955,033		643,625		563,951	2,162,609	6,900,895
Computers	36,433,826	1,025,485	3,885,409 (4,554,412)	ı	(65,574)	36,724,734	26,921,284	926,458	- (4,402,518)	(65,574)	6,348,321	29,727,971	6,996,763
Office equipments	30,423,083	277,872	1,928,991	100,351	(379,349)	26,479,071	12,497,956	146,407	33,450 (4,834,411)	(269,544)	2,846,509	10,420,367	16,058,704
Fumiture and fixtures	23,065,616	286,492	584,180	•	(228,847)	20,395,852	7,692,035	171,254	- (2.909.679)	(147,019)	2,030,099	6,836,690	13,559,162
Vehicles	76,056,384	,	112,780 (2,521,105)	(4,715,545)		68,932,514	41,469,617	ı	(1,081,216) (1,668,970)		11,831,440	50,550,871	18,381,643
spood of	578,737,341	2,004,713	63,386,404 (207,603,759)	(704,775)	(754,270)	435,065,654	138,782,728	1,588,327	(19,633,524)	(536,034)	62,989,502 182,753,408	182,753,408	252,312,246
Leaseu assets													
Plant and machinery	27,535,770	ı	1	(4,010,770)	,	23,525,000	1,095,499		(643,625)	1	1,764,375	2,216,249	21,308,751
Vehicles	24,071,014	1,303,667	1,865,810	4,715,545	,	31,956,036	6,182,070	676,149	1,081,216	1	6,466,091	14,405,526	17,550,510
	51,606,784	1,303,667	1,865,810	704,775	,	55,481,036	7,277,569	676,149	437,591	j	8,230,466	16,621,775	38,859,261
2009	630,344,125	3,308,380	65,252,214 (207,603,759)	-	(754,270)	490,546,690	146,060,297	2,264,476	- (19,633,524)	(536,034)	71,219,968	199,375,183	291,171,507

			COST						DEPRECIATION	TION			NET BOOK
	As at 01 July 2007	Exchange adjustments	Additions/ (deletions)	Adjustment/ transfers	Disposal of subsidiary	As at 30 June 2008	as at 01 July 2007	Exchange adjustments	Adjustments/ (deletions)	Disposal of subsidiary	For the year	As at 30 June 2008	as at 30 June 2008
Owned assets	······))				Rupees	see:						Rupees
Freehold land	122,149,300		36,087,800			158,237,100					,		158,237,100
Freehold building	29,277,742		23,910,842	•		53,188,584	2,642,907				2,312,487	4,955,394	48,233,190
Construction equipment	111,630,033		62,105,004	•		173,619,493	12,675,024		- (13.482)		27,351,033	40,012,575	133,606,918
Leasehold improvements	7,712,910	412,456	17,746,929		(851,874)	23,856,144	3,947,994	371,248		(557,582)	763,129	4,278,834	19,577,310
Plant and machinery	11,978,900		(1,164,277) 13,777,671 (21,899,460)			3,857,111	2,826,556		(245,955) - (2,600,960)		729,437	955,033	2,902,078
Computers	30,806,586	1,223,095	5,536,082 (150,000)		(981,937)	36,433,826	19,343,102	919,228	1,317,055	(587,062)	5,994,566	26,921,284	9,512,542
Office equipments	23,232,663	257,404	7,486,766 (253,313)		(300,437)	30,423,083	10,165,197	160,342	(117,578)	(179,303)	2,469,298	12,497,956	17,925,127
Furniture and fixtures	13,179,624	343,041	9,739,810		(196,859)	23,065,616	6,124,290	185,015		(94,239)	1,476,969	7,692,035	15,373,581
Vehicles	69,127,931		8,181,703 (5,543,000)	2,816,076		76,056,384	32,525,942	468,307	739,493 (5,011,705)		12,747,580	41,469,617	34,586,767
Leased assets	419,095,689	3,709,670	184,572,607 (29,125,594)	2,816,076	(2,331,107)	578,737,341	90,251,012	2,104,140	2,056,548 (8,055,285)	(1,418,186)	53,844,499 138,782,728	38,782,728	439,954,613
Plant and machinery	4,010,770		23,525,000			27,535,770	346,523				748,976	1,095,499	26,440,271
Vehicles	15,725,630		9,561,384	(1,216,000)		24,071,014 51,606,784	2,113,632		(739,493)		4,807,931	6,182,070	17,888,944
2008	438,832,089	3,709,670	217,658,991	1,600,076	1,600,076 (2,331,107)	630,344,125	92,711,167	2,104,140	1 = 11	(1,418,186)	59,401,406 146,060,297	46,060,297	484,283,828

3.2 Disposal of operating fixed assets

		Pace Barka Properties Limited Pace Barka Properties Limited	Pace Barka Properties Limited Pace Barka Properties Limited Pace Barka Properties Limited	Mrs. Ishrat Saleem - Lahore Sarteef Khan	an aza	Shahbaz Cooling - Lahore MrMunir - Lahore Media Times Limited Sarteef Khan Syed Ali Raza	Friends House old fumitures Syed Ali Raza	Abdul Qayum -Faisalabad Muhammad Shafique - Lahore			Agreement Cancelled Pace Pakistan Limited			
	Particulars of buyers				Sarteef Khan Syed Ali Raza	0.22 0.01			_		Agreement Pace Pakist			
	Particula	Negotiation Negotiation	Negotiation Negotiation Negotiation	Negotiation Written off Negotiation	Negotiation Negotiation	Negotiation Negotiation Negotiation Written off Negotiation Negotiation	Negotiation Negotiation	Negotiation Negotiation Negotiation	Negotiation					
Profit/	(loss)	(19,912,075) 58,687,200	29,323,182 (8,014,945) (27,699,780)	(263,900) (156,664) (48,181)	6,045 5,764	(153,769) (126,744) (45,305 (101,534) 5,595 (2,020)	(141,354) (45,944)	53,846 62,450 195,170	1,637,202	33,954,849	(13,752,158)	(13,752,158)	20,202,691	
Sale	proceeds	(42,635,057 14,769,600 30,701,150	327,411	65,000 75,000	110,000 14,100 787,797 - 165,000 145,000	76,900 35,000	365,000 405,000 310,000	1,963,069	221,925,084	51,831,800 148,168,200	200,000,000	421,925,084	
Net book	n value		13,311,875 22,784,545 58,400,930	591,311 156,664 248,181	58,955 69,236	263,769 140,844 142,492 101,534 159,405 147,020	218,254 80,944	311,154 342,550 114,830	325,867	187,970,235	51,831,800 161,920,358	213,752,158	401,722,393	
	Depreciation		3,688,125 1,094,455 405,524	544,804 25,333 93,155	61,365	559,267 93,406 957,508 277,397 153,634 48,620	595,497 24,881	113,146 60,450 252,170	10,512,123	19,633,524			19,633,524	
	Cost	53,912,075 36,087,800	17,000,000 23,879,000 58,806,454	1,136,115 181,997 341,336	120,320 141,900	823,036 234,250 1,100,000 378,931 313,039 195,640	813,751 105,825	424,300 403,000 367,000	10,837,990	207,603,759	51,831,800 161,920,358	213,752,158	421,355,917	
	Particulars of assets	Freehold land land D 115 Clifton Karachi Plot F/49 Clifton Karachi	Freehold building Office Floor Lakson Square Office Floor BFC Building Bungalow Zamzama	Leasehold improvements Lease Hold improvements Lease Hold improvements Lease Hold improvements Lease Hold improvements	Computers Computers Computers	Office Equipment	Fumiture and fixtures Fumiture & Fixture Fumiture & Fixture	Vehicles Suzuki Mehran Suzuki Mehran Suzuki Bolan	Assets with book value below Rs.50,000		Capital work in progress Office space - Lahore Shops in commercial plaza		2009	

