

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2010  
(Un-Audited)**

**VISION**

First Capital Securities Corporation Limited aspires to become a well-diversified and successful conglomerate and develop its image as a premier telecom and financial services group.

**MISSION**

At First Capital Securities Corporation Limited we are committed to provide high quality services in a positive environment that encourages innovation, creativity and teamwork, promotes ethical and efficient behavior and enables shareholders to maximize the returns on their investments.

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Consolidated accounts

# FIRST CAPITAL SECURITIES CORPORATION LIMITED

## COMPANY INFORMATION

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

## FIRST CAPITAL SECURITIES CORPORATION LIMITED

### DIRECTORS' REVIEW

The Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") are pleased to present first quarter's un-audited financial statements of the Company for the quarter ended 30 September 2010.

#### Operational Results

The operating results of the Company are summarized as follows:

<b>Financial Overview</b>	<b>30 September 2010 Rupees</b>	<b>30 September 2009 Rupees</b>
Revenue	<b>17,046,096</b>	18,015,782
Operating Expenses	<b>11,931,970</b>	15,962,021
Finance and other costs	<b>2,727,709</b>	3,274,284
(Loss)/ Profit after Taxation	<b>(4,943,675)</b>	465,631,242
Earnings per Share (basic and diluted)	<b>(0.02)</b>	1.62

During the period under review, the Company's revenue shows a slight downward trend as compared to the corresponding period last year. Unrealized loss of Rs.23.43 million during the quarter under review as compared to profit of Rs.452.23 million in the corresponding quarter last year on your company's short term investments, but FCSC's continuous focus on cost controlling measures has allowed it to cut the operating expenditure by 25% i.e. Rs.11.93 million in the first three months of FY 2011 against Rs.15.96 million in the same period last year. The EPS of the company is Rs. (0.02) as compared to Rs.1.62 in the corresponding period last year.

Our subsidiaries have showed a mixed performance during the quarter under review. First Capital Equities Limited (FCEL) was not able to secure good revenues due to dull/low volumes in market, which posted a loss of Rs. 119.58 million to register an EPS of Rs. (1.11) from Rs. 0.23 in the corresponding period last year. First Capital Investments Limited (FCIL) has reported profit after tax of Rs.0.687 million as compared to Rs.13.61 million profit last year. Trident Construct (Pvt.) Limited (TCL) reported a gross profit of Rs.12.51 million, although it incurred an after tax loss of Rs.9.53 million as compared to loss of Rs.25.23 million for the corresponding period last year. World Press (Pvt.) Limited earned a net profit of Rs. 5.37 million while it reported an after tax loss of Rs.41.35 million for the same period last year.

#### Future Outlook

Pakistan's economy which was on the path of recovery was pulled off from the track post devastating floods causing loss of USD 9 billion to an already fragile economy. Going forward, inflation is likely to surpass the initial target of 12.5% on the back of supply shortfalls in food items from flood damage while GDP would also slip to 1.5-2%, pointing towards a bleak economic outlook. Balance of payment is also expected to remain under pressure. In absence of adequate foreign inflows for relief efforts the government would resort to deficit monetization which would further escalate the inflation and fiscal deficit, a pre-requisite for further hike in discount rate. In our view, amid burgeoning income-expenditure gap, government's efforts to cover revenue shortfall along with foreign flows from IMF and FoDP would determine the pace of economic recovery.

The company is operating a diversified portfolio of investments in property, media and financial services businesses. FCSC and its subsidiary / associated companies are well set to avail potential opportunities arising in the market while coping up with challenges in any probable environment. Given the valuable experience with Lanka Securities Limited, the Company now intends to make long term equity investment in another Sri Lanka based company Ozer Investments Limited to the extent of Rs. 75 Million. The Board of Directors has also recommended to make investment to the extent of Rs. 30 Million in Falcon Commodities (Pvt.) Limited. These investments are subject to approval of shareholders in accordance with provisions of the section 208 of the Companies Ordinance, 1984, which is being obtained in upcoming Annual General Meeting of the Company.

The Company is completing necessary corporate and legal formalities to convert the loans/advances given to Media Times Limited ("MTL") together with any mark-up accrued thereon into ordinary shares of MTL up to the extent of Rs. 425 million at a face value of Rs. 10 per share. This conversion is subject to approval of Shareholders of the Company and MTL in upcoming Annual General Meetings and Securities and Exchange Commission of Pakistan.

