



FIRST CAPITAL SECURITIES CORPORATION LIMITED
Quarterly Accounts
(Un-Audited)
31 March 2003

Company Information

Board of Directors

Salmaan Taseer
Lt. Gen. (R) Hamayun Khan Bangash
Mumtaz H Syed
Muhammad Ashraf Ali
Suliaman Ahmad Said Al-Hoqani
Sardar Ali Wattoo
Fazeel Asif Jah

Chairman and Chief Executive Officer

Chief Financial Officer

Sardar Ali Wattoo

Audit Committee

Lt. Gen. (R) Hamayun Khan Bangash
Mumtaz H Syed
Fazeel Asif Jah

Chairman
Member
Member

Company Secretary

Sardar Ali Wattoo

Auditors

Taseer Hadi Khalid & Co.
Chartered Accountants

Legal Advisors

Intiaz Siddiqui & Associates

Bankers

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

Custodian

Prime Commercial Bank Limited

Registrar and Share Transfer Office

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

Registered Office/head Office

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

DIRECTORS' REPORT

The Board of Directors are pleased to present the un-audited accounts of First Capital Securities Corporation Limited (the "Company") for the period ended March 31, 2003.

Company's Performance

During the quarter under review, the Company posted operating revenue of Rs. 4.8 million as compared to operating revenue of Rs. 6.5 million in the previous quarter. The after-tax profit is Rs. 4.77 million as compared to Rs. 17.47 million in the corresponding period last year. The EPS for the current period is Rs. 0.14 against Rs. 0.51 for the same period last year.

Amongst the associated companies, WorldCALL Communications Limited (WCL) posted an after-tax profit of Rs.23.1 million as compared to a net profit of Rs. 28.9 million in the corresponding period last year. WCL also announced an interim bonus of 25% in January 2003. WCL's subsidiary, WorldCALL Phonecards Limited had an after-tax profit of Rs. 7.4 million compared to an after-tax profit of Rs. 7.5 million in the corresponding quarter last year. Pace (Pakistan) Ltd. reported an after-tax profit of Rs. 0.296 million in the current quarter after having a loss in the previous quarter of the current financial year. This was due to the fact that the operations of the company had been suspended till September 30, 2002 while reconstruction work was being carried out. Now that Pace has been opened with a new and improved image, it is showing a positive trend in sales and appreciation in the value of its property. Shaheen Insurance Company Limited announced a cash dividend @ 12.5% for the year ended December 31, 2002. In the current quarter, Shaheen Insurance had an after-tax profit of Rs. 2.985 million as compared to an after-tax profit of Rs. 2.430 million in the corresponding period last year.

Equity Brokerage business companies performed well and secured handsome gains in Pakistan and Sri Lanka as well. First Capital Equities Limited recorded a net profit of Rs. 10.179 million, bringing the net profit for the nine months to Rs.24.260 million with a cumulative EPS of Rs. 2.02 per share. Lanka Securities (Pvt.) Ltd. also earned good profits of Lankan Rs. 3.160 million in the first quarter of its current financial year. Further Lanka Securities declared a final cash dividend @ 15% for the year ended December 31, 2002.

Future Outlook

We remain hopeful for the future of the capital markets in the country given the continuing efforts by SECP to bring local markets at par with the international standards. Expected new listings on the stock market are likely to generate more public interest. The stock market, though turbulent in this quarter, later stabilized and headed for recovery. The overall macroeconomic environment remained conducive and a decline in T-bill yields made the stock market even more attractive. It is therefore anticipated that brokerage operations will continue to perform even better. The Telecom Policy is expected to be announced in the near future which will benefit the Telecom and IT business of the Company. The investment climate is expected to improve and lead to increased opportunities in both the financial and telecom side of the business.