						Total	Rupees	33,200,000	7,500,000	1,120,000	41,820,000	Total	Rupees	33,200,000	7,500,000	40,700,000	
						as at		,		280,000	280,000	as at June 2008	(1	ı		
						as at Amortization 30 Inno 2000	S	1	ı	280,000	280,000	as at Amortization 30 June 2008		,	ı		
						Imnairment	l e	ı	ı	ı		Impairment /	Rupees	1	ı		
						As at	1 3 my 2000	ı	ı	ı		As at 01 July 2007	·····)	1	ı		
	445 106 ===		7.8 1.22	7.79 01		As at	1 .	33,200,000	7,500,000	1,400,000	42,100,000			33,200,000	7,500,000	40,700,000	
2009 2008 Rupees	41,734,217 34,568,345 29,485,751 24,833,061 71,219,968 59,401,406		225,289,959 320,697,278 61,039,999 18,096,544 286,329,058 338,793,822	17,679,261 14,573,879 17,679,261 14,573,879 304,008,319 353,367,701		Additions 30	S SHOPPIND		ı	1,400,000	1,400,000	Additions 30		1	ı		
Note 20 Ruj	25 41; 26 29, 71;		225,5	17,4		Disposal of	Rupe	1	1			Disposal of subsidiary A		(10,323,266)	1	(10,323,266)	
as follows:			struction			As at I I I I I I I I I I I I I I I I I I		33,200,000	7,500,000	ı	40,700,000	As at I I I I I I I I I I I I I I I I I I)	43,523,266 (7,500,000	51,023,266 (
Charge for depreciation has been allocated as follows:	Direct costs Operating expenses	Capital Work-in-Progress	Owned Advance for purchase of properties under construction Civil works Construction Equipment	Leased Civil works Plant and Machinery Total	Intangible assets		•	Membership cards	Licences - rooms	Software	2009		•	Membership cards	Licences - rooms	2008	
3.3 (3.4			4.					-4	• • • • • • • • • • • • • • • • • • • •			= ■ 85			

Note	2009	2008
	Rupees	Rupees

5 Long term loans - unsecured considered good

Related Parties

Media Times Limited 5.1 **349,429,002** 330,700,000

- 5.1 This represents loan to an associated company and carries minimum mark up at the rate of 18% (2008:16%), subject to the provisions of section 208 of the Companies Ordinance 1984. The total outstanding loan amount shall be repaid within four years from the date of disbursement.
- 5.2 The Maximum aggregate amount of loan outstanding during the year was Rs. 407,725,000 (2008: Rs. 330,700,000).

	Note	2009 Rupees	2008 Rupees
Investment property	6.1		
Opening balance		736,307,933	-
Add: Acquisition during the year		36,607,608	736,307,933
	_	772,915,541	736,307,933
Less: Disposal during the year		(1,350,000)	-
	_	771,565,541	736,307,933
Increase in fair value		78,442,609	-
Balance as at 30 June	_	850,008,150	736,307,933
	Opening balance Add: Acquisition during the year Less: Disposal during the year Increase in fair value	Investment property 6.1 Opening balance Add: Acquisition during the year Less: Disposal during the year Increase in fair value	Investment property 6.1 Opening balance 736,307,933 Add: Acquisition during the year 36,607,608 Tess: Disposal during the year (1,350,000) Increase in fair value 78,442,609

6.1 Investment property acquired during the period comprises shops acquired from Pace (Pakistan) Limited in various shopping malls situated in Gujrat and Gujranwala. The carrying amount of investment property is the fair value of property as determined by approved independent valuer M/s Negotiators as at 30 June 2009. Fair value was determined giving due regard to the recent market transactions for similar properties in the same location and conditions as the company's investment property.

Note	2009	2008
	Rupees	Rupees

7 Investments in associates

Associated companies-listed

First Capital Mutual Fund Limited

6,531,000 (2008: 3,000,000) ordinary shares of Rs. 10 each Equity held:21.77% (2008: 10%)
Addition through new purchase
Share of loss

33,755,306	38,022,894
12,847,224 (12,779,451)	(4,267,588)
22 922 070	22 755 206

33,823,079

33,755,306

Equity held: 33.14% (2008: 23.89%) Addition through new purchase Share of (loss) / profit Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Equity held: 8.7,934,328 Equity held: 33.14% (2008: 23.89%) Addition through subscription of right shares Share of profit 227,757,890 (854,825) 26,203,253 445,189,391 218,286,326 245,000 45,000 20,000,000 20,000,000 20,000,000 20,000,00		Note	2009 Rupees	2008 Rupees
44,455,086 (2008: 24,005,697) ordinary shares of Rs. 10 each Equity held: 33.14% (2008: 23.89%) Addition through new purchase Share of (loss) / profit Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments 218,286,326 70,315,923 227,757,890 (854,825) 26,203,253 445,189,391 218,286,326 70,315,923 227,757,890 (854,825) 26,203,253 445,000 45,000 282,744,407 20,000,000 37,744,407 377,934,328 282,744,407	Associated companies - Unlisted			
Equity held: 33.14% (2008: 23.89%) Addition through new purchase Share of (loss) / profit Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments 227,757,890 (854,825) 26,203,253 445,189,391 218,286,326 25,000,000 45,	Media Times Limited	-		
Addition through new purchase Share of (loss) / profit Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments 227,757,890 (854,825) 26,203,253 445,189,391 218,286,326 250,000 250,000 250,000 250,000 250,000,000 250,000,000 250,000,000 250,000,000 250,000 250,000 250,000,000 250,000 250,000,000 250,			218,286,326	70,315,923
Share of (loss) / profit Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments (854,825) 26,203,253 445,189,391 218,286,326 45,000 45,000 45,000 282,744,407 20,000,000 37,744,407 377,934,328 282,744,407	1 7			
Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments 445,189,391 218,286,326 45,000 45,000 45,000 282,744,407 20,000,000 225,000,000 37,744,407 377,934,328 282,744,407			· · · · · · · · · · · · · · · · · · ·	
Pace Super Mall (Private) Limited 4,500 (2008: 4,500) ordinary shares of Rs. 10 each 7.1 45,000 45,000 Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each 282,744,407 20,000,000 Equity held: 8.03% (2008: 8.03%) 225,000,000 37,744,407 Share of profit 377,934,328 282,744,407 Total investments	Share of (loss) / profit	L		26,203,253
4,500 (2008: 4,500) ordinary shares of Rs. 10 each Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments 7.1 45,000 45,000 282,744,407 20,000,000 225,000,000 377,934,328 282,744,407 377,934,328 534,831,039			445,189,391	218,286,326
Equity held: 10% (2008: 10%) Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments Equity held: 10% (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) 377,934,328 Equity held: 10% (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) 377,934,328 Equity held: 10% (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares 537,934,328 Equity held: 10% (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares 537,934,328 Equity held: 10% (2008: 24,500,000) ordinary shares of Rs10 each Equity held: 8.03% (2008: 8.03%) 537,934,328 Equity held: 10% (2008: 8.03%) 537,934,328 Equity held: 10% (2008: 8.03%) 534,831,039				
Pace Barka Properties Limited 24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each 282,744,407 20,000,000 Equity held: 8.03% (2008: 8.03%) 225,000,000 225,000,000 Addition through subscription of right shares 95,189,921 37,744,407 377,934,328 282,744,407 Total investments 856,991,798 534,831,039	•	7.1	45,000	45,000
24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each 282,744,407 20,000,000 Equity held: 8.03% (2008: 8.03%) 225,000,000 Addition through subscription of right shares 95,189,921 37,744,407 377,934,328 282,744,407 Total investments 856,991,798 534,831,039	Equity held: 10% (2008: 10%)			
Equity held: 8.03% (2008: 8.03%) Addition through subscription of right shares Share of profit Total investments Equity held: 8.03% (2008: 8.03%) -	Pace Barka Properties Limited	_		
Addition through subscription of right shares Share of profit 95,189,921 37,744,407 377,934,328 282,744,407 Total investments 856,991,798 534,831,039	24,500,000 (2008: 24,500,000) ordinary shares of Rs10 each		282,744,407	20,000,000
Share of profit 95,189,921 37,744,407 377,934,328 282,744,407 Total investments 856,991,798 534,831,039	Equity held: 8.03% (2008: 8.03%)			
Total investments 282,744,407 534,831,039	Addition through subscription of right shares		-	225,000,000
Total investments <u>856,991,798</u> <u>534,831,039</u>	Share of profit		95,189,921	37,744,407
			377,934,328	282,744,407
Share of profit of associated companies 81,555,645 59,680,072	Total investments	-	856,991,798	534,831,039
57,000,072	Share of profit of associated companies		81 555 645	59 680 072
	onare or profit of associated companies	=	<u> </u>	

- **7.1** The operations of the company has not yet started.
- 7.2 Shares having market value amounting to Rs. 1,303 million are pledged.