#### Board of Directors

There is no change in the composition of Board of Directors of the Company, since the annual report.

#### Acknowledgement

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

For and on behalf of the Board of Directors

**Lahore**  
29 October 2010

**Salmaan Taseer**  
Chairman and Chief Executive Officer

**Aamna Taseer**  
Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2010**

	Un-audited 30 September 2010	Audited 30 June 2010
Note	Rupees	Rupees
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	183,065,997	183,273,208
Long term loans	398,129,002	398,129,002
Investment property	486,292,500	486,292,500
Long term investments	6 12,391,644,538	12,038,134,186
Long term deposits	37,500	37,500
	<u>13,459,169,537</u>	<u>13,105,866,396</u>
<b>Current assets</b>		
Trade debts	2,280,238	1,685,036
Loans and advances	2,275,515	2,280,781
Short term prepayments	211,667	109,796
Taxation recoverable	19,044,624	20,089,212
Other receivables	42,368,051	8,536,201
Investments at fair value through profit and loss	7 98,165,083	128,325,627
Cash and bank balances	8 23,346,844	6,892,246
	<u>187,692,022</u>	<u>167,918,899</u>
<b>Current liabilities</b>		
Current portion of liabilities against assets subject to finance lease	781,740	983,715
Mark up accrued	2,705,126	2,689,748
Short term borrowings - secured	70,205,335	70,329,587
Trade and other payables	264,485,687	240,579,228
	<u>338,177,888</u>	<u>314,582,278</u>
<b>Working capital</b>	<u>(150,485,866)</u>	<u>(146,663,379)</u>
<b>Net assets</b>	<u>13,308,683,671</u>	<u>12,959,203,017</u>
<b>Non current liabilities</b>		
Staff retirement benefits	13,467,434	12,553,457
<b>Contingencies and commitments</b>		
<b>Net capital employed</b>	<u>9 13,295,216,237</u>	<u>12,946,649,560</u>
<b>Represented by:</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up capital	2,878,273,750	2,878,273,750
Reserves	5,161,004,470	4,807,494,118
Unappropriated profit	5,255,938,017	5,260,881,692
	<u>13,295,216,237</u>	<u>12,946,649,560</u>

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

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Quarter ended July-September 2010	Quarter ended July-September 2009
	Rupees	Rupees
<b>Operating revenue</b>		
Unrealized (loss)/gain on remeasurement of short term investments	(23,432,399)	452,228,589
Money market services	2,572,078	4,012,315
(loss)/gain on sale of investments	(217,763)	9,576,926
Rental income from investment property	3,154,105	4,426,541
Dividend income	11,537,676	-
	<u>(6,386,303)</u>	<u>470,244,371</u>
Operating expenses	11,931,970	15,962,021
<b>Operating (loss)/profit</b>	<u>(18,318,273)</u>	<u>454,282,350</u>
Finance and other costs	2,727,709	3,274,284
	<u>(21,045,982)</u>	<u>451,008,066</u>
Other operating income	17,355,061	15,054,254
<b>(Loss)/profit before taxation</b>	<u>(3,690,921)</u>	<u>466,062,320</u>
Taxation	(1,252,754)	(431,078)
<b>(Loss)/profit after taxation</b>	<u>(4,943,675)</u>	<u>465,631,242</u>
<b>(loss) / Earnings per share - basic and diluted</b>	<u>(0.02)</u>	<u>1.62</u>
<b>(2009 : Restated)</b>		

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

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	July-September 2010 Rupees	July-September 2009 Rupees
(loss) / Profit after taxation	(4,943,675)	465,631,242
<b>Other comprehensive income / (loss) for the period</b>		
Unrealized gain on remeasurement of available for sale of financial assets	353,510,352	1,275,381,917
<b>Total comprehensive income for the period</b>	<u>348,566,677</u>	<u>1,741,013,159</u>