For and on behalf of the Board of Directors

Lahore
29-Apr-03

Salmaan Taseer
Chairman & Chief Executive

FIRST CAPITAL SECURITIES CORPORATION LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2003

	Note	March 31, 2003 Rupees	June 30, 2002 Rupees
ASSETS			
OPERATING FIXED ASSETS		8,351,129	8,874,599
LONG TERM INVESTMENTS		418,738,369	239,284,276
INVESTMENT IN PROPERTY		71,193,548	-
LONG TERM DEPOSITS		907,050	829,750
		<u>499,190,096</u>	<u>248,988,625</u>
CURRENT ASSETS			
Marketable securities		71,245,667	190,870,498
Advance for purchase of shops		-	57,684,000
Advances, deposits, prepayments and other receivables		53,903,123	43,537,512
Accounts receivable		25,646,952	28,408,055
Cash and bank balances		21,029,494	26,754,166
		<u>171,825,236</u>	<u>347,254,231</u>
CURRENT LIABILITIES			
Current portion of obligations under finance lease		678,941	855,231
Creditors, accrued and other liabilities		69,221,692	36,102,903
Provision for taxation		8,504,026	7,928,925
Unclaimed dividend		13,350,825	13,497,072
		<u>91,755,484</u>	<u>58,384,131</u>
WORKING CAPITAL		<u>80,069,752</u>	<u>288,870,100</u>
NET CURRENT ASSETS		<u>579,259,848</u>	<u>537,858,725</u>
DEFERRED LIABILITY FOR STAFF RETIREMENT GRATUITY		1,758,703	1,684,273
OBLIGATIONS UNDER FINANCE LEASE		1,372,885	1,033,736
CONTINGENCIES AND COMMITMENTS	6	-	-
NET CAPITAL EMPLOYED		<u>576,128,260</u>	<u>535,140,716</u>
REPRESENTED BY:			
SHAREHOLDERS' EQUITY			
Share capital		339,946,200	339,946,200
Share premium		2,643,800	2,643,800
Unappropriated profit		233,538,260	192,550,716
		<u>576,128,260</u>	<u>535,140,716</u>

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

These financial statements were authorised for issue by the Board of Directors on 29 April 2003.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2003

	2003		2002	
	Jan - March 3-Months	Year to date 9-Months	Restated	
			Jan - Mar 3-Months	Year to date 9-Months
	Rupees	Rupees	Rupees	Rupees
OPERATING REVENUE				
Financial advisory services fee	-	4,915,000	600,000	600,000
Money market income	2,433,027	8,033,016	2,651,420	7,852,954
Capital (loss)/ gain on investments	(793,390)	396,890	1,709,116	12,500,693
Dividend income	3,223,987	4,631,987	441,000	19,477,688
	<u>4,863,624</u>	<u>17,976,893</u>	<u>5,401,536</u>	<u>40,431,335</u>
OPERATING EXPENSES	<u>5,435,490</u>	<u>20,614,592</u>	<u>6,662,990</u>	<u>18,301,737</u>
OPERATING (LOSS) / PROFIT	<u>(571,866)</u>	<u>(2,637,699)</u>	<u>(1,261,454)</u>	<u>22,129,598</u>
FINANCIAL CHARGES	<u>1,001,647</u>	<u>2,553,085</u>	<u>786,002</u>	<u>1,676,686</u>
	<u>(1,573,513)</u>	<u>(5,190,784)</u>	<u>(2,047,456)</u>	<u>20,452,912</u>
OTHER INCOME				
Mark up income	701,939	4,325,808	2,076,792	7,265,313
Exchange loss	(1,937)	(29,230)	(2,490)	(69,865)
Gain on sale of fixed assets	-	267,693	-	-
Gain on sale of investment in property	-	2,496,000	-	-
Rent income	1,666,289	3,064,979	-	-
Miscellaneous income	27,127	49,617	14,813	26,813
	<u>2,393,418</u>	<u>10,174,867</u>	<u>2,089,115</u>	<u>7,222,261</u>
	<u>819,905</u>	<u>4,984,083</u>	<u>41,659</u>	<u>27,675,173</u>
Share in profit of associated and subsidiary companies	9,332,548	39,440,980	(1,608,583)	17,988,791
Unrealized gain on revaluation of investments in property	-	15,963,000	-	-
Unrealized (loss)/gain on remeasurement of marketable :	(5,350,668)	(2,578,018)	19,535,756	36,082,003
PROFIT BEFORE TAXATION	<u>4,801,785</u>	<u>57,810,045</u>	<u>17,968,832</u>	<u>81,745,967</u>
Taxation	<u>24,132</u>	<u>575,101</u>	<u>500,000</u>	<u>1,500,000</u>
PROFIT AFTER TAXATION	<u>4,777,653</u>	<u>57,234,944</u>	<u>17,468,832</u>	<u>80,245,967</u>
Earning per share- Basic	<u>0.14</u>	<u>1.68</u>	<u>0.51</u>	<u>2.36</u>