7.3 Summary financial information of associates

		20	09	
	Assets	Liabilities	Revenues	Profit/(loss)
		Ruj	pees	
Media Times Limited	2,203,368,564	764,678,674	509,240,023	(2,578,656)
First Capital Mutual Fund Limited	210,258,261	6,952,480	(126,751,426)	(134,298,872)
Pace Barka Properties Limited	7,718,844,296	1,816,187,343	1,744,765,802	1,185,428,656
Pace Super Mall (Private)				
Limited	149,089,147	148,639,147		
	10,281,560,268	2,736,457,644	2,127,254,399	1,048,551,128
		20	008	
	Assets	Liabilities	Revenues	Profit/(loss)
		Ruj	pees	
Pace (Pakistan) Limited	8,561,122,000	8,556,561,294	1,460,888,000	1,406,970,000
Media Times Limited	2,049,408,464	923,529,324	460,534,464	109,682,935
First Capital Mutual Fund Limited	348,569,105	10,964,453	40,268,685	(42,675,881)
Pace Barka Properties Limited	5,212,990,157	1,606,271,645	594,166,102	470,042,429
Pace Super Mall (Private)				
Limited	134,759,095	134,309,095		
	16,306,848,821	11,231,635,811	2,555,857,251	1,944,019,483

FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP Note 2009 2008 Rupees Rupees 8 Long term deposits and advances Deposits with Leasing companies 9,310,811 8,515,106 Stock exchanges 1,710,000 1,710,000 Central Depository Company 100,000 137,500 National clearing company 400,000 400,000 Others 1,189,041 1,539,706 Advance for National Commodity Exchange Limited Membership 2,500,000 2,500,000 14,802,312 15,209,852 9 **Trade debts** Money market receivables Unsecured, considered good 1,681,297 1,885,006 Receivables against purchase of shares by clients Unsecured, considered good 9.1 **3,097,150,519** 2,244,411,228 Receivable against professional services rendered related parties, unsecured, considered good 9.2 5,932,621 7,968,122 Others 351,575,257 Unsecured, considered good 621,073,387 85,147,819 Unsecured, considered doubtful 85,163,149 706,221,206 436,738,406 Less: Provision for doubtful debts 9.3 105,187,254 91,450,922 601,033,952 345,287,484 3,705,798,389 2,599,551,840 9.1 It includes an amount of Rs.167,944,259 (2008: Rs. 324,209,037) receivable from related party, Mr. Sulieman Ahmad Said Al-Hogani.

9.2	Receivable against professional services - related parties	Note	2009 Rupees	2008 Rupees
	First Capital Mutual Fund Limited		5,932,621	7,436,075
	Shaheen Insurance Company Limited		-	532,047
			5,932,621	7,968,122
9.3	Provision against others	=	 -	
	Opening provision for doubtful debts		91,450,922	74,403,850
	Charge for the year		13,987,982	20,914,108
	Provision written back		(251,650)	(3,867,036)
	Closing provision for doubtful debts	_	105,187,254	91,450,922
		=		

88

10

11

2009

Note

2008

	Note	2009 Rupees	2008 Rupees
Loans and advances - unsecured, considered good			
Advances to suppliers Advances to employees for expenses:		17,047,230	11,226,931
Executives Others	10.1	7,590,655 11,670,188 19,260,843	16,693,949 10,198,270 26,892,219
Stock Exchanges	10.2	14,107,309	930,110,948
	_	50,415,382	968,230,098

- 10.1 Advances given to staff for expenses are in accordance with the Group's policy. Such advances are unsecured, interest free and are adjusted against salary/expense claims. These advances are secured against gratuity. Advance to staff does not include any amount due from Chief Executive and Directors (2008: Nil). However, it includes an amount due from an executive of Rs.2,000,000 (2008: Nil) which is as per terms of his employment and secured against gratuity.
- 10.2 This represents exposure margin with the Karachi Stock Exchange (Guarantee) Limited under the exposure rules which carries mark up at rates ranging from 7% to 8.5% per annum (2008: 0.10 % to 9.2 % per annum).

	Note	Rupees	Rupees
Deposits and other receivables			
Dividend		11,800	201,187
Others	11.1	18,502,574	41,716,605
Deposits with Karachi Stock Exchange (Guarantee) Limited	11.2	-	28,701,533
Accrued brokerage commission		318,114	3,937,591
Advance Income Tax		6,677,426	54,133
Retention money		17,022,502	17,022,502
Advance cost incurred on unbilled contracts		5,215,448	253,328
	_	47,747,864	91,886,879
11.1 Others	_		
Unsecured, considered good		18,502,574	41,716,605
Unsecured, considered doubtful		500,000	500,000
	_	19,002,574	42,216,605
Less: Provision for bad debts		(500,000)	(500,000)
	_	18,502,574	41,716,605
	=		

11.2 This represents the deposited amount with the Karachi Stock Exchange (Guarantee) Limited against disputed claim of Aslam Motiwala which is settled during the period.

Note 2009 2008 Rupees Rupees

12 Placements - secured, considered good

Placement on account of Continuous Funding System

Related party
Others

- 1,030,000,000 1,503,852,766 967,425,000 1,503,852,766 1,997,425,000

2009

2008

12.1 These have been placed for a period ranging from three to ninety two days (2008: twenty to ninety two days) and carry mark up at rates ranging from 16.5% to 20% per annum (2008: 12.5% to 20% per annum). Fair value of quoted equity securities held as collateral is Rs. 1,677,179,803 (2008: Rs. 4,271,439,470) out of which quoted equity securities having market value of Rs. 478,036,967 (2008: Rs. 532,689,486) were further placed as collateral with financial institutions by the Group under repurchase transactions (refer to Note 16.1).

13. Short term investments - at fair value through profit and loss

			2009			2008
			Carrying	Fair	Carrying	Fair
		Note	Value	Value	Value	Value
			Ruj	pees	Ru	pees
These are made up as under:						
Others		13.1	210,168,890	249,289,648	81,134,588	67,825,877
Related parties		13.2	1,609,076,810	661,405,170	1,388,511,901	1,367,296,436
		=	1,819,245,700	910,694,818	1,469,646,489	1,435,122,313
Add: Unrealized gain/(loss) on account						
of remeasurement to fair value		_	(908,550,882)	-	(34,524,176)	-
		=	910,694,818	910,694,818	1,435,122,313	1,435,122,313
13.1 Others						
				Fair	Carrying	2008 Fair
		of shares/ ficates	Carrying cost	Value	cost	Value
	2009	2008	•	ipees		ipees
Listed securities	2009	2008		ipees		apecs
Mutual funds						
PICIC Growth Mutual Fund Limited	218,200	218,200	5,186,614	1,832,880	7,375,160	5,186,614
Unit UTP Fund of Funds	-	37,161	-	-	3,803,883	4,215,063
Unit Trust of Pakistan Units	-	13,127	-	-	1,630,488	1,999,924
Dawood Islamic Fund - Units	-	11,021	-	-	1,000,000	1,105,406
Nafa Stock Fund	-	384,994	-	-	5,000,000	4,413,687
Namco Balanced Fund Limited	2,907,667	1,435,200	20,724,047	13,724,188	13,993,200	13,361,712
			25,910,661	15,557,068	32,802,731	30,282,406
Insurance companies						
Adamjee Insurance Company Limited	10,000	10,000	2,164,256	839,900	2,752,167	2,707,200
PICIC Incurance Ltd.	32,739	-	229,173		-	-
			2,393,429	1,036,007	2,752,167	2,707,200
Leasing companies				1		
Standard Chartered Leasing Limited	70,000	70,000	427,000	11	777,000	427,000
Orix Leasing Pakistan Limited	34,125	-	426,563	l		-
			853,563	413,700	777,000	427,000