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

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Note	30 September 2010 Rupees	30 September 2009 Rupees
<b>Cash flow from operating activities</b>			
(Loss)/ profit before taxation		(3,690,921)	466,062,320
Adjustments for:			
Finance and other costs		2,727,709	3,274,284
Unrealized loss/(gain) on remeasurement of investments at fair value through profit and loss		23,432,399	(452,228,589)
Dividend income		(11,537,676)	-
Depreciation		207,211	225,840
Mark up income		(16,263,061)	(15,054,254)
Provision for staff retirement benefits		913,977	1,085,690
		<u>(519,441)</u>	<u>(462,697,029)</u>
<b>Loss / (profit) before working capital changes (Increase)/decrease in working capital :</b>		<u>(4,210,362)</u>	<u>3,365,291</u>
Trade debts		(595,202)	(1,798,231)
Loans and advances		5,266	(74,660)
Short term prepayments		(101,871)	(171,266)
Other receivables		(6,525,259)	3,314,084
Short term investments-net		6,728,145	53,349,539
Trade and other payables		23,906,459	(47,413,405)
		<u>23,417,538</u>	<u>7,206,061</u>
<b>Cash used in operations</b>		<u>19,207,176</u>	<u>10,571,352</u>
Finance and other costs paid		(2,712,331)	(3,288,387)
Taxes paid		(208,166)	(260,274)
		<u>(2,920,497)</u>	<u>(3,548,661)</u>
<b>Net cash generated from operating activities</b>		<u>16,286,679</u>	<u>7,022,691</u>
<b>Cash flows from investing activities</b>			
Dividend received		25,000	11,800
Long term loans		-	(11,600,000)
Long term deposits		-	50,838
Mark up received		469,146	15,054,254
<b>Net cash generated from investing activities</b>		<u>494,146</u>	<u>3,516,892</u>
<b>Cash flows from financing activities</b>			
Repayment of liabilities against assets subject to finance lease		(201,975)	(158,282)
Short term borrowings		(124,252)	-
<b>Net cash used in financing activities</b>		<u>(326,227)</u>	<u>(158,282)</u>
<b>Net increase in cash and cash equivalents</b>		<u>16,454,598</u>	<u>10,381,301</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>6,892,246</u>	<u>17,279,396</u>
<b>Cash and cash equivalents at the end of the period</b>	12	<u>23,346,844</u>	<u>27,660,697</u>

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

LAHORE  
29 October 2009

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Share capital Rupees	Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total Rupees
<b>Balance as at 01 July 2009</b>	2,502,846,740	2,321,471,026	4,937,087,615	9,761,405,381
<b>Total comprehensive income for the period</b>				
Profit for the period after tax	-	-	465,631,242	465,631,242
<b>Other comprehensive income for the period</b>				
Fair value gain during the period	-	1,275,381,917	-	1,275,381,917
<b>Total comprehensive income for the period</b>	-	1,275,381,917	465,631,242	1,741,013,159
<b>Balance as at 30 September 2009</b>	2,502,846,740	3,596,852,943	5,402,718,857	11,502,418,540
<b>Total comprehensive income for the period</b>				
Loss for the period after tax	-	-	233,589,845	233,589,845
<b>Other comprehensive income for the period</b>				
Fair value loss during the period	-	1,210,641,175	-	1,210,641,175
<b>Total comprehensive income for the period</b>	-	1,210,641,175	233,589,845	1,444,231,020
<b>Distribution to owners</b>				
Issuance of bonus shares	375,427,010	-	(375,427,010)	-
Total transaction with owners	375,427,010	-	(375,427,010)	-
<b>Balance as at 30 June 2010</b>	<u>2,878,273,750</u>	<u>4,807,494,118</u>	<u>5,260,881,692</u>	<u>12,946,649,560</u>
<b>Balance as at 01 July 2010</b>	2,878,273,750	4,807,494,118	5,260,881,692	12,946,649,560
<b>Total comprehensive loss for the period</b>				
Loss for the period after tax	-	-	(4,943,675)	(4,943,675)
<b>Other comprehensive income for the period</b>				
Fair value gain during the period	-	353,510,352	-	353,510,352
<b>Total comprehensive gain for the period</b>	-	353,510,352	(4,943,675)	348,566,677
<b>Balance as at 30 September 2010</b>	<u>2,878,273,750</u>	<u>5,161,004,470</u>	<u>5,255,938,017</u>	<u>13,295,216,237</u>

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

LAHORE: CHAIRMAN AND CHIEF EXECUTIVE OFFICER DIRECTOR  
29 October 2010

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

**1 STATUS AND NATURE OF BUSINESS**

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

**2 BASIS OF PREPARATION**

These condensed interim financial statements are prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Statements" and are being submitted to the shareholders under section 245 of the Companies Ordinance 1984. The condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2010.

**3 ACCOUNTING POLICIES**

Accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended 30 June 2010.

