

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED QUARTERLY ACCOUNTS
(Un-Audited)**

30 SEPTEMBER 2008

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FIRST CAPITAL SECURITIES CORPORATION LIMITED

COMPANY INFORMATION

Board of Directors	Salmaan Taseer (Chairman & Chief Executive Officer) Aamna Taseer Sheikh Sulieaman Ahmed Said Al-Hoqani Shahbaz Ali Taseer Jamal Said Al-Ojaili Omer Subhan Salamat Syed Kashan Kazmi
Chief Financial Officer	Syed Kashan Kazmi
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 Alfalah Limited Faysal Bank Limited KASB Bank Limited MCB Bank Limited NIB 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) 5757591-4 Fax: (042) 5757590, 5877920

FIRST CAPITAL SECURITIES CORPORATION LIMITED

DIRECTORS' REVIEW

The Directors of First Capital Securities Corporation Limited (the "Company" or "FCSC") are pleased to present the un-audited financial statements of the Company for the quarter ended 30 September 2008.

Operational Results

The operating results of the Company are summarized as follows:

	30 September 2008	30 September 2007
	Rupees	Rupees
Operating revenue	(205,292,848)	214,128,538
Operating expenses	14,940,837	8,340,016
Operating (loss)/profit	(220,733,685)	205,788,522
Finance and other costs	1,550,550	10,538,082
(Loss)/profit after taxation	(197,168,267)	195,873,646
Earnings per share (Basic & diluted)	(1.21)	1.21

During the period under review the Company has posted an after tax loss of Rs. 197.17 million as compared to profit of Rs. 195.87 million in the corresponding period last year. Earning per share (EPS) declined from Rs 1.21 to loss of Rs. 1.21 per share. This decline in earnings is mainly due to loss on re-measurement (impairment) of short term investments at the cut off date. Currently share market is in depression phase due to which most of the shares have lost their value by more than 25%, as compare to their fair value as at 30 June 2008, and the same trend reflects in our port folio, too.

Our subsidiaries showed a mixed performance during the quarter under review where the companies of non financial sector maintained their profitability while financial sector's subsidiaries showed nominal losses. The equity brokerage subsidiary, First Capital Equities Limited (FCEL) reported an after tax loss of Rs. 41.35 million as compared to profit of Rs. 68.36 million in the same period last year. Earning per share also dropped to Rs. (0.48) as compared to Rs 0.79 for the corresponding period last year. The said loss is due to sluggish capital market, showing a fall of 52% in brokerage revenue. First Capital Investments Limited (FCIL) reported operating loss of Rs.2.31 million showing an after tax loss of Rs.10.78 million as compared to loss of Rs.0.92 million for the corresponding period last year. This loss is mainly attributable to the decrease in values of assets under management due to deteriorated capital market situation. While our Lankan subsidiary i.e. Lanka Securities (Pvt.) Limited generated revenue of PKR 15.60 million and net profit of PKR 3.85 million during the period while EPS stood at PKR 0.88. As far as non financial sector is concerned, World Press (Pvt.) Ltd. (WPL) performed well reporting net revenue of Rs.25.14 million versus Rs.10.05 and after tax profit of Rs. 3.92 million as compared to Rs. 1.16 million in the corresponding period last

year translating into EPS of Rs.1.31 and Rs.1.67 respectively. Whereas Trident Construct (Pvt.) Limited ("Trident") reported good results during the period under review where after tax profit doubled to Rs. 43.07 million as compared to the corresponding figure of Rs. 21.55 million. This translates into an EPS of Rs. 21.53 as compare to Rs. 10.77 previously.

Future Outlook

First Capital Securities Corporation Limited keeps optimistic views towards the future. It is expected that negotiations with IMF and relevant measures taken by the Government may well lead to economic revival and resultantly, economic activity will pickup pace and businesses will be running smoothly in the near future. Depending on the market conditions and political stability in the country as well as positive out comes of steps taken by Government, the Company looks forward adequate results from its operations as well as investments in subsidiary and associated companies.