				2009		2008	
			of shares/	Carrying	Fair	Carrying	
				cost	Value	cost	Value
		2009	2008	Rupees	Rupees	Rupees	Rupees
	Investment companies/banks						
	Askari Commercial Bank Limited	52,000	52,000	1,506,990	794,560	3,037,250	2,089,880
	JS Bank Limited	101,000	101,000	1,387,740	609,030	1,746,150	1,387,740
	Habib Bank Limited	19,180	3,900	2,444,356	1,650,631	212,905	813,657
	United Bank Limited	25,000	-	1,553,594	957,250		
	Bankislami Pakistan	2,930,343	-	17,594,558	18,666,285	-	-
	Arif Habib Limited	47,100	-	1,648,500	3,150,519	-	-
	KASB Bank Limited	16,000,000	-	128,000,000	165,120,000	-	-
	Islamic Investment Bank	-	8,900	-	-	8,902	-
	National Bank of Pakistan	-	50,000	-	-	11,750,875	7,375,000
	Bank Alfalah Limited	-	100,000	-	-	5,152,500	4,106,000
				154,135,738	190,948,275	21,908,582	15,772,277
	Technology & communication						
	Pakistan Telecommunication Limited-A	-	500	-	-	22,761	19,320
	Cement						
	Pioneer Cement Limited	11,380	354,849	76,419	154,540	12,930,044	9,996,096
	DG Khan Cement	70,000	55,000	3,573,800	2,075,500	3,868,967	3,692,700
				3,650,219	2,230,040	16,799,011	13,688,796
	Textile composite						
	Nishat Mills Limited	20,000	-	949,395	756,400	-	-
	D.S.Ind. Limited	150,000	-	1,200,000	463,500	-	-
	Sugar			2,149,395	1,219,900	-	-
	Sugar Haseeb Waqas Sugur Mills Ltd.	529,000	-	5,290,000	24,058,920	-	-
	Cable and electrical goods						
	Pak Elektron Limited	153,542	93	1,466,042	3,763,314	6,236	5,208
	Food and Allied						
	Zulfiqar Industries Limited	12,980	19,000	1,805,400	821,634	2,622,000	2,907,000
	Chemicals						
	Nimir Resins	938,500	-	3,284,750	2,899,965	-	-
	Refinery						
	Bosicor Pakistan Limited	150,000	150,500	2,010,000	1,044,000	3,444,100	2,016,670
	Pak Oil Fields Ltd.	18,000	-	3,662,884	2,626,200	-	-
	Pakistan State Oil Company Ltd.	12,500	-	3,556,809	2,670,625	-	-
				9,229,693	6,340,825	3,444,100	2,016,670
				210,168,890	249,289,648	81,134,588	67,825,877
2	Related parties						
	Listed securities						
	Worldcall Telecom Limited - note 13.4	31,589,185	8,205,194	172,582,896	78,972,963	150,550,714	119,139,417
	Pace (Pakistan) Limited	35,872,776	33,638,668	924,165,321	200,170,090	941,535,823	953,319,851
	Media Times Limited	3,087,731	-	108,629,373	147,439,155	-	-
	First Capital Mutual Fund Limited	4,166,210	4,166,210	34,371,233	9,915,579	42,074,679	34,371,233
	Shaheen Insurance Company Limited	2,928,938	2,956,145	223,209,037	78,788,433	254,350,685	260,465,935
	Un-Listed securities			1,462,957,860	515,286,220	1,388,511,901	1,367,296,436
	Pace Barka Prpoerties Limited	29,223,790	-	146,118,950	146,118,950	-	-
				1,609,076,810	661,405,170	1,388,511,901	1,367,296,436
					, .00,2,0	,,,-01	,= = , = > 0, .50

^{13.3} This includes 2.9 million (2008: 2.9 million) shares held under lien as security by National Accountability Bureau. Refer to note 22.1.1

 $[\]textbf{13.4} \quad \text{The shares having market value amounting to Rs. } 610,\!050,\!867 \text{ are pledged.}$

		Rupees	Rupees
Cash and bank balances			
Cash in hand At bank		355,686	1,073,180
Current accounts - local and foreign currency		88,675,585	156,039,161
Saving accounts - local and foreign currency	14.1	151,033,334	836,758,644
	•	239,708,919	992,797,805
		240,064,605	993,870,985

14.1 The balance in saving accounts bears mark-up which ranges from 0.5% to 11% (2008: 0.5% to 10.75%) per annum.

Note	2009	2008
	Rupees	Rupees

Note

2009

2008

15 Trade and other payables

14

Payable against sale of shares on behalf of

Members	130,359,698	39,931,597
Clients	295,908,945	309,795,349
	426,268,643	349,726,946
Trade creditors	10,998,392	18,357,819
Advances from customers	111,552,689	213,379,634
Accrued liabilities	67,436,373	136,487,475
Withholding tax	1,214,838	3,815,908
Payable against trading of shares	-	2,376,939
Payable against purchase of property	299,332,681	358,580,967
Sales tax	-	385,646
Excise duty payable	-	11,234
Unclaimed dividend	1,858,918	2,002,593
Security deposit of shopkeepers	2,117,750	-
Other liabilities	20,676,310	14,743,307
Bills Payable	2,186,886	432,055
	943,643,480	1,100,300,523

16 Liability against repurchase agreement - secured

Payable to financial institution 16.1 **681,400,430** 508,425,000

16.1 This represents the amount payable to financial institutions under repurchase agreements against the securities under the arrangement as explained in note 12. The effective interest rate is 16.5% to 18% per annum (2008: 12.5% to 20% per annum) and is for a period of twenty one to ninety two days (2008: twenty to ninety two days).

Note 2009 2008 Rupees Rupees 17.1 3,271,211,237 3,971,364,774

17 Short term borrowings - secured

18

17.1 These facilities are obtained from various commercial banks under mark up arrangements amounting to Rs 4,440 million (2008: Rs 4,464 million). These facilities carry mark up at the rate ranging from 1 to 6 months KIBOR plus 2.5% to 5 % (2008: 1 to 6 months KIBOR plus 1.8 % to 4.25 %) per annum with floor limits ranging from 14.49% to 19.52% per annum (2008: 10% to 13.5%). These are secured against pledge of quoted equity securities.

		2009	
	Not later than one year	Later than one year and not later than five years	Total
		Rupees	
Liabilities against assets subject to finance lease			
Minimum lease payments	23,490,915	21,917,837	45,408,752
Future finance charges	(4,358,273)	(1,891,529)	(6,249,802)
Present value of minimum lease payments	19,132,642	20,026,308	39,158,950
		2008	
	Not later than one	Later than one year and not later than five years	Total
	year	Rupees	10141
		•	
Minimum lease payments	23,218,111	41,755,854	64,973,965
Future finance charges	(5,428,216)	(4,401,073)	(9,829,289)
Present value of minimum lease payments	17,789,895	37,354,781	55,144,676

Rentals are payable in monthly as well as in quarterly installments. The group companies have the right to exercise purchase option at the end of the lease term. The present value of minimum lease payments have been discounted at an effective rate of 12.30% to 19.39% (2008: 9.02% to 16%) per annum.

		2009 Rupees	2008 Rupees
19	Long term finance		
	Term finance facility	47,000,000	-
	Less: Current portion	(40,000,000)	-
		7,000,000	-

20

	2009 Rupees	2008 Rupees
Deferred tax (Asset)/Liability		
This comprises the following:		
Deferred tax liability in respect of tax depreciation	4,364,285	2,519,856
Deferred tax liability in respect of unused tax losses & tax credits	(5,231,766)	(2,380,889)
	(867,481)	138,967

20.1 The Parent Company has a deferred tax asset amounting to Rs. 153,296,097 (2008: Rs. 112,537,932) arising on unused tax losses and deductible temporary differences amounting to Rs. 437,307,665 (2008: Rs. 320,415,890) and Rs. 681,184 (2008: Rs. 1,121,057) respectively. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However, in view of taxable profits not available in foreseeable future owing to the effect of exempt income, the Company has not incorporated the deferred tax asset in these financial statements.

However, some subsidiary companies recognize their respective deferred tax assets or liabilities owing to their tax position for each year.

		Note	2009 Rupees	2008 Rupees
22	Staff retirement benefits			
	Net liability at the beginning of the year		38,885,992	25,191,914
	Amount recognized during the year	21.1	20,110,703	17,062,256
	Liability transferred from sister concern		215,856	300,000
	Gratuity transferred to sister concern		-	(18,400)
	Benefits paid during the year		(8,491,586)	(3,649,778)
	Net liability at the end of the year	21.2	50,720,965	38,885,992
	21.1 The amounts recognized in the profit and loss are as follows:			
	Current service cost		12,695,885	12,420,407
	Interest cost		5,727,961	2,669,902
	Net expense of LSL		917,751	1,066,450
	Actuarial loss recognized		769,106	330,497
	Payable from previous years written off		-	575,000
	Total amount charged to the profit and loss account		20,110,703	17,062,256

The latest valuation was conducted by Nauman Associates (consulting actuaries) as of 30 June 2009. Significant actuarial assumptions are as follows:

Discount rate 12% per annum 12% per annum Expected rate of Eligible Salary increase in future years 11% per annum 11% per annum Average expected remaining working life time of employees 13 years 12 years

> 2009 2008 Rupees Rupees

21.2 The amounts recognized in the balance sheet are as follows:

49,170,730 42,783,685 Present value of obligation Unrecognized actuarial losses (5,067,150)(7,619,174)Benefits due but not paid 1,474,700 167,200 45,578,280 35,331,711 3,554,281 5,142,685

Subsidiary's gratuity obligations - Lanka Securities (Private) Limited

50,720,965 38,885,992 Liability recognized in balance sheet

22 **Contingencies and commitments**

22.1 Contingencies

Parent company

22.1.1 During 2002 the senior management of the Company was contacted by National Accountability Bureau in respect of certain transactions in FIBs carried out by the Company related to Workers Welfare Fund ("WWF") during the year 1999. On review of related records and information and discussions with the senior management, National Accountability Bureau's investigation concluded that two employees of the Company had colluded with workers welfare fund officials to defraud Workers Welfare Fund.