**4 Statement of compliance**

This condensed interim financial information is un-audited and is prepared in accordance with the requirements of approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial information of the Company for the year ended 30 June 2010. This financial information has been presented in accordance with the requirements of International Accounting Standard "IAS 34, Interim Financial Reporting."

These condensed interim financial information comprise of condensed interim balance sheet as at 30 September 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes thereto, for the quarter ended 30 September 2010.

**5 ESTIMATES**

The preparation of condensed interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2010.

	30 September 2010 Rupees	30 June 2010 Rupees
<b>6 LONG TERM INVESTMENTS</b>		
<b>Available for sale</b>		
Subsidiary companies - at cost	152,760,200	152,760,200
Impairment loss	-	-
	<b>152,760,200</b>	152,760,200
Subsidiary company - at fair value	9,340,690,700	7,285,124,924
Unrealized gain on revaluation of available for sale	461,582,770	2,055,565,776
	<b>9,802,273,470</b>	9,340,690,700
Associated companies - at cost	526,340,000	526,340,000
Associated company - at fair value	2,018,343,286	1,587,885,970
Unrealized (loss) / gain on revaluation of available for sale	(108,072,418)	430,457,316
	<b>2,436,610,868</b>	2,544,683,286
	<b>12,391,644,538</b>	12,038,134,186
<b>7 Investment at fair value through profit and loss</b>		
<b>Held for trading</b>		
Related parties	105,762,674	167,980,535
Others	15,834,808	12,762,189
	<b>121,597,482</b>	180,742,724
Unrealised loss on account of remeasurement to fair value during the period	(23,432,399)	(52,417,097)
	<b>98,165,083</b>	128,325,627
<b>8 Cash and bank balances</b>		
Cash in hand	276,550	6,029
Cash at bank		
Current accounts	2,194,915	2,196,619
Deposit accounts	20,875,379	4,689,598
	<b>23,070,294</b>	6,886,217
	<b>23,346,844</b>	6,892,246

8.1 This includes Term Deposit Receipt of Rs. 20,000,000 which is under Lian by a commercial Bank against issuance of bank guarantee given to Karachi Stock Exchange (Guarantee) Limited on behalf of Subsidiary of the company First Capital Equities Limited.

#### 9 Contingencies and commitments

There is no change in contingencies from those disclosed in the published financial statements of the Company for the year ended 30 June 2010.

#### 10 Transactions and balances with related parties

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

#### Subsidiary companies First Capital Equities Limited

	30 September 2010 Rupees	30 September 2009 Rupees
Brokerage / Commission / Loan arrangement fee paid	-	78,300
Mark up income	262,137	-

#### Associated companies Media Times Limited

Mark up income	15,793,915	15,004,362
Long term loan given	-	11,600,000

#### Shaheen Insurance Company Limited

Insurance premium paid	-	64,682
Insurance claim received	6,763	-
Short term investment sold	6,728,145	-

#### 11 Date of authorization for issue

This un-audited condensed interim financial information for the quarter ended 30 September 2010 were authorized for issue on 29 October 2010 by the Board of Directors of the Company.

#### 12 GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2010**

**(Un-Audited)**

## FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP

### DIRECTORS' REVIEW

The Directors of First Capital Securities Corporation Limited ("the Group") are pleased to present un-audited consolidated accounts of the group for the quarter ended 30 September 2010. The Group's performance during the period is summarized below:

<b>Financial Overview</b>	<b>30 September 2010 Rupees</b>	<b>30 September 2009 Rupees</b>
Revenue	245	176
Direct Costs	52	24
Operating Expenses	122	94
Operating Profit	71	57
Unrealized (loss)/gain on re measurement of investment	(41)	144
(Loss)/Profit after Taxation	(106)	94
Non-controlling interest	(19)	(7)
(Loss)/Earnings per Share	(0.30)	0.35

First Capital Equities Limited remained under the bearish trend in the equity market in the current quarter to post an after tax loss of Rs. 106 million as compared to a profit of Rs. 94 million in the same period last year. Earning per share was Rs. (0.3) versus Rs. 0.35 in the corresponding period last year.

First Capital Investments Limited reported net profit of Rs. 0.69 million as compared to a profit of Rs. 13.61 million in the corresponding period last year.

