

FIRST CAPITAL SECURITIES CORPORATION LIMITED

CONDENSED INTERIM FINANCIAL REPORT

FOR THE PERIOD AND QUARTER ENDED

31 MARCH 2009

(Un-Audited)

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FIRST CAPITAL SECURITIES CORPORATION LIMITED

COMPANY INFORMATION

Board of Directors	Salmaan Taseer (Chairman & Chief Executive Officer) Aamna Taseer Sheikh Sulieman 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 Adviser	Mazhar Law Associates Advocates
Bankers	Allied Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Citi Bank N.A. Faysal Bank Limited KASB Bank Limited MCB Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Limited Soneri Bank Limited
Registrar and Shares Transfer Office	THK Associates (Pvt.) Limited Ground Floor, State Life Building-3, Dr. Zia-ud-Din 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 nine months ended 31 March 2009.

Operational Results

During the period under review, Pakistan capital market remained depressed and equity values, as measured by KSE-100 Index, witnessed a 44% plunge to end the period at 6,860 level. Global economic meltdown, worsening political situation, critical law and order, depressed economic condition were responsible for the slowdown at KSE. In order to protect the investors from further erosion in investment, the Board of Karachi Stock Exchange placed a floor on shares prices at 27 August 2008 level of 9,144 points. The floor, then, remained in place for a period of 3 months and was subsequently removed on 15 December 2008 on the directive of SECP. However, during the third quarter of FY09, the market registered significant recovery after touching the lowest level of 4,815 points to conclude the quarter at 6,860 points. This represents an improvement of approximately 17% as against the opening level of 5,865 points on 1 January 2009. The positive momentum at the local bourses was triggered on the back of easing political chaos.

The operating results of the Company for the nine months are summarized as follows:

Financial Overview	31 March 2009 Rupees	31 March 2008 Rupees
Net Revenue/(loss)	(1,670,607,472)	1,119,237,924
Operating expenses	(57,884,078)	(34,207,751)
Operating (loss)/profit	(1,728,491,550)	1,085,030,173
Finance and other costs	(15,300,486)	(37,083,600)
(Loss)/profit after taxation	(1,677,478,257)	1,052,543,967
Earnings per share (Basic and diluted)	(7.37)	4.63

For the nine months ended 31 March 2009, the Company has incurred after tax loss of Rs. 1,677.48 million as compared to profit of Rs. 1,052.54 million in the corresponding period last year translating into earning per share ("EPS") of Rs. (7.37) as compared to EPS of Rs. 4.63 in the period last year. The main reason for this negative performance is the unrealized loss on re-measurement of certain investments held at fair value due to economic downturn in Pakistan and rest of the world and capital market crises.

However we are hopeful that with the improvement in capital market conditions, our portfolio will follow up the expected bullish trend and this temporary loss will be reduced.

Payout to the shareholders

The Board of Directors in their meeting held on 28 April 2009 have announced bonus shares at the rate of 10 shares for each 100 shares held i.e. 10% as interim stock dividend to shareholders.

Future Outlook

Soon after stock market touched its lowest level in Pakistan, regulators and other stakeholders including Government of Pakistan took encouraging steps to revive the capital market. Formation of NIT state enterprise fund, new E&P policy, relaxation in application of IAS 39, reduction in discount rate and KIBOR, and political reconciliation have strengthened the foundations for revival of capital market.

After entering into the International Monetary Fund program, the top economic managers have implemented the prudent economic policies and as a result the plaguing economy has started to show signs of recovery such as stability in currency, improved foreign exchange reserves, decline in inflationary pressure, sustainable current and fiscal account deficit. Relaxation in the monetary policy due to expected declining inflation and revision of sovereign rating due to improved economic indicators will be the major stimulus to capital markets. As expected, "Friends of Pakistan Forum" have committed to give US \$ 5.28 billion aid to Pakistan in the near future. These positive steps will improve the market conditions in Pakistan and improve the overall economy.

The Board of Directors wishes to place on record their thanks and appreciation to all the shareholders and other stakeholders for their continued support.