Finally, The Board of Directors would like to place on record their profound appreciation for the committed services of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Lahore
31 October 2008

Salmaan Taseer
Chairman & Chief Executive Officer

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER 2008

Note	Un-audited 30 September 2008 Rupees	Audited 30 June 2008 Rupees
NON CURRENT ASSETS		
	119,287,451	114,750,664
	331,025,000	330,700,000
	736,307,933	736,307,933
5	7,618,731,790	7,175,927,758
	646,838	646,838
	8,805,999,012	8,358,333,193
Current assets		
	4,425,128	1,885,006
	179,170	113,248
	261,943	108,747
	23,551,051	21,418,663
	196,497	11,238,189
6	3,170,009,915	3,366,163,035
	358,350,105	350,905,292
	3,556,973,809	3,751,832,180
Current liabilities		
	606,413	587,805
	465,342	81,098
	19,896,805	14,000,000
	367,251,196	367,058,185
	388,219,756	381,727,088
	3,168,754,053	3,370,105,092
	11,974,753,065	11,728,438,285
Non current liabilities		
	1,489,066	1,647,793
	9,038,538	8,200,796
	10,527,604	9,848,589
Contingencies and commitments		
7	11,964,225,461	11,718,589,696
Represented by:		
Share capital and reserves		
	1,625,225,160	1,625,225,160
	3,348,749,367	2,905,945,335
	6,990,250,934	7,187,419,201
	11,964,225,461	11,718,589,696

The annexed notes 1 to 10 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

	Quarter ended July-Sep 2008 Rupees	Quarter ended July-Sep 2007 Rupees
Operating revenue		
Financial consultancy services	1,500,000	1,875,000
Money market services	3,465,037	2,663,647
Loss on sale of investments	(1,303,341)	(1,199,048)
Rental income from investment property	1,466,553	-
Unrealized (loss)/gain on remeasurement of short term investments	(210,421,097)	209,233,739
Dividend income	-	1,555,200
	(205,292,848)	214,128,538
Operating expenses	14,940,837	8,340,016
Operating (loss)/profit	(220,233,685)	205,788,522
Finance and other costs	1,550,770	10,538,082
	(221,784,455)	195,250,440
Other operating income	24,727,843	636,342
(Loss)/profit before taxation	(197,056,612)	195,886,782
Taxation	(111,655)	(13,318)
(Loss)/profit after taxation	(197,168,267)	195,873,464
Earnings per share- basic and diluted	(1.21)	1.21

The annexed notes 1 to 10 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Quarter ended July-Sep 2008 Rupees	Quarter ended July-Sep 2007 Rupees
Cash flow from operating activities		
(Loss)/profit before taxation	(197,056,612)	195,886,782
Adjustments for:		
Finance and other costs	1,550,770	10,538,082
Unrealized (loss)/pgain on remeasurement of investments at fair value through profit or loss	210,421,097	(209,233,739)
Dividend income	-	(1,555,200)
Depreciation	543,948	299,600
Mark up income	(24,722,063)	(636,342)
Provision for gratuity-net	837,742	501,171
	<u>188,631,494</u>	<u>(200,086,428)</u>
Loss before working capital changes	(8,425,118)	(4,199,646)
Effect on cash flow due to working capital changes:		
Trade debts	(2,540,122)	(570,145)
Loans and advances	(65,922)	123,391
Short term prepayments	(153,196)	(129,393)
Other receivables	(184,891)	127,587
Short term investments-net	(14,267,977)	(12,955,490)
Trade and other payables	193,011	18,641,690
	<u>(17,019,097)</u>	<u>5,237,640</u>
Cash (used in)/generated from operations	(25,444,215)	1,037,994
Finance and other costs paid	(1,166,526)	(10,028,495)
Other long term deposits	-	(50,838)
Taxes paid	(2,244,043)	(504,202)
	<u>(3,410,569)</u>	<u>(10,583,535)</u>
Net cash used in operating activities	(28,854,784)	(9,545,541)
Cash flows from investing activities		
Capital expenditure	(5,080,735)	(199,367)
Dividend received	11,111,164	1,590,715
Long term loans-net	(325,000)	-
Mark up received	24,837,482	10,440
Net cash generated from investing activities	30,542,911	1,401,788
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(140,119)	(190,351)
Short term borrowings-net	5,896,805	(7,194,427)
Net cash generated from/(used in) financing activities	5,756,686	(7,384,778)
Net increase/(decrease) in cash and cash equivalents	7,444,813	(15,528,531)
Cash and cash equivalents at the beginning of the period	350,905,292	17,754,146
Cash and cash equivalents at the end of the period	358,350,105	2,225,615

The annexed notes 1 to 10 form an integral part of these accounts.