Trident Construct (Pvt.) Limited posted revenues of Rs. 30.02 million versus revenues of Rs. 1.41 million in the same period last year. The after tax loss was reduced to Rs. 9.53 million as compared to loss of Rs. 25.23 million last year.

World Press (Pvt.) Limited earned revenues of Rs. 47.11 million with an after tax profit of Rs. 5.37 million versus after-tax loss of Rs. 41.35 million for the corresponding period last year.

#### FUTURE OUTLOOK

Post the recent floods in the country, Pakistan's economy are expected to continue to struggle on the back of upward revisions in fiscal deficit and inflation and lower GDP growth. Therefore going forward the economic environment will once again become challenging but your Company is confident that it will meet these issues head-on, as it has done in the past.

The Group has diversified investments in media, real estate and financial services businesses, wherein we have experienced management, committed employees & sufficient resources to capitalize on market opportunities as they become available & face any challenges of a competitive environment.

The Board of Directors wishes to express its appreciation and gratitude to the shareholders for their continued support and to the employees for their ongoing dedication and commitment to the Group.

For and on behalf of the Board of Directors

**Lahore**  
29 October 2010

**Salmaan Taseer**  
Chairman and Chief Executive Officer

**Aamna Taseer**  
Director

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2010**

	Note	Un-Audited 30 September 2010 Rupees	Audited 30 June 2010 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		539,404,891	555,848,422
Intangible assets		41,470,000	41,540,000
Long term loans		391,629,002	391,629,002
Investment property		486,292,500	486,292,500
Investment in associates	7	1,321,468,298	1,333,667,651
Long term deposits and advances		12,836,614	14,486,301
Deferred tax assets		458,285	8,296,944
		<u>2,793,559,590</u>	<u>2,831,760,820</u>
<b>Current assets</b>			
Inventories		23,710,896	20,997,607
Trade debts		4,088,823,805	3,372,441,599
Loans and advances		181,246,540	115,992,025
Short term prepayments		7,400,111	5,207,135
Taxation recoverable		3,104,315	16,047,856
Deposits and other receivables		146,738,276	112,749,308
Placements	8	544,352,220	782,093,163
Interest receivable		1,542,343	4,621,218
Short term investments	9	366,221,162	423,810,838
Cash and bank balances		476,486,153	590,197,011
		<u>5,839,625,821</u>	<u>5,444,157,760</u>
<b>Non current assets held for sale</b>			
Investment property		892,418,149	892,418,149
<b>Current liabilities</b>			
Trade and other payables		1,774,117,784	1,505,102,690
Mark up accrued		323,574,753	234,196,161
Liability against repurchase agreement		283,400,000	189,400,000
Short term borrowings	10	1,424,172,688	1,398,112,284
Current portion of liabilities against assets subject to finance lease		12,860,463	17,327,878
Current portion of long term finance		912,345,829	642,400,255
		<u>4,730,471,517</u>	<u>3,986,539,268</u>
<b>Net current assets</b>			
		<u>2,001,572,453</u>	<u>2,350,036,641</u>
<b>Net assets</b>			
		<u>4,795,132,043</u>	<u>5,181,797,461</u>
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		13,924,372	15,028,615
Long term finance	11	1,026,871,520	1,304,817,094
Staff retirement benefits		75,116,462	72,341,571
		<u>1,115,912,354</u>	<u>1,392,187,280</u>
<b>Contingencies and commitments</b>			
<b>Net capital employed</b>			
		<u>3,679,219,689</u>	<u>3,789,610,181</u>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid up capital		2,878,273,750	2,878,273,750
Exchange translation reserve		32,198,297	28,931,874
Reserves capitalised		564,735,308	564,735,308
Unappropriated loss		(470,177,919)	(383,343,079)
<b>Capital and reserves attributable to equity holders of the parent company</b>			
		<u>3,005,029,436</u>	<u>3,088,597,853</u>
Non-controlling interest		674,190,253	701,012,328
		<u>3,679,219,689</u>	<u>3,789,610,181</u>