On the basis of these investigations, National Accountability Bureau required the Company to pay or guarantee to pay on account of WWF a sum of Rs. 46 million. Keeping in view that public funds were involved and based on legal advise that it was the Company's vicarious liability, the Company had paid National Accountability Bureau an amount of Rs. 13.8 million and had provided adequate security against the balance amount recovered from the parties involved.

National Accountability Bureau recovered Rs 12.127 million from various parties involved and informed that Company's liability stands reduced by the said amount. The Company had also paid an additional amount of Rs 10 million as full and final settlement during the financial year ended 30 June 2004. Thus a sum of Rs 23.8 million as discussed above has so far been written off in the Company's accounts. However, National Accountability Bureau has again raised a demand of Rs 10 million from the Company, which remains un-recovered from various parties involved. The Company has informed National Accountability Bureau that the said amount is not payable. The Company has also lodged a counter claim for sums paid to National Accountability Bureau,

 $which were \, actually \, siphoned \, by \, the \, employees \, of \, WWF \, and \, other \, parties \, involved.$

The Company remains contingently liable to the extent of Rs. 10.073 million.

22.1.2 Securities and Exchange Commission of Pakistan ("SECP") has raised demand of Rs. 7.67 million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Worldcall Communications Limited (now Worldcall Telecom Limited, an associated company). Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP has filed an appeal in the Supreme Court of Pakistan against the judgment of Honorable Lahore High Court. At present the said appeal is pending adjudication before the Supreme Court of Pakistan and the Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.

Securities and Exchange Commission of Pakistan ("SECP") has raised demand of Rs. 0.823 million in respect of tenderable gain under section 224 of the Companies Ordinance, 1984, in respect of purchase and sale of shares of Shaheen Insurance Company Limited, an associated company. Appellate Bench of SECP passed an order against the Company. The Company filed an appeal in Lahore High Court against the order of the Appellate Bench of SECP, which has been decided in favour of the Company. SECP has filed an appeal in the Supreme Court of Pakistan against the judgment of Honorable Lahore High Court. At present the said appeal is pending adjudication before the August Supreme Court of Pakistan and the Company is confident of its favourable outcome, therefore no provision has been made in the financial statements.

22.1.3 For contingencies relating to tax matters, refer note 29.2.

First Capital Equities Limited (FCEL)

22.1.4 During the year 2000 certain clients of the Company defaulted on their obligations. ABN AMRO Asia Limited Hong Kong (ABN AMRO), major shareholder of the Company at that time, arranged for the requisite financing and assumed the open positions and obligations of the defaulting clients. The loans so arranged by ABN AMRO were secured specifically against the amounts recoverable from these defaulting clients and were repayable only through amounts recovered from such defaulting clients. These loans were interest free and exchange risk had been assumed by ABN AMRO pursuant to the loan agreements signed between the Company and ABN AMRO. Accordingly the Company had set off these loans and such recoverable amounts.

The Company had initiated cases against the defaulting clients for recovery of the amounts due from them. Based on the legal opinion, the management considers that if the recovery suits succeed entirely or partially and result in recovery of an amount from clients, the only obligation of the Company is to remit the same to ABN AMRO. Whereas in case the recovery suits are unsuccessful, the aforesaid loan will lapse for all purposes and it will extinguish the recovery of loans from clients and this will not affect, in any manner, the financial position of the Company, as it does not have any obligation to pay any amounts to ABN AMRO from its own sources. The defaulting clients had made a counter claim in the said proceedings. The eventual outcome of these cases or counter claims is uncertain at this stage.

The Company has agreed to indemnify ABN AMRO, its directors and affiliates from any or all claims which may be finalized against the Company except for those mentioned above. The existence and the magnitude of any such claims, other than mentioned in these financial statements, are not presently known.

- 22.1.5 Mr. Assad ullah Sajid has filed a petition with Securities and Exchange Commission of Pakistan against the Company for refund of deposit of Rs. 590,740 deposited for purchase of shares on his behalf. The management is confident that the matter will be decided in the Company's favour.
- 22.1.6 During the year 2007-08 Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its initial reply to the show cause notice to the SECP. Subsequent to the period end, the SECP has decided the case and has imposed a fine of Rs. 500,000 on the company. The company has filed an appeal against the order of the SECP.
- 22.1.7 During the year 2007-08 a claim of Rs. 12,540,356 has been filed by a client, Mr. Hassan yousuf, which is not acknowledged as debt by the Company.
- 22.1.8 The return for Tax year 2003 was selected for total audit under section 177 of the Income Tax Ordinance 2001. The Taxation Officer reassessed the Income for the tax year 2003 reducing refund from Rs 6.4 million to Rs.5.4 million. The Company filed appeal to the Commissioner of Income Tax (Appeals) against the order of the taxation officer and partial relief has been allowed by the Commissioner of Income Tax (Appeals). The Company has filed appeal against the order of Commissioner of Income Tax (Appeals) in the Honourable Income Tax Appellate Tribunal. The management is confident that the appeal will be decided in favour of the Company.
- 22.1.9 The Taxation Officer reassessed the Income for the Tax year 2004 under section 122(5A) of the Income Tax Ordinance, 2001, by increasing the tax liability upto Rs.1.4 million on account of apportionment of expenses to capital gain. The Company has filed appeal before the Commissioner of Income Tax (Appeals) against the said order. The management is confident that the appeal will be decided in favour of the Company.
- 22.1.10 During the year M/s Savari Private Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura Private Limited, the clients of the company have defaulted to pay their debts amounting to Rs. 75,411,031, Rs. 20,975,409 and Rs. 143,513,582 respectively. The company has filed a suit for recovery from these clients. The management is confident that the company would be able to recover the above stated debt.

2009 2008 **Rupees** Rupees

22.2 Commitments

Commitments in respect of:

Capital Expenditure Sale of shares Purchase of shares

239,830,434	567,126,852
213,360,116	1,782,101,966
224,806,739	1,782,101,966 2,338,809,506
677,997,289	4,688,038,324

23 Share capital

2009 Rupees 2008 Rupees

Authorized

300,000,000 (2008: 170,000,000) ordinary shares of Rs 10 each

3,000,000,000 1,600,000,000

Issued, subscribed and	Number o	of shares	2009	2008 Rupees	
paid-up capital	2009	2008	Rupees		
Ordinary shares of Rs 10 each fully paid in cash Ordinary shares of Rs 10 each	38,165,030	38,165,030	381,650,300	381,650,300	
issued as bonus shares	212,119,644	124,357,486	2,121,196,440	1,243,574,860	
	250,284,674	162,522,516	2,502,846,740	1,625,225,160	

23.1 Worldcall Telecom Limited holds 3,155,538 (2008: 2,049,051) shares with a percentage holding of 1.26% (2008: 1.26%).

		Numbe	r of shares
		2009	2008
23	3.2 Movement of number of shares		
	Shares as on 01 July	162,522,516	135,435,430
	Bonus issue	87,762,158	27,087,086
	Shares as on 30 June	250,284,674	162,522,516
		2009 Rupees	2008 Rupees
24	Revenue		
	Financial consultancy fee	1,500,000	10,562,500
	Dividend income	2,638,334	3,710,239
	Money market income	12,593,425	13,030,021
	(Loss) / gain on sale of investments	(77,480,878)	1,087,849,922
	Gain on sale of investment property	250,000	-
	Investment advisory fee from FCMF	6,156,162	13,308,236
	Income from continuous funding system placements	440,069	6,986,804
	Brokerage income	515,209,462	751,391,694
	Rental Income	16,294,810	-
	Revenue from printing	111,646,487	80,905,382
	Revenue against construction contracts	418,299,503	491,389,805
		1,007,547,374	2,459,134,603