LAHORE

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 2008**

	Share capital Rupees	Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total 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	-	6,783,150	-	6,783,150
Profit for the period	-	-	195,873,464	195,873,464
Total recognized income and expenses for the period	-	6,783,150	195,873,464	202,656,614
Balance as at 30 September 2007	1,354,354,300	1,674,488,874	2,212,717,913	5,241,561,087
Balance as at 30 June 2008	1,625,225,160	2,905,945,335	7,187,419,201	11,718,589,696
Fair value gain during the period	-	442,804,032	-	442,804,032
Loss for the period	-	-	(197,168,267)	(197,168,267)
Total recognized income and expenses for the period	-	442,804,032	(197,168,267)	245,635,765
Balance as at 30 September 2008	1,625,225,160	3,348,749,367	6,990,250,934	11,964,225,461

The annexed notes 1 to 10 form an integral part of these accounts.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

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

This condensed interim financial information is 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 2008.

3 Accounting policies

Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in the preparing the financial statements for the year ended 30 June 2008.

4 Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions 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 2008.

5 Long term investments

Available for sale

	30 September 2008 Rupees	30 June 2008 Rupees
Subsidiary companies	6,820,882,758	3,914,937,423
Associated companies	355,045,000	355,045,000
Unrealized gain on revaluation of available for sale investments recognized directly in equity	442,804,032	2,905,945,335
	<u>7,618,731,790</u>	<u>7,175,927,758</u>

6 Investments at fair value through profit or loss

Held for trading

	30 September 2008 Rupees	30 June 2008 Rupees
Related parties	21,370,931	14,833,051
Others	52,372,564	51,533,644

Others - related parties

	3,306,687,517	1,756,482,752
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	3,380,431,012	1,822,849,447
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Unrealised gain on account of remeasurement to fair value during the period

	(210,421,097)	1,543,313,588
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	<u>3,170,009,915</u>	<u>3,366,163,035</u>
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7 Contingencies and commitments

There is no change in contingencies and commitments from those disclosed in the published financial statements of the Company for the year ended 30 June 2008 except for the commitment to purchase of property Rs. 2,800,031/-.

8 Transactions and balances with related parties

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

	30 September 2008 Rupees	30 September 2007 Rupees
Subsidiary companies		
Finance cost charged	-	6,071,713
Brokerage / Commission / Loan arrangement fee paid	324,843	491,715
Purchase of goods/services	-	1,160
Short term borrowings - Repo	-	170,000,000
Repayment of short term borrowings - Repo	-	155,000,000
Associated companies		
Income from financial consultancy services	1,500,000	1,875,000
Mark up income	13,346,981	625,902
Short term borrowing availed and repaid	-	1,000,000
Finance cost charged	-	4,932
Insurance premium	59,400	131,621
Insurance claim	-	170,418

9 Date of Authorization for Issue

These un-audited condensed interim financial information for the quarter ended 30 September 2008 were authorized for issue on 31 October 2008 by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

FIRST CAPITAL SECURITIES CORPORATION LIMITED

**CONDENSED CONSOLIDATED
QUARTERLY ACCOUNTS
(Un-Audited)**

30 SEPTEMBER 2008

FIRST CAPITAL SECURITIES CORPORATION LIMITED

DIRECTORS' REVIEW ON CONSOLIDATED FINANCIAL STATEMENTS

The Directors of First Capital Corporation Limited ("the Group") are pleased to present the un-audited consolidated financial statements of the group for the quarter ended 30 September 2008.

Financial Overview	30 September	30 September
	2008	2007
Rupees in Millions		
Revenue	239	237
Direct costs	90	47
Operating expenses	101	85
Operating profit	48	105
Share of (Loss)/profit of associated companies	(2)	8
Unrealized (loss)/gain on re-measurement of investment	(444)	192
(Loss)/profit after taxation	(341)	280
Minority interest	8	33
Earnings per Share (Basis & Diluted)	(2.15)	1.52

First Capital Equities Limited ("FCEL")

Current financial crisis have slightly affected FCEL where after tax loss of Rs. 41.35 million has been observed as compared to profit of Rs. 68.36 million in the identical period last year. Earning per share also plunged to Rs. (0.48) as compared to Rs. 0.79 for the corresponding period last year.