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2003

	<u>2003</u>	<u>2002</u>
	Rupees	Rupees Restated
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	57,810,045	81,745,967
Adjustments for:		
Mark-up expense	1,490,116	1,025,543
Share in profit of associated and subsidiary companies	(39,440,980)	(17,988,791)
Unrealized loss/(gain) on remeasurement of marketable securities	2,578,018	(36,082,003)
Depreciation	1,262,663	1,498,895
Gain on sale of fixed assets	(267,693)	-
Provision for gratuity	390,430	326,500
	<u>(33,987,446)</u>	<u>(51,219,856)</u>
	23,822,599	30,526,111
(Increase)/decrease in current assets		
Marketable securities	117,046,813	(13,017,725)
Accounts receivable	2,761,103	(9,406,176)
Advances, deposits, prepayments and other receivables	(22,394,275)	(11,625,239)
	97,413,641	(34,049,140)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	33,118,789	(30,931,628)
Cash generated from operations	154,355,029	(34,454,657)
Gratuity paid	(316,000)	(2,858,440)
Mark-up paid	(1,490,116)	(1,025,543)
Tax paid	(1,480,884)	(10,186)
NET CASH FLOW FROM OPERATING ACTIVITIES	151,068,029	(38,348,826)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(1,356,500)	(1,207,900)
Proceeds from sale of fixed assets	885,000	-
Long term investments	(156,260,513)	(2,624,730)
Long term deposits	(77,300)	(280,500)
NET CASH FLOW FROM INVESTING ACTIVITIES	(156,809,313)	(4,113,130)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(146,247)	(8,015)
Proceeds from finance leases	1,129,000	1,110,000
Repayment against lease finance	(966,141)	(3,393,468)
NET CASH FLOW FROM FINANCING ACTIVITIES	16,612	(2,291,483)
NET DECREASE IN CASH AND BANK BALANCES	(5,724,672)	(44,753,439)
CASH AND BANK BALANCE AT THE BEGINNING OF THE PERIOD	26,754,166	47,454,229
CASH AND BANK BALANCE AT THE END OF THE PERIOD	21,029,494	2,700,790

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2003**

	Share Capital Rupees	Share Premium Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 30 June 2001 (as previously reported)	339,946,200	2,643,800	65,848,432	408,438,432
Profit reported for the period ended 31 March 2002 (as previously reported)	-	-	59,665,898	59,665,898
Effect of change in accounting policy due to :				
-Applying equity method on investments in associates and subsidiaries	-	-	17,988,791	17,988,791
-Applying IAS-39 on investments held for trading	-	-	4,091,278	4,091,278
	-	-	22,080,069	22,080,069
Restated profit for the period ended March 31, 2002	-	-	81,745,967	81,745,967
Balance as at March 31,2002-Restated	<u>339,946,200</u>	<u>2,643,800</u>	<u>147,594,399</u>	<u>490,184,399</u>
Balance as at 30 June 2002	339,946,200	2,643,800	192,550,716	535,140,716
Net profit for the period ended 31 March 2003	-	-	57,234,944	57,234,944
Adjustment of profits of an associated company on adoption of IAS-12	-	-	(16,247,400)	(16,247,400)
Balance as at 31 March 2003	<u>339,946,200</u>	<u>2,643,800</u>	<u>233,538,260</u>	<u>576,128,260</u>

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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

1. First Capital Securities Corporation Limited (“the company”) was incorporated in Pakistan on 11 April 1994 as a public limited company under the Companies Ordinance, 1984 and listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated at Gulberg, Lahore. The principal activities of the company include sale and purchase of shares, consultancy services, money market operations, underwriting, placements etc.
2. These accounts have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and as per the requirements of International Accounting Standards (IAS) -34 “Interim Financial Reporting”.
3. Accounting policies adopted for the preparation of these accounts are the same as those applied in preparation of the preceding annual accounts of the company for the year ended June 30, 2002 except for the changes as mentioned in notes 3.1 and 3.2 below:

- 3.1 SECP has approved the adoption of International Accounting Standard: IAS – 40 “Investment Property” for financial statements covering periods beginning on or after January 1, 2002.