Direct costs Materials consumed 65,058,748 42,648,800 Salaries and benefits 128,282,992 153,431,942 Folding and binding costs 4,137,425 3,241,136 Electricity consumed 2,360,511 1,590,713 Rent, rates and taxes 4,177,211 4,703,781 Postage and communication 560,587 26,647,282 Mess and staff refreshment charges 269,278 33,221 Traveling expenses 112,739 157,837 Lab testing charges 589,517 1,255,560 Security services 9,750 7,970 Insurance 2,948,092 1,978,18 Repair and maintenance 8,388,291 2,907,20 Courier charges 12,746 190,471 Whice running and maintenance 3,341,734,217 34,568,456 Others 1,387,702 3,388,232 Opercation 3,417,34,217 34,568,456 Others 1,388,71,262 37,257,388 Starting expenses 12,749,749 3,384,622 Starting expenses		Note	2009 Rupees	2008 Rupees
Salaries and benefits 128,282,992 153,431,942 Folding and binding costs 4,137,425 3,241,136 Rent, rates and taxes 4,177,211 4,730,781 Postage and communication 506,587 602,489 Stores and general items consumed 39,805,957 22,647,252 Mess and staff refreshment charges 269,278 333,221 Taveling expenses 112,739 1,578,37 Lab testing charges 589,517 1,255,600 Security services - 9,750 Insurance 2,948,092 1,948,118 Repair and maintenance 3,882,291 2,907,108 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,864 1,926,220 Oberecition 3,41,734,217 34,583,425 Others 12,746 190,471 Others 18,8871,226 375,273,383 Stock exchange charges 9,059,277 36,908,983 Stock exchange charges 9,059,277 36,908,983 Stock exchange charges 9,059,27	Direct costs			
Folding and binding costs 4,137,425 3,241,136 Electricity consumed 2,360,511 1,590,713 Rent, rates and taxes 4,177,211 4,730,781 Postage and communication 560,587 662,489 Stores and general items consumed 39,805,957 22,647,225 Mess and staff refreshment charges 269,278 333,221 Traveling expenses 112,739 157,837 Lab testing charges 589,517 1,255,506 Security services 2,948,092 19,750 Insurance 2,948,092 1,617,185 Repair and maintenance 8,388,291 2,903,739 Curier charges 12,746 190,471 Vehicle running and maintenance 3,384,032 275,257,385 Others 1,985,770 1,393,826 Operciation 3 41,734,217 34,683,45 Others 1,885,770 1,393,826 Operating expenses 188,871,226 273,211,882 Slaaries, wages and benefits 188,871,226 273,211,882 Slock exchange cha	Materials consumed		65,058,748	42,648,800
Electricity consumed 2,360,511 1,590,718 Rent, rates and taxes 4,177,211 4,730,781 Postage and communication 560,587 26,0489 Stores and general items consumed 39,805,957 22,647,252 Mess and staff refreshment charges 269,278 333,221 Traveling expenses 112,739 157,837 Lab testing charges 589,517 12,555,60 Security services - 9,750 Insurance 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 2,326,864 1,90,471 Courier charges 12,746 190,471 Vehicle running and maintenance 3,384,212 275,273,35 Operating expenses 1,985,771 34,568,345 Others 3 4,734,217 34,568,345 Operating expenses 1,885,71,226 273,271,882 Stock exchange charges 9,059,277 36,90,898 Schock exchange charges 9,059,277 36,90,898 Pent, rates and taxes <td>Salaries and benefits</td> <td></td> <td>128,282,992</td> <td>153,431,942</td>	Salaries and benefits		128,282,992	153,431,942
Rent, raise and taxes 4,177,211 4,730,781 Postage and communication 560,587 26,642,80 Stores and general items consumed 39,805,957 226,272,80 Mess and staff refreshment charges 269,278 333,221 Traveling expenses 1112,739 157,837 Lab testing charges 589,517 1,255,500 Security services 2,948,092 1,948,118 Bentertainment 1,089,381 1,617,185 Repair and maintenance 2,348,092 1,903,793 Courier charges 112,474 190,471 Courier charges 12,474 190,471 Chicle running and maintenance 2,326,864 190,202 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 139,380,20 19,252,338 Others 1,888,71,226 375,257,385 Stock exchange charges 9,059,277 36,008,980 Stock exchange charges 9,059,277 36,008,980 Stock exchange charges 11,431,472 10,849,597	Folding and binding costs		4,137,425	3,241,136
Postage and communication 560,587 662,489 Store and general items consumed 39,805,957 22,647,252 Mess and staff refreshment charges 162,778 333,221 Lab testing charges 112,739 17,587 Security services - 9,750 Insurance 2,948,092 19,481,118 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,664 190,471 Others 1,985,770 1,398,821 Others 1,985,770 1,598,570 Others 1,985,770 1,598,570 Others 1,985,770 1,598,570 Others 1,985,770 1,598,570 Stalaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,480,979 Telephone, fax, etc. 12,322,93 46,712,22 Insurance 4,240,533 3,960,783	Electricity consumed		2,360,511	1,590,713
Stores and general items consumed 39,805,957 22,647,252 Mess and staff refreshment charges 269,278 333,221 Traveling expenses 111,739 157,837 Lab testing charges 589,517 1,255,560 Security services 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 3,882,91 2,903,739 Courier charges 1,24,620 1,94,741 Others 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Slaaries, wages and benefits 188,871,226 273,211,882 Slock exchange charges 9,059,277 36,098,981 Eent, rates and taxes 11,431,472 10,499,597 Telephone, fax, etc. 12,382,932 4,480,597 Insurance 4,240,539 3,906,783	Rent, rates and taxes		4,177,211	4,730,781
Mess and staff refreshment charges 269,278 333,221 Traveling expenses 112,739 157,837 Lab testing charges 589,517 1,255,560 Security services - 9,705 Insurance 2,948,092 1,948,118 Repair and maintenance 8,388,291 20,03,739 Courier charges 12,746 190,471 Webicle running and maintenance 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operacition 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operating expenses 1,888,71,226 273,211,882 Stadaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,234,271 46,945,993 Telephone, fax, etc. 12,382,91 4,945,91 Insurance 4,240,533 3,960,783 Printing and stationery 3,395,46 5,761,156 Texpeling and conveyance	Postage and communication		560,587	662,489
Traveling expenses 112,739 157,837 Lab testing charges 589,517 1,255,560 Security services - 9,750 Insurance 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operating expenses 1,885,770 2,393,826 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 11,238,2932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,533 3,907,83 Printing and stationery 3,99,546 5,476,156 Traveling and conveyance 13,899,546 6,578,51	Stores and general items consumed		39,805,957	22,647,252
Lab testing charges 589,517 1,255,506 Security services - 9,750 Insurance 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Others 1,985,770 1,393,826 Operating expenses 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,533 3,960,783 Printing and stationery 3,399,546 5,476,156 Fraveling and conveyance 13,397,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postag	Mess and staff refreshment charges		269,278	333,221
Security services - 9,750 Insurance 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 199,471 Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,339,826 Operating expenses 1,985,770 1,339,826 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,93 14,826,101 Utilities 6,151,754 6,017,229 Insurance 4,240,533 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 4,557,137 Ostage, courier etc. 2,914,10 2	Traveling expenses		112,739	157,837
Insurance 2,948,092 1,948,118 Entertainment 1,089,381 1,617,185 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,664 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operating expenses 188,871,226 275,257,385 Stack exchange charges 9,059,277 36,908,980 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,906,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,71 4,229,366 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678	Lab testing charges		589,517	1,255,560
Entertainment 1,089,381 1,617,185 Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,684 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 303,840,326 275,257,385 Operating expenses Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Stock exchange charges 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,906,783 Printing and stationery 3,399,546 5,476,156 Taveling and conveyance 11,897,411 14,557,137 Repairs and maintenance 11,897,411 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,514 <td>Security services</td> <td></td> <td>-</td> <td>9,750</td>	Security services		-	9,750
Repair and maintenance 8,388,291 2,903,739 Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,333,826 Operating expenses Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,54 6,107,229 Insurance 4,240,533 3,960,783 Printing and stationery 3,399,546 5,476,156 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage con rental income 10,177,255 27	Insurance		2,948,092	1,948,118
Courier charges 12,746 190,471 Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operating expenses 303,840,326 275,257,385 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital val	Entertainment		1,089,381	1,617,185
Vehicle running and maintenance 2,326,864 1,926,220 Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 303,840,326 275,257,385 Operating expenses Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Stock exchange charges 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 34,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 12,9	Repair and maintenance		8,388,291	2,903,739
Depreciation 3 41,734,217 34,568,345 Others 1,985,770 1,393,826 Operating expenses 303,840,326 275,257,385 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,93,602 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 -	Courier charges		12,746	190,471
Others 1,985,770 1,393,826 Operating expenses 303,840,326 275,257,385 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,906,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 11,869,741 14,557,137 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941	Vehicle running and maintenance		2,326,864	1,926,220
Operating expenses 303,840,326 275,257,385 Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507	Depreciation	3	41,734,217	34,568,345
Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108	Others		1,985,770	1,393,826
Salaries, wages and benefits 188,871,226 273,211,882 Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108		_	303,840,326	275,257,385
Stock exchange charges 9,059,277 36,908,980 Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 59,219	Operating expenses	-		
Rent, rates and taxes 11,431,472 10,849,597 Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Salaries, wages and benefits		188,871,226	273,211,882
Telephone, fax, etc. 12,382,932 14,826,130 Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Stock exchange charges		9,059,277	36,908,980
Utilities 6,151,754 6,017,229 Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 59,219	Rent, rates and taxes		11,431,472	10,849,597
Insurance 4,240,539 3,960,783 Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Telephone, fax, etc.		12,382,932	14,826,130
Printing and stationery 3,399,546 5,476,156 Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Utilities		6,151,754	6,017,229
Traveling and conveyance 13,797,284 16,932,951 Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Insurance		4,240,539	3,960,783
Repairs and maintenance 11,869,741 14,557,137 Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Printing and stationery		3,399,546	5,476,156
Postage, courier etc. 2,914,191 4,229,366 Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Traveling and conveyance		13,797,284	16,932,951
Vehicle running 8,182,678 6,278,541 News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Repairs and maintenance		11,869,741	14,557,137
News papers and periodicals 340,607 261,312 Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219			2,914,191	4,229,366
Entertainment 5,138,692 8,153,947 Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Vehicle running		8,182,678	6,278,541
Brokerage commission and capital value tax 908,578 129,729,159 Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	News papers and periodicals		340,607	261,312
Service charges on rental income 10,177,635 - Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Entertainment		5,138,692	8,153,947
Legal and professional charges 21,093,736 13,646,941 Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Brokerage commission and capital value tax		908,578	129,729,159
Advertisement 2,073,509 5,200,507 Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Service charges on rental income		10,177,635	-
Provision for doubtful debts 13,987,982 20,914,108 Bad debts written off directly 184,623,752 59,219	Legal and professional charges		21,093,736	13,646,941
Bad debts written off directly 184,623,752 59,219	Advertisement		2,073,509	5,200,507
·	Provision for doubtful debts		13,987,982	20,914,108
Fees and subscriptions 12,923,388 13,487,950	Bad debts written off directly		184,623,752	59,219
	Fees and subscriptions		12,923,388	13,487,950