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

LSL generated revenue of PKR 15.60 million and net profit of PKR 3.85 million during the period while EPS stood at PKR 0.88.

First Capital Investments Limited ("FCIL")

FCIL reported operating loss of Rs.2.31 million resulting in an after tax loss of Rs.10.78 million as compared to loss of Rs.0.92 million for the corresponding period last year.

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

WPL performed satisfactorily reporting net revenue of Rs.25.14 million versus Rs.10.05 and after tax profit of Rs. 3.92 million as compared to Rs. 1.16 million in the corresponding period last year translating into EPS of Rs.1.31 and Rs. 1.67 respectively.

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

Trident reported remarkable performance during the period under review where after tax profit increased by more than 100% to Rs. 43.07 million as compared to the corresponding figure of Rs. 21.55 million, translating into an EPS of Rs. 21.53 as compare to Rs. 10.77 for the corresponding period last year.

Future Outlook

Despite the fact that the stock market is facing the worst recession at present, the First Capital Group remains positive about the future as it has well diversified investments in equity brokerage, print & electronic media, real estate and construction sectors to cope with the challenges. Going forward, we will continue to strive for sustainable quality growth with a prudent approach and better return for all the stakeholders.

The Board of Directors desires to place on record its sincere gratitude and appreciation to all 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

31 October 2008

Salmaan Taseer

Chairman & Chief Executive Officer

FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER 2008

	Note	Un-audited 30 September 2008 Rupees	Audited 30 June 2008 Rupees
NON CURRENT ASSETS			
Property, plant and equipment		893,810,017	837,651,529
Intangible assets		42,030,000	40,700,000
Long term loans		331,025,000	330,700,000
Investment property		736,307,933	736,307,933
Investment in associates	5	532,392,149	534,831,039
Long term deposits and advances		18,866,230	14,802,312
Deferred tax assets		372,570	-
		2,554,803,899	2,494,992,813
Current assets			
Inventories		38,164,380	34,760,863
Trade debts		3,197,423,105	2,599,551,840
Loans and advances		103,349,364	968,230,098
Short term prepayments		5,840,214	7,911,514
Taxation recoverable		42,626,796	42,140,736
Deposits and other receivables		110,694,728	91,886,879
Placements	6	2,467,830,925	1,997,425,000
Interest receivable		14,682,995	18,393,819
Short term investments	7	1,005,827,977	1,435,122,313
Cash and bank balances		838,146,996	993,870,985
		7,824,587,480	8,189,294,047
Current liabilities			
Trade and other payables		806,471,121	1,100,300,523
Mark up accrued		129,646,377	92,511,811
Liability against repurchase agreement	8	1,061,830,874	508,425,000
Short term borrowings	9	3,684,187,042	3,971,364,774
Current portion of liabilities against assets subject to finance lease		17,837,652	17,789,895
		5,699,973,066	5,690,392,003
Net current assets		2,124,614,414	2,498,902,044
Net assets		4,679,418,313	4,993,894,857
Non current liabilities			
Liabilities against assets subject to finance lease		35,231,773	37,354,781
Deferred tax liability		-	138,967
Staff retirement benefits		42,086,765	38,885,992
		77,318,538	76,379,740
Contingencies and commitments	10		
Net capital employed		4,602,099,775	4,917,515,117
Represented by:			
Share capital and reserves			
Issued, subscribed and paid up capital		1,625,225,160	1,625,225,160
Exchange translation reserve		22,843,271	9,670,933
Reserves capitalised		298,968,600	298,968,600
Unappropriated profit		1,823,129,192	2,172,678,728
Capital and reserves attributable to equity holders of the parent		3,770,166,223	4,106,543,421
Minority interest		831,933,552	810,971,696
		4,602,099,775	4,917,515,117

The annexed notes 1 to 13 form an integral part of these accounts.