Properties held for long-term rental yields, which is not occupied by the company has accordingly been classified as investment properties in accordance with the requirements of this IAS. These properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out annually.

Previously, these were appearing in Advance for purchase of shops. Due to the adoption of this IAS, the profit after taxation for the period has increased by Rs.15,963,000.

- 3.2 The company has adopted IAS-12 “Income Taxes” (revised) during the period. The adoption of this standard has had no effect on the profit for the period.

4. TRANSACTIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES

	31-Mar 2003 Rupees	31-Mar 2002 Rupees
Transaction of shares		
- Purchases	192,940,160	51,538,805
- Sales	204,123,350	76,274,982
Payments for/against current accounts	54,142,026	49,737,600
Consultancy fee charged	4,915,000	-
Mark up charged	323,435	6,353,569
Dividend from associated companies	-	19,036,688

All transaction with associated and subsidiary companies were on an arm’s length basis.

5. CONTINGENCIES AND COMMITMENTS

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2002 except for the following:

- 5.1 The Securities and Exchange Commission of Pakistan has raised demand of Rs. 0.823 million in respect of tender able 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. The company is contesting this matter and is confident of a favourable outcome.

6. GENERAL

- 6.1 Figures have been rounded off to the nearest rupee.
- 6.2 The company adopted IAS-39 in its accounts for the year ended 30 June 2002. Further the company also changed its policy for accounting for its investment in associated and subsidiary companies from the cost method to the equity method.

The corresponding figures of the profit and loss account, cash flow statement and statement of changes in equity have been restated for having uniform accounting policies throughout the year ended 30 June 2002.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET (Un-audited)
AS AT 31 MARCH 2003

	<u>NOTE</u>	<u>March 31, 2003</u>	<u>June 30, 2002</u>
		<u>RUPEES</u>	<u>RUPEES</u>
ASSETS			
OPERATING FIXED ASSETS		48,068,301	49,202,965
NEGATIVE GOODWILL		(78,109,056)	(89,695,327)
COST OF CARDS AND ROOMS		56,200,000	56,200,000
LONG TERM INVESTMENTS		381,689,302	214,403,154
INVESTMENTS IN PROPERTIES		71,193,548	-
LONG TERM DEPOSITS		5,423,022	6,093,999
		<u>484,465,117</u>	<u>236,204,791</u>
CURRENT ASSETS			
Marketable securities		71,419,287	161,537,100
Advance for purchase of shop		-	57,684,000
Advances, deposits, prepayments and other receivables		96,283,090	70,734,406
Accounts receivables		260,835,457	74,735,123
Cash and bank balances		58,907,988	84,253,296
		487,445,823	448,943,925
CURRENT LIABILITIES			
Current portion of obligations under finance lease		766,567	2,718,155
Short term running finances-secured		1,624,644	15,664,182
Creditors, accrued and other liabilities		322,481,395	102,510,469
Provision for taxation		10,636,457	11,194,666
Unclaimed dividend		13,350,825	13,497,072
		<u>348,859,889</u>	<u>145,584,544</u>
NET CURRENT ASSETS		138,585,934	303,359,381
DEFERRED LIABILITY FOR STAFF RETIREMENT GRATUITY		6,775,791	6,168,355
OBLIGATIONS UNDER FINANCE LEASE		2,960,020	1,686,674
CONTINGENCIES AND COMMITMENTS	5	-	-
NET CAPITAL EMPLOYED		<u>613,315,241</u>	<u>531,709,143</u>
REPRESENTED BY:			
SHAREHOLDERS' EQUITY			
Share capital		339,946,200	339,946,200
Share premium		2,643,800	2,643,800
Unappropriated profit		203,108,159	143,594,896
		545,698,159	486,184,896
MINORITY INTEREST		67,617,082	45,524,247
		<u>613,315,241</u>	<u>531,709,143</u>

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

These financial statements were authorized by the Board of Directors on 29 April 2003.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2003