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Quarter ended July-September 2010 Rupees	Quarter ended July-September 2009 Rupees
Revenue	245,102,335	175,723,160
Direct costs	52,353,425	24,464,541
<b>Gross profit</b>	<u>192,748,910</u>	<u>151,258,619</u>
Operating expenses	122,115,245	93,939,479
<b>Operating profit</b>	<u>70,633,665</u>	<u>57,319,140</u>
Other income	31,071,367	22,037,221
	<u>101,705,032</u>	<u>79,356,361</u>
Finance costs	121,781,246	128,301,384
	<u>(20,076,214)</u>	<u>(48,945,023)</u>
Share of (loss)/profit of associated companies	(12,199,353)	7,548,273
Unrealized (loss)/gain on remeasurement of short term investments	(40,552,943)	143,602,937
<b>(Loss) / profit before taxation</b>	<u>(72,828,510)</u>	<u>102,206,187</u>
Taxation	32,976,152	8,106,147
<b>(Loss) / profit after taxation</b>	<u>(105,804,662)</u>	<u>94,100,040</u>
<b>(Loss)/earnings per share - basic and diluted (2009 : restated)</b>	<u>(0.30)</u>	<u>0.35</u>
<b>Loss attributable to:</b>		
-Parent company	(86,834,840)	100,972,453
-Non-controlling interest	(18,969,822)	(6,872,413)
	<u>(105,804,662)</u>	<u>94,100,040</u>

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

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	July-September 2010 Rupees	July-September 2009 Rupees
(Loss) / profit after taxation	(105,804,662)	94,100,040
<b>Other comprehensive income for the period</b>		
Exchange translation difference recognized as :		
- Currency translation reserve	3,138,328	2,839,937
- Non controlling interest	3,266,423	2,955,855
<b>Total comprehensive (loss) / income for the period</b>	<u>(99,399,911)</u>	<u>99,895,832</u>
<b>Loss attributable to:</b>		
-Parent company	(83,696,512)	103,812,390
-Non-controlling interest	(15,703,399)	(3,916,558)
	<u>(99,399,911)</u>	<u>99,895,832</u>

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010  
(UN-AUDITED)**

	Quarter ended 30 September 2010 Rupees	Quarter ended 30 September 2009 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(72,828,510)	102,206,187
Adjustments for:		
Depreciation	18,110,430	17,135,765
Finance cost	119,350,860	127,326,753
Loss / (gain) on remeasurement of short term investments	40,552,943	(143,602,937)
Dividend income	(98,500)	(54,600)
Amortization of intangible assets	70,000	70,000
Gain on disposal of property, plant and equipment	(6,257)	(88,000)
Exchange translation difference	5,016,431	5,795,794
Retirement benefits	5,224,987	5,055,374
Share of loss/(profit) of associated companies	12,199,353	(7,548,273)
Mark up income	(53,523,469)	(83,950,158)
	<u>146,896,778</u>	<u>(79,860,282)</u>
<b>Profit before working capital changes</b>	<b>74,068,268</b>	<b>22,345,905</b>
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	(2,713,289)	(4,192,267)
Trade debts	(716,382,206)	(22,588,193)
Loans and advances	(65,254,515)	(42,275,508)
Short term prepayments	(2,192,976)	926,920
Deposits and other receivables	(33,915,468)	16,832,901
Short term investments - net	17,036,733	18,131,521
Placements	237,740,943	50,463,192
Interest receivable	(15,793,916)	-
Increase/(decrease) in:		
Trade and other payables	269,015,094	116,904,090
Liability against repurchase agreement	94,000,000	(9,000,430)
Short term borrowings	26,060,404	(53,569,645)
	<u>(192,399,196)</u>	<u>71,632,581</u>
Cash (used in)/generated from operations	<u>(118,330,928)</u>	<u>93,978,486</u>
Long term deposits and advances	1,649,687	(7,687,812)
Retirement benefits paid	(2,450,096)	(2,248,605)
Finance costs paid	(29,972,268)	(93,577,241)
Taxes received/(paid)	20,782,200	(6,850,325)
<b>Net cash used in operating activities</b>	<b>(128,321,405)</b>	<b>(16,385,497)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(2,575,642)	(3,234,270)
Sale proceeds of property, plant and equipment	915,000	298,852
Dividend received	25,000	66,400
Investment in associates	-	(98,802,000)
Long term Loans	-	(11,600,000)
Mark up received	40,808,428	86,967,973
<b>Net cash generated/(used in) from investing activities</b>	<b>39,172,786</b>	<b>(26,303,045)</b>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease	(5,571,658)	(4,441,779)
Long term finance	(8,000,000)	(8,000,000)
Dividend paid to minority	(10,990,581)	-
<b>Net cash used in financing activities</b>	<b>(24,562,239)</b>	<b>(12,441,779)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(113,710,858)</b>	<b>(55,130,321)</b>
<b>Cash and cash equivalents in the beginning of the period</b>	<b>590,197,011</b>	<b>240,064,605</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>476,486,153</b>	<b>184,934,284</b>