LAHORE

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 2008

	Quarter ended July - Sep 2008 Rupees	Quarter ended July - Sep 2007 Rupees
Revenue	238,909,384	236,537,930
Direct costs	89,992,031	46,546,918
Gross profit	148,917,353	189,991,012
Operating expenses	100,756,813	85,074,073
Operating profit	48,160,540	104,916,939
Other income	264,589,544	40,321,274
	312,750,084	145,238,213
Finance costs	186,059,183	48,819,055
	126,690,901	96,419,158
Share of (loss)/profit of associated companies	(2,438,890)	8,493,449
Unrealized (loss)/gain on remeasurement of short term investments	(443,562,313)	192,368,158
(Loss)/profit before taxation	(319,310,302)	297,280,765
Taxation	21,933,150	17,248,576
(Loss)/profit after taxation	(341,243,452)	280,032,189
Minority interest	8,306,084	33,419,521
(Loss)/profit attributable to parent company	(349,549,536)	246,612,668
Earnings per share - basic and diluted	(2.15)	1.52

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

The annexed notes 1 to 13 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Un-Audited)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Quarter ended July-Sep 2008 Rupees	Quarter ended July-Sep 2007 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(319,310,302)	297,280,765
Adjustments for:		
Depreciation	16,719,405	14,877,337
Finance cost	186,059,183	48,819,055
Loss/(gain) on remeasurement of short term investments	443,562,313	(192,368,158)
Dividend income	(218,200)	(2,482,669)
Amortization of deferred cost	-	753
Amortization of intangible assets	70,000	-
Gain on disposal of property, plant and equipment	-	2,111
Exchange translation difference	(13,172,338)	95,221
Retirement benefits	3,260,833	2,274,686
Share of profit of associated companies	2,438,890	(8,493,449)
Mark up income	(154,004,910)	(33,125,943)
	<u>484,715,176</u>	<u>(170,401,056)</u>
Profit before working capital changes	<u>165,404,874</u>	<u>126,879,709</u>
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	(3,403,517)	689,067
Trade debts	(597,871,265)	(401,111,066)
Loans and advances	860,381,281	753,076,281
Short term prepayments	2,071,300	620,101
Deposits and other receivables	(30,137,213)	(31,766,849)
Short term investments - net	(14,267,977)	2,290,831
Placements	(470,405,925)	(116,000,000)
Increase/(decrease) in:		
Trade and other payables	(293,829,402)	(142,310,488)
Liability against repurchase agreement	553,405,874	(289,000,000)
Short term borrowings	(287,177,732)	231,267,603
	<u>(281,234,576)</u>	<u>7,755,480</u>
Cash (used in)/generated from operations	<u>(115,829,702)</u>	<u>134,635,189</u>
Long term deposits and advances	(4,063,918)	(38,045,737)
Retirement benefits paid	(60,060)	(28,000)
Finance costs paid	(148,924,617)	(43,698,533)
Taxes paid	20,935,553	13,833,113
Net cash (used in)/generated from operating activities	<u>(247,942,744)</u>	<u>66,696,032</u>
Cash flows from investing activities		
Fixed capital expenditure	(74,207,892)	(25,353,362)
Sale proceeds of property, plant and equipment	-	4,000
Investment made during the period	-	(88,602,870)
Dividend received	11,111,164	2,518,184
Long term Loans	(325,000)	-
Mark up received	157,715,734	571,186
Net cash generated/ (used in) from investing activities	<u>94,294,006</u>	<u>(110,862,862)</u>
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(2,075,251)	5,759,277
Long term finance	-	(1,260,000)
Net cash (used in)/generated from financing activities	<u>(2,075,251)</u>	<u>4,499,277</u>
Net (decrease) in cash and cash equivalents	<u>(155,723,989)</u>	<u>(39,667,553)</u>
Exchange loss on translation of deposit account		
Cash and cash equivalents in the beginning of the period	<u>993,870,985</u>	<u>286,494,519</u>
Cash and cash equivalents at the end of the period	<u>838,146,996</u>	<u>246,826,966</u>