	2003		2002	
	Jan - March 3-Months	Year to date 9-Months	Jan - March 3-Months	Year to date 9-Months
	Rupees	Rupees	Rupees	Rupees
REVENUES	34,936,650	101,323,475	48,465,236	156,820,976
DIRECT COSTS	-	-	10,338,734	28,324,417
GROSS PROFIT	34,936,650	101,323,475	38,126,502	128,496,559
OPERATING COSTS	24,414,568	86,304,885	31,460,181	97,918,802
OPERATING PROFIT	10,522,082	15,018,590	6,666,321	30,577,757
OTHER INCOME	3,226,568	18,096,435	3,589,822	14,293,075
	13,748,650	33,115,025	10,256,143	44,870,832
FINANCIAL CHARGES	989,491	3,291,544	1,288,738	6,684,995
	12,759,159	29,823,481	8,967,405	38,185,837
Gain on revaluation of investment properties	-	15,963,000	-	-
Reversal of diminition in value of marketable securities	-	-	-	3,561,447
Surplus on revaluation of marketable securities	(5,470,270)	755,118	26,428,866	26,428,866
Share in profit of associated companies	3,061,525	22,397,319	6,722,071	28,832,092
PROFIT BEFORE TAXATION	10,350,414	68,938,918	42,118,342	97,008,242
Provision for taxation	153,132	914,249	604,648	2,116,628
PROFIT AFTER TAXATION	10,197,282	68,024,669	41,513,694	94,891,614
MINORITY INTEREST	(1,015,475)	(7,277,400)	(4,025,502)	(7,797,150)
PROFIT ATTRIBUTABLE TO HOLDING COMPANY	9,181,807	60,747,269	37,488,192	87,094,464
Earning per share-Basic	0.27	1.79	1.10	2.56

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED CASH FLOW STATEMENT (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2003

	<u>2003</u>	<u>2002</u>
	RUPEES	RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	68,938,918	97,008,242
Adjustments for:		
Depreciation	4,739,477	18,990,874
Amortization	-	2,535,111
Gain on disposal of assets	(864,773)	(480,702)
Share of profit of associated companies	(22,397,319)	(28,832,092)
Adjustment for dilution in First Capital Equities Limited	-	1,271,721
Bad debts written back	(1,838,133)	-
Reversal of provision for diminution in value of marketable securities	-	(3,561,447)
Surplus on revaluation of securities	(755,118)	(26,428,866)
Gain on revaluation of investment properties	(15,963,000)	-
Provision for gratuity	1,867,563	2,228,780
	(35,211,303)	(34,276,621)
Adjustments for working capital items		
Increase in stock in trade	-	(848,967)
Decrease/(increase) in marketable securities	90,117,813	(4,491,918)
Increase in advances, deposits, prepayments and other receivables	(28,261,260)	(66,282,807)
Increase in accounts receivables	(186,100,334)	-
Increase/(Decrease) in creditors, accrued and other liabilities	219,970,926	(21,471,696)
	95,727,145	(93,095,388)
Cash inflow/(out flow) from operating activities	129,454,759	(30,363,768)
Gratuity paid	(1,180,700)	-
Tax paid	(2,953,342)	(782,600)
Net cash inflow/(outflow) from operating activities	125,320,717	(31,146,368)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(6,306,336)	(49,882,500)
Increase in capital work in progress	-	27,376,853
Investments in property	(71,193,548)	-
Investments in shops	57,684,000	-
Sale proceeds of fixed assets	3,566,296	1,019,499
Sale proceeds of partial disposal of subsidiary	19,080,000	23,855,000
Increase in long term investments	(156,260,513)	(20,819,906)
Net cash used in investing activities	(153,430,101)	(18,451,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from lease finance facilities	678,242	(15,304,724)
Dividend paid	(146,247)	-
Increase/(decrease) in long term loans and deposits	607,436	(657,763)
Net cash inflow/(outflow) from financing activities	1,139,431	(15,962,487)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,969,952)	(65,559,909)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	84,253,296	121,494,775
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	57,283,344	55,934,866
CASH AND CASH EQUIVALENTS		
Cash and bank balances	58,907,988	71,873,285
Short term running finance	(1,624,644)	(15,938,419)
	57,283,344	55,934,866

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND RESERVES (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2003