			Note	2009 Rupees	2008 Rupees
				Rupces	Rupees
	erable gain paid			699,965	-
	sory Fee expenses			-	32,337,111
	ors' remuneration		26.1	2,732,692	2,838,851
Dona			26.2	47,080	264,960
•	eciation		3	29,485,751	24,833,061
	tization of deferred cost			-	3,015
	tization of intangible assets			280,000	-
	ess development			207,865	1,556,550
Other	S		-	24,006,644 581,028,516	9,855,003
			=	301,020,310	030,390,440
26.1	Auditors' remuneration				
		Audito			
		Parent	Subsidiary	2000	2000
		Rupees	Rupees	2009	2008 Pupass
		Rupees	Kupees	Rupees	Rupees
	A 1 15	455.000	1 021 402	1 407 403	1 505 101
	Annual audit Consolidated accounts	475,000	1,021,492	1,496,492	1,527,121
	Half yearly review	425,000 100,000	230,000	425,000 330,000	425,000 330,000
	Other certifications	21,000	333,200	354,200	340,930
	Out of pocket expenses	110,000	17,000	127,000	215,800
	r	1,131,000	1,601,692	2,732,692	2,838,851
26.2	Directors or their spouses do not have	any interest in t	the done		
20.2	Directors of their spouses do not have	any interest in t			
			Note	2009	2008
0.0				Rupees	Rupees
Othe	r income				
Incor	me from financial assets				
	Return on deposit accounts			26,507,707	28,026,801
	Interest on term deposits			47,131,074	23,694,934
	Income from placements			380,390,674	254,788,885
	Mark-up income on loans to related p	arties		56,456,992	13,121,835
Incor	ne from other than financial assets				
111001	Underwriting commission			3,500,000	_
	Take-up commission			3,119,351	_
	Provision written back			251,650	3,867,036
	Exchange gain			1,626,046	875,956
	Gain on sale of fixed assets			20,202,691	1,682,013
	Tenderable gain received from related	l party		-	1,849,455
	Gain on sale of subsidiary	1 2		17,132	-
	Others			43,087,671	20,753,024
			_	582,290,988	348,659,939
			=	- ,	- , ,

	2009	2008
Finance costs	Rupees	Rupees
Markup on short term borrowings	617,598,934	221,526,455
Cost of repo transactions	169,901,439	162,618,606
Markup charged by related parties	-	4,932
Finance charges on assets subject to finance lease	4,302,055	1,882,042
Term finance markup	-	366,194
Continuous funding system cost	2,234,648	1,368,743
Bank charges and commission	1,774,263	2,047,931
Exchange loss	-	308,957
Others	6,905,337	284,031
	802,716,676	390,407,891
Taxation		
Current year	39,292,362	107,370,241
Prior Year	-	18,810
Deferred	(1,006,449)	(695,143)
	38,285,913	106,693,908

- **29.1** Since majority of the group companies have taxable losses for the year, therefore, no numerical tax reconciliation is given.
- **29.2** The Parent Company's assessments have been finalized up to tax year 2004. All pending issues relating to the previous years have been resolved in favour of the company, resulting in a refund of Rs 6,677,426.

Return for the tax year 2005 to tax year 2008 were filed and are deemed to be assessed.

2009 2008

30 Earnings per share - basic

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29

Net profit for the year	Rupees	(851,596,781)	1,184,695,697
Weighted average number of ordinary shares as at 30 June	Numbers	250,284,674	250,284,674
Earnings per share - basic	Rupees	(3.40)	4.73

For the purpose of computing earnings per share, the number of shares of the previous year have been adjusted for the effect of bonus shares issued during the year.

Earnings per share - diluted

There is no dilution effect on the basic EPS as the Company has no such commitments.

31 Transactions with related parties

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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. Balances with related parties are shown in the relevant notes to the accounts. The transactions with related parties other than those which have been disclosed in other notes are as follows:

	2009 Rupees	2008 Rupees
Associated companies		
Income from financial consultancy services	7,656,162	23,870,736
Mark up income	70,131,514	13,121,835
Short term borrowing availed and repaid	-	1,000,000
Finance cost charged	-	4,932
Long term loan given	161,276,053	330,700,000
Insurance premium	488,937	439,901
Insurance claim	93,120	248,365
Brokerage income	20,752,356	41,545,135
Repurchase agreement arrangement fee	2,929,167	1,210,432
Placements entered and rolled over	1,140,000,000	3,652,536,000
Placements matured	2,170,000,000	2,972,356,000
Income earned on placements	162,851,439	125,592,127
Repurchase agreements entered and rolled over	-	85,000,000
Repurchase agreements matured	-	85,000,000
Mark up income on repurchase agreements	-	1,760,548
Contract services	418,299,502	491,389,805
Sale of goods/services	20,947,259	61,872,423
Purchase of goods/services	40,900	28,956
Long term investment made	227,757,890	-
Short term investments made	1,116,627,404	-
Cash generated from operations		
(Loss) / profit before taxation	(846,299,784)	1,510,894,716
Adjustments for:	71 210 069	50 401 406
Depreciation Finance cost	71,219,968 802,716,676	
Loss on remeasurement of short term investments	908,550,882	34,524,176
Dividend income	(2,638,334)	
	(2,038,334)	(3,710,239)
Exchange gain	-	(875,956)
Amortization of deferred cost Amortization of intangible assets	280,000	3,015
Gain on disposal of property, plant and equipment	· ·	(1,682,013)
Gain on disposal of property, plant and equipment Gain on disposal subsidiary	(20,202,691)	[(1,002,013)
<u>.</u>	(17,132) 20,085,513	10.695.007
Exchange translation difference		19,685,007
Provision for doubtful debts	13,987,982	20,914,108

	2009 Rupees	2008 Rupees
Bad debts written off directly	184,623,752	59,219
Retirement benefits	20,326,559	17,343,856
Share of profit of associated companies	(81,555,645)	(59,680,072)
Provision for doubtful debts written back	(251,650)	(3,867,036)
Mark up income	(510,486,447)	(319,632,455)
	1,406,639,433	152,890,907
Profit before working capital changes	560,339,649	1,663,785,623
Effect on cash flow due to working capital changes:		
(Increase)/decrease in: Inventories	17,893,236	(19,403,792)
Trade debts	(1,304,606,633)	(2,251,417,436)
Loans and advances	917,814,716	(37,836,666)
Short term prepayments	4,975,011	(4,114,676)
Deposits and other receivables	42,269,449	(24,628,842)
Short term investments - net	(384,123,387)	1,172,924,710
Placements	493,572,234	(1,008,675,000
Increase/(decrease) in:		
Trade and other payables	(97,368,757)	113,396,146
Liability against repurchase agreement	172,975,430	(415,325,000)
Short term borrowings	(700,153,537)	3,087,648,722
	(836,752,238)	612,568,166
	(276,412,589)	2,276,353,789
Cash and cash equivalents		
These are made up as follows:		
Cash in hand	355,686	1,073,180
Bank balances	194,053,647	946,165,795
Treasury bills	45,655,272	46,632,010
		202.050.005

34 Financial instruments

33

The group has exposure to the following risks from its use of financial instruments.:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of group's risk management framework. The Board is also responsible for developing and monitoring the group's risk management policies.