The annexed notes 1 to 13 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Attributable to equity holders of the Parent						Total Equity Rupees
	Share capital Rupees	Revaluation reserve of an associated company Rupees	Reserves capitalised Rupees	Currency translation reserve Rupees	Unappropriated profit Rupees	Total Rupees	
Balance as at 30 June 2006	1,354,354,300	25,313,943	80,898,000	(2,347,636)	1,450,492,881	2,908,710,988	3,448,560,047
Adjustment for profit of subsidiary Exchange translation difference recognized directly in equity	-	-	-	-	(923,484)	(923,484)	923,484
Profit for the period	-	-	-	(95,221)	246,612,668	246,612,668	(487,154)
Total recognized income and expenses for the period	-	-	-	(95,221)	245,689,184	245,593,963	33,855,851
Disposal of investment	-	-	-	-	-	-	(7,667,759)
Balance as at 30 September 2007	<u>1,354,354,300</u>	<u>25,313,943</u>	<u>80,898,000</u>	<u>(2,442,857)</u>	<u>1,696,181,565</u>	<u>3,154,304,951</u>	<u>3,720,362,102</u>
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
Exchange translation difference recognized directly in equity	-	-	-	-	-	-	12,655,772
Loss for the period	-	-	-	-	(349,549,536)	(349,549,536)	8,306,084
Total recognized income and expenses for the period	-	-	-	-	(349,549,536)	(349,549,536)	20,961,856
Balance as at 30 September 2008	<u>1,625,225,160</u>	<u>-</u>	<u>298,968,600</u>	<u>22,843,271</u>	<u>1,823,129,192</u>	<u>3,770,166,223</u>	<u>4,602,099,775</u>

The annexed notes 1 to 13 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

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

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in preparation of the annual financial statements of the Parent Company for the year ended 30 June 2008.

4. Subsidiary companies

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

	Percentage of Holding	
	30 September 2008	30 June 2008
Mileage (Pvt.) Limited	100	100
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	67.29	67.29
Trident Construct (Pvt.) Limited	51	51

5. Investments in associates

Opening balance	534,831,039	568,887,962
Add: Acquisition of additional shares	-	346,767,150
Transfer to short term investment	-	(440,504,145)
Share of (loss)/profit	(2,438,890)	59,680,072
Closing balance	<u>532,392,149</u>	<u>534,831,039</u>

	30 September 2008	30 June 2008
	Rupees	Rupees

6. Placements

Securities purchased under the resale agreements of quoted shares - Related Party	1,515,000,000	1,030,000,000
Securities purchased under the resale agreements of quoted shares - Others	952,830,925	967,425,000
	<u>2,467,830,925</u>	<u>1,997,425,000</u>

7. Short term investments

Investments measured at fair value through profit and loss account		
Carrying amount of investments	1,449,390,290	1,469,646,489
Un-realised loss on remeasurement of investments	(443,562,313)	(34,524,176)
	<u>1,005,827,977</u>	<u>1,435,122,313</u>

8. Liability against repurchase agreement

This represents the amount payable to financial institutions under repurchase agreements against the securities under the arrangement. The effective interest rate is 12.5 % to 20% per annum (June 2008: Rs. 12.5 % to 20% per annum) and is for a period of twenty days to ninety two days (June 2008: twenty days to ninety two days).

9. Short term borrowings

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 5,025 million (June 2008: Rs 4,464 million). These facilities carry mark up at rate ranging from 1 to 6 months KIBOR plus 1.8 % to 3 % per annum payable quarterly (June 2008: 1.8 % to 4.25 % per annum) with floor limits ranging from 15.88 % to 17.20 % per annum (June 2008: 10% to 13.5% per annum). These are secured against pledge of quoted equity securities.

10. 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, 2008 except for the following commitments:

	30 September 2008	30 June 2008
	Rupees	Rupees
Commitments		
Capital Expenditure	531,301,604	567,126,852
Sale of Shares	1,307,528,360	1,782,101,966
Purchase of shares	1,342,646,400	2,338,809,506
	<u>3,181,476,364</u>	<u>4,688,038,324</u>

11 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 2008 Rupees	30 September 2007 Rupees
Associated companies		
Brokerage income	4,881,395	6,474,431
Repurchase agreement arrangement fee	2,929,167	62,500
Placements entered and rolled over	1,140,000,000	150,000,000
Placements matured	655,000,000	-
Income earned on placement	76,212,466	15,946,379
Finance cost charged	-	4,932
Mark up Income	13,346,981	1,033,502
Income from Financial Consultancy Services	3,350,464	4,422,687
Insurance premium	59,400	131,621
Insurance claim	-	170,418
Sale of goods/services	61,872,423	41,265,988
Purchase of goods/services	28,956	287,460
Contract services	131,122,374	-

12 DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim consolidated financial information for the quarter ended 30 September 2008 were authorized for issue on 31 October 2008 by the Board of Directors of the Parent Company.

13 GENERAL

Figures have been rounded off to the nearest rupee.