	Issued, subscribed and paid up capital	Share premium	Unappropriated Profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2001	339,946,200	2,643,800	75,172,351	417,762,351
Profit for the period	-	-	87,094,464	87,094,464
Adjustment of dilution of investment in First Capital Equities Limited	-	-	1,271,721	1,271,721
Adjustment for exchange difference	-	-	(727,352)	(727,352)
Balance as at 31 March 2002	<u>339,946,200</u>	<u>2,643,800</u>	<u>162,811,184</u>	<u>505,401,184</u>
Profit for the period	-	-	(22,913,848)	(22,913,848)
Adjustment of dilution of investment in WorldCALL Phonecards Limited and WorldCALL Communications Limited	-	-	3,801,880	3,801,880
Adjustment for exchange difference	-	-	(104,320)	(104,320)
Balance as at 30 June 2002	<u>339,946,200</u>	<u>2,643,800</u>	<u>143,594,896</u>	<u>486,184,896</u>
Profit for the period	-	-	60,747,269	60,747,269
Adjustment of Dilution of investment in First Capital Equities Limited	-	-	15,204,897	15,204,897
Adjustment of profits of an associated company on adoption of IAS-12	-	-	(16,247,400)	(16,247,400)
Adjustment for exchange difference	-	-	(191,503)	(191,503)
Balance as at 31 March 2003	<u><u>339,946,200</u></u>	<u><u>2,643,800</u></u>	<u><u>203,108,159</u></u>	<u><u>545,698,159</u></u>

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (Un-audited)
FOR THE PERIOD ENDED 31 MARCH 2003

1. STATUS AND NATURE OF BUSINESS

First Capital Securities Corporation Limited (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 company is situated at Gulberg, Lahore. The principal activities of the parent company include sale and purchase of shares, consultancy services, money market operations, underwriting, placements etc.

2. BASIS OF PREPARATION

These accounts have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and as per the requirements of International Accounting Standards (IAS)-34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the annual audited accounts of the company for the year ended June 30, 2002 for the changes as mentioned in notes 3.1 and 3.2 below:

- 3.1 SECP has approved the adoption of International Accounting Standard: IAS – 40 "Investment Property" for financial statements covering periods beginning on or after January 1, 2002.

Properties held for long-term rental yields, which is not occupied by the company has accordingly been classified as investment properties in accordance with the requirements of this IAS. These properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out annually.

Previously, these were appearing in Advance for purchase of shops. Due to the adoption of this IAS, the profit after taxation for the period has increased by Rs.15,963,000.

- 3.2 The company has adopted IAS-12 "Income Taxes" (revised) during the period. The adoption of this standard has had no effect on the profit for the period.

4 SUBSIDIARY COMPANIES

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

	<u>Percentages of Holding</u>	
	<u>March 31,</u> <u>2003</u>	<u>June 30,</u> <u>2002</u>
First Capital Equities Limited	67.40%	77.39%
Lanka Securities (Pvt.) Limited, Sri Lanka	51.00%	51.00%
First Capital Investments (Pvt.) Limited	65.79%	65.79%
First Capital Associates (Pvt.) Limited	100.00%	100.00%

5 CONTINGENCIES AND COMMITMENTS

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2002 except for the following:

5 First Capital Securities Corporation Limited - the parent company

The Securities and Exchange Commission of Pakistan has raised demand of Rs. 0.823 million in respect of tender able 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. The company is contesting this matter and is confident of a favourable outcome.

5 First Capital Equities Limited

The Income Tax Authorities has imposed additional tax & penalty of Rs. 681,945/- on outstanding demands for the assessment years 1999-2000 & 2000-2001. The company has filed appeals to the Commissioner of Income Tax (CIT) and is confident of favourable outcome.

6 TRANSACTIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES

	March 31, 2003 Rupees	March 31, 2002 Rupees
Transactions of shares		
Purchases	192,940,160	51,538,805
Sales	204,123,350	76,274,982
Brokerage income	432,655	314,948
Payments for / against current accounts	55,946,058	50,127,991
Consultancy fee charged	4,915,000	-
Mark up charged	323,435	6,353,569
Dividend from associated companies	-	19,036,688
Group pool expenses	1,130,139	1,250,098

Transactions with associated and subsidiary companies were on an arm's length basis.

7 GENERAL

7.1 Figures have been rounded off to the nearest rupee.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE DIRECTOR