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

LAHORE  
29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED - GROUP  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Attributable to equity holders of the Parent company						Total Equity Rupees
	Share capital Rupees	Reserves capitalised Rupees	Currency translation reserves Rupees	Unappropriated profit/(loss) Rupees	Total Rupees	Non-controlling interest Rupees	
<b>Balance as at 01 July 2009</b>	2,502,946,740	538,699,000	20,446,958	203,729,987	3,265,722,643	776,538,194	4,044,298,837
Total comprehensive income for the period (Loss)/profit for the period after tax	-	-	-	100,972,463	100,972,463	(6,872,413)	94,100,040
Other comprehensive income for the period	-	-	2,955,855	-	2,955,855	2,859,837	5,795,792
Exchange translation difference recognized directly in equity	-	-	2,955,855	-	2,955,855	-	2,955,855
<b>Total comprehensive income/(loss) for the period</b>	-	-	2,955,855	100,972,463	103,928,308	(4,032,476)	99,895,832
<b>Balance as at 30 September 2009</b>	2,502,946,740	538,699,000	23,402,791	304,702,420	3,369,650,851	774,503,718	4,144,154,569
Total comprehensive income for the period	-	-	-	(286,582,161)	(286,582,161)	(42,489,555)	(329,071,786)
Loss for the period after tax	-	-	-	(286,582,161)	(286,582,161)	-	(286,582,161)
Other comprehensive income for the period	-	-	5,529,083	-	5,529,083	5,312,258	10,841,341
Exchange translation difference recognized directly in equity	-	-	5,529,083	-	5,529,083	-	5,529,083
<b>Total comprehensive income/(loss) for the period</b>	-	-	5,529,083	(286,582,161)	(281,053,068)	(37,167,297)	(318,210,365)
Distribution to owners	375,427,010	-	-	(375,427,010)	-	-	-
Issuance of bonus shares	-	26,096,308	-	(26,096,309)	-	(96,334,089)	(96,334,089)
Dividend paid	-	-	-	-	-	-	-
Issue of bonus shares by subsidiary	-	26,096,308	-	(26,096,309)	-	-	-
Issue of bonus shares by subsidiary	-	-	-	(401,463,318)	-	(96,334,089)	(96,334,089)
<b>Total transaction with owners</b>	375,427,010	26,096,308	-	(401,463,318)	-	(96,334,089)	(96,334,089)
<b>Balance as at 30 June 2010</b>	2,878,273,750	564,795,308	23,831,874	(383,343,079)	3,083,557,853	701,072,328	3,786,610,181
<b>Balance as at 01 July 2010</b>	2,878,273,750	564,795,308	23,831,874	(383,343,079)	3,083,557,853	701,072,328	3,786,610,181
Total comprehensive income for the period	-	-	-	(68,834,840)	(68,834,840)	(18,989,822)	(108,804,662)
Loss for the period after tax	-	-	-	(68,834,840)	(68,834,840)	-	(68,834,840)
Other comprehensive income for the period	-	-	3,289,423	-	3,289,423	3,138,326	6,404,751
Exchange translation difference recognized directly in equity	-	-	3,289,423	-	3,289,423	-	3,289,423
<b>Total comprehensive income/(loss) for the period</b>	-	-	3,289,423	(68,834,840)	(65,545,417)	(15,851,494)	(89,389,811)
Distribution to owners	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
<b>Total transaction with owners</b>	-	-	-	-	-	(10,990,581)	(10,990,581)
<b>Balance as at 30 September 2010</b>	2,878,273,750	564,795,308	32,192,297	(470,177,919)	3,005,093,436	674,190,233	3,679,219,669

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

LAHORE: 29 October 2010

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

**1. Status and nature of business**

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

**2. Basis of preparation**

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

**3. Accounting policies**

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended 30 June 2010.

These condensed interim financial information comprise of condensed interim balance sheet as at 30 September 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity, and notes thereto, for the quarter ended 30 September 2010.

**4. Statement of compliance**

This condensed interim financial information is un-audited, and are prepared in accordance with the requirements of approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial information of the Company for the year ended 30 June 2010. This financial information has been presented in accordance with the requirements of International Accounting Standard "IAS 34, Interim Financial Reporting."