993,870,985

240,064,605

34.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The group's credit risk is primarily attributable to its trade debts and loans and advances. The group has no significant concentration of credit risk as exposure is spread over a large number of counter parties in the case of trade debts. To manage exposure to credit risk, the group applies credit limits to its customers and obtains advances from certain customers.

34.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2009 Rupees	2008 Rupees
Long term loans	349,429,002	330,700,000
Investment in associates	856,991,798	534,831,039
Long term deposits	12,709,852	14,802,312
Loans and advances	50,415,382	968,230,098
Placements	1,503,852,766	1,997,425,000
Trade debts	3,705,798,389	2,599,551,840
Investments at fair value through profit or loss	910,694,818	1,435,122,313
Interest receivable	16,528,574	18,393,819
Deposits and other receivables	41,070,438	91,832,746
Bank balances	239,708,919	
	7,687,199,938	8,983,686,972
The trade debts as at the balance sheet date are as follows:		
Foreign	176,845,459	331,689,917
Domestic	3,528,952,930	2,267,861,923
	3,705,798,389	2,599,551,840
The aging of trade receivables at the reporting date is		
Past due 0 - 30 days	2,104,428,014	1,096,419,086
Past due 31 - 60 days	67,684,686	46,210,280
Past due 61 - 90 days	298,282,954	980,846,297
Past due 91 - 120 days	372,500,382	115,260,412
Past due 120 days	862,902,354	
	3,705,798,390	2,599,551,840

Based on past experience the management believes that no impairment allowance is necessary in respect of trade receivables past due as majority of receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank Balances as at balance sheet date are classified as follows:

	2009 Rupees	2008 Rupees
Foreign	2,119,750	1,789,844
Domestic	237,589,168	991,007,961
	239,708,918	992,797,805

34.2 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The group is not materially exposed to liquidity risk as substantially all obligations / commitments of the group are short term in nature and are restricted to the extent of available liquidity. In addition, the group has obtained running finance facilities from various banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the contractual maturities of financial liabilities as on 30 June 2009:

	Carrying Amount	6 months or less	6-12 months (Rupees)	1-2 years	More than 2 years
Liabilities against assets subject to finance lease	39,158,950	9,359,422	9,773,221	18,076,341	1,949,967
Long term finance Running finance under markup	47,000,000	-	40,000,000	7,000,000	-
Arrangements-secured	3,271,211,237	130,274,714	3,140,936,523	_	_
Trade and other payables	943,643,480	804,190,821	121,011,099	18,441,561	-
Mark up accrued	169,619,425	2,755,132	166,864,293	-	-
Liabilities against REPO	681,400,430	137,511,462	543,888,968		
	5,152,033,522	1,084,091,551	4,022,474,104	43,517,902	1,949,967

The following are the contractual maturities of financial liabilities as on 30 June 2008:

	Carrying Amount	6 months or less	6-12 months (Rupees)	1-2 years	More than 2 years
Liabilities against assets subject to finance lease	55,144,676	8,774,638	9,457,490	19,409,198	17,503,350
Long term finance	-	-	-	-	-
Running finance under markup Arrangements-secured	3,971,364,774	14,000,000	3,957,364,774	-	-
Trade and other payables	1,100,300,523	232,403,707	867,896,816	-	-
Mark up accrued	92,511,811	81,098	92,430,713	-	-
Liabilities against REPO	508,425,000	-	508,425,000	-	-
	5,727,746,784	255,259,443	5,435,574,793	19,409,198	17,503,350

34.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the group's income or the value of its holdings of financial instruments.

34.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currency. The group is exposed to foreign currency's risk on conversion of balance in foreighn currency account maintained in Lanka Rupees (LKR) and US Dollars. The group's exposure to foreign currency risk for LKR and US Dollars is as follows:

	2009 Rupees	2008 Rupees
Foreign debtors	176,845,459	331,689,917
Foreign currency bank accounts	2,119,750	1,789,844
Net exposure	178,965,209	333,479,761

The following significant exchange rates have been applied:

	Avera	Average rate		Reporting date rate	
	2009	2008	2009	2008	
LKR to PKR	0.66	0.58	0.70	0.63	
US\$ to PKR	74.55	64.23	81.1	68	

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax loss for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency account balance.

	2009 Rupees	2008 Rupees
Effect on profit and loss		
Lankan Rupee	190,144	170,681
US Dollars	911,890	756,398
	1,102,034	927,079

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax loss.

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the group.

34.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the group's significant interest bearing financial instruments was as follows:

	2009	2008	2009	2008
	Effective rate		Carrying amount	
	(in Percentage) (Rupees)		ees)	
Financial liabilities				
Variable rate instruments:				
Liabilities against assets subject to finance lease	19.39 to 23.3	9.02 to 16.0	39,158,950	55,144,677
Short term borrowings	15.74 to 18.5	8.58 to 12.57	3,271,211,237	3,971,364,774
Liabilities against REPO	17.25 to 18.0	10.1	818,911,892	508,425,000

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Increase	Decrease	
	Rupees		
As at 30 June 2009	(40,387,706)	40,387,706	
As at 30 June 2008	(45,349,345)	45,349,345	

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the group.

34.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The group is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

34.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

34.4 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The group's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The group monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2009 and at 30 June 2008 were as follows:

2008 2009 Rupees Rupees **4,038,770,617** 4,534,934,450

47.98%

Total debt Total equity and debt **8,083,029,454** 9,452,449,567 49.97% Debt-to-equity ratio

The increase in the debt-to-equity ratio in 2009 resulted primarily from additional borrowings made during the year to finance the expansion project and meet additional working capital requirements.

Neither there were any changes in the group's approach to capital management during the year nor the group is subject to externally imposed capital requirements.

35 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the accounts for remuneration, including certain benefits, to the Chief Executive, Directors and Executives of the Group is as follows:

	Chief Executive		Director		Executives	
	2009	2008	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	-	-	7,463,333	28,033,858	36,490,052	53,436,813
Medical	-	-	429,725	1,816,751	1,516,387	1,245,430
Utilities	-	1,115,564	1,821,829	1,258,400	1,643,702	2,167,880
House rent	-	-	2,145,334	4,361,600	8,671,520	8,671,520
Provision for gratuity	-	-	343,231	214,453	2,694,797	2,694,797
Others	-	-	821,693	171,005	607,200	607,200
		1,115,564	13,025,145	35,856,067	51,623,658	68,823,640
Number of persons	1	1	6	8	31	38

The Group has also provided few executives with company maintained cars. No fees were paid to any director for attending Board and Audit Committee meetings.

36 Events after the balance sheet date

The Board of Directors in their meeting held on 09 October 2009 has recommended bonus shares at the rate of 15 shares for each 100 shares held i.e. 15% (2008: 40%) as a final dividend.

37 Date of authorization for issue

These financial statements were authorized for issue on 09 October 2009 by the Board of Directors.

38 General

Figures have been rounded off to the nearest rupee.

Lahore: 09 October 2009

Chairman & Chief Executive Officer

Director



FORM OF PROXY

The Company Secretary First Capital Securities Corporation Limited 103-C/II, Gulberg-III	Folio No./CDC A/c. No
Lahore	Shares Held:
I / We	of
being the member(s) of First Capital	Securities Corporation Limited hereby appoint Mr. / Mrs./
Miss	of
(Name)	(Address)
or failing him / her / Mrs. / Mrs. / Miss.	(Name) of (Address)
Annual General Meeting of the Company	to attend at and vote for me / us and on my / our behalf at an to be held at the Registered Office of the Company, per 2008 at 3:30 p.m. and at any adjournment thereof.
Signature this Day of	of2008.
(Witnesses)	Affix Revenue Stamp
1	of Rupees Five
2	
	Signature

Notes:

- 1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
- 2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
- 3. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