These condensed interim financial information comprise of condensed interim balance sheet as at 30 September 2010 and the related condensed interim income statement, condensed interim statement of comprehensive, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes thereto, for the quarter ended 30 September 2010.

**5. Estimates**

The preparation of condensed interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to in the financial statements for the year ended 30 June 2010.

## 6. Subsidiary companies

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

	Percentage of Holding	
	30 September 2010	30 June 2010
First Capital Investments Limited	76.56	76.56
Lanka Securities (Pvt.) Limited, Sri Lanka	51	51
World Press (Pvt.) Limited	65	65
First Capital Equities Limited (FCEL)	67.29	67.29
Trident Construct (Pvt.) Limited	51	51
Ever green Water Valley (Pvt.) Limited	51	51

## 7. Investment in associates

	30 September 2010 Rupees	30 June 2010 Rupees
Opening balance	1,333,667,651	856,991,798
Add: Acquisition of additional shares	-	466,274,645
Share of (loss)/profit	(12,199,353)	10,401,208
Closing balance	<u>1,321,468,298</u>	<u>1,333,667,651</u>

## 8. Placements

Securities purchased under the resale agreements of quoted shares - Others	544,352,220	782,093,163
	<u>544,352,220</u>	<u>782,093,163</u>

## 9. Short term investments

Investments measured at fair value through profit and loss account	30 September 2010	30 June 2010
Carrying amount of investments	406,774,105	500,777,210
Un-realised loss on remeasurement of investments	(40,552,943)	(76,966,372)
	<u>366,221,162</u>	<u>423,810,838</u>

## 10. Short term borrowings

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 1,625 million (June 2010: Rs 4,440 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 3% to 5 % per annum payable quarterly (June 2009: 2.5 % to 5 % per annum) with no floor and cap limits (June 2009: 14.49% to 19.52% per annum). These are secured against pledge of quoted equity securities.

	30 September 2010 Rupees	30 June 2010 Rupees
Term finance facility	1,939,217,349	1,947,217,349
Less: Current portion shown under current liability	(912,345,829)	(642,400,255)
Long term portion	<u>1,026,871,520</u>	<u>1,304,817,094</u>

During the period the FCEL has entered into an agreement with United Bank Limited to restructure the NICF facility into NIDF facility with a flat mark up rate of 8 % p.a and with Askari Commercial Bank Limited to convert the liability of Rs. 430 million against Repurchase agreement into Term Finance

Facility with a mark up rate of 6 months kibar plus 2.5 % p.a payable bi-annually. These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. This also includes an amount of Rs. 6,500,000 as unsecured long term loan from parent company carrying mark-up at the rate of 3 months Kibar plus 3 % per annum, payable on quarterly basis (2009 : NIL).

## 12. Contingencies and commitments

There is no significant change in contingencies and commitments disclosed in the annual audited consolidated financial statements for the year ended June 30, 2010 except for the following:

### First Capital Equities Limited

During the period an irrevocable guarantee of Rs. 20 million has been given to Karachi Stock Exchange (Guarantee) Limited against exposure by a commercial bank. This guarantee is secured against lien marked on a bank balance of parent company.

	30 September 2010 Rupees	30 June 2010 Rupees
<b>Commitments</b>		
Capital Expenditure	239,830,434	239,830,434
Sale of Shares	17,385,330	96,730,665
Purchase of shares	86,848,521	96,344,449
<b>Performance Guarantees</b>	1,297,108	17,685,635
	<u>345,361,393</u>	<u>450,591,183</u>

## 12. Transactions with related parties

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

	30 September 2010 Rupees	30 September 2009 Rupees
<b>Associated companies</b>		
<b>FCMF</b>		
Income from financial consultancy services	1,195,856	1,191,271
<b>Media Times Ltd</b>		
Mark up income	15,793,915	15,004,362
Long term loan given	-	11,600,000
<b>Shaheen Insurance Company Limited</b>		
Insurance premium paid	-	64,682
Insurance claim received	6,763	-
Short term investment sold	6,728,145	-

## 14. Date of authorization for issue

These un-audited condensed interim consolidated financial information for the quarter ended 30 September 2010 were authorized for issue on 29 October 2010 by the Board of Directors of the Parent Company.

## 15. GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
29 October 2010

DIRECTOR