For and on behalf of the Board of Directors

Lahore
28 April 2009

Salmaan Taseer
Chairman & Chief Executive Officer

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2009

	Note	Un-audited 31 March 2009 Rupees	Audited 30 June 2008 Rupees
NON CURRENT ASSETS			
Property and equipment		214,144,970	114,750,664
Long term loans		254,577,949	330,700,000
Investment property		771,565,541	736,307,933
Long term investments	5	6,167,105,824	7,175,927,758
Long term deposits		646,838	646,838
		<u>7,408,041,122</u>	<u>8,358,333,193</u>
Current assets			
Trade debts		4,174,501	1,885,006
Loans and advances		2,208,550	113,248
Short term prepayments		233,222	108,747
Taxation recoverable		25,377,355	21,418,663
Other receivables		432,640	11,238,189
Investments at fair value through profit or loss	6	1,801,586,267	3,366,163,035
Cash and bank balances		19,943,326	350,905,292
		<u>1,853,955,861</u>	<u>3,751,832,180</u>
Current liabilities			
Current portion of liabilities against assets subject to finance lease		643,574	587,805
Mark up accrued		8,085,342	81,098
Short term borrowings - secured		196,074,145	14,000,000
Trade and other payables		432,406,484	367,058,185
		<u>637,209,545</u>	<u>381,727,088</u>
Working capital		<u>1,216,746,316</u>	<u>3,370,105,092</u>
Net assets		<u>8,624,787,438</u>	<u>11,728,438,285</u>
Non current liabilities			
Liabilities against assets subject to finance lease		1,160,167	1,647,793
Staff retirement benefits		10,700,022	8,200,796
		<u>11,860,189</u>	<u>9,848,589</u>
Contingencies and commitments	7		
Net capital employed		<u>8,612,927,249</u>	<u>11,718,589,696</u>
Represented by:			
Share capital and reserves			
Issued, subscribed and paid-up capital		2,275,315,220	1,625,225,160
Reserves		1,477,761,145	2,905,945,335
Unappropriated profit		4,859,850,884	7,187,419,201
		<u>8,612,927,249</u>	<u>11,718,589,696</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2009

	Nine months ended		Three months ended	
	31 March 2009 Rupees	31 March 2008 Rupees	31 March 2009 Rupees	31 March 2008 Rupees
Operating revenue				
Financial consultancy services	1,500,000	10,562,500	-	6,040,625
Money market services	9,097,756	9,332,164	2,980,803	3,105,027
(Loss)/gain on sale of investments	(73,997,164)	7,210,301	(17,324,535)	3,280,672
Gain on sale of investment property	250,000	-	-	-
Rental income from investment property	10,725,728	-	5,356,251	-
Unrealized (loss)/gain on remeasurement of short term investments	(1,630,419,342)	1,089,802,759	(942,012,710)	777,761,690
Dividend income	12,235,550	2,330,200	10,200,000	50,000
	<u>(1,670,607,472)</u>	<u>1,119,237,924</u>	<u>(940,800,191)</u>	<u>790,238,014</u>
Operating expenses	(57,884,078)	(34,207,751)	(23,444,817)	(10,512,678)
Operating (loss)/profit	<u>(1,728,491,550)</u>	<u>1,085,030,173</u>	<u>(964,245,008)</u>	<u>779,725,336</u>
Finance and other costs	(15,300,486)	(37,083,600)	(8,140,814)	(14,378,275)
	<u>(1,743,792,036)</u>	<u>1,047,946,573</u>	<u>(972,385,822)</u>	<u>765,347,061</u>
Other operating income	67,351,352	4,696,867	14,854,951	2,791,759
(Loss)/profit before taxation	<u>(1,676,440,684)</u>	<u>1,052,643,440</u>	<u>(957,530,871)</u>	<u>768,138,820</u>
Taxation	(1,037,573)	(99,473)	(535,625)	182,292
(Loss)/profit after taxation	<u>(1,677,478,257)</u>	<u>1,052,543,967</u>	<u>(958,066,496)</u>	<u>768,321,112</u>
(Loss)/earnings per share- basic and diluted	<u>(7.37)</u>	<u>4.63</u>	<u>(4.21)</u>	<u>3.38</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2009

	31 March 2009 Rupees	31 March 2008 Rupees
Cash flow from operating activities		
(Loss)/profit before taxation	(1,676,440,684)	1,052,643,440
Adjustments for:		
Finance and other costs	15,300,486	37,083,600
Unrealized loss/(gain) on remeasurement of investments at fair value through profit or loss	1,630,419,342	(1,089,802,759)
Dividend income	(12,235,550)	(2,330,200)
Depreciation	924,891	964,670
Gain on disposal of property and equipment	(450,000)	(758,000)
Gain on disposal of subsidiary	(249,503)	-
Mark up income	(65,141,343)	(3,936,775)
Provision for staff retirement benefits	2,513,226	1,503,513
	1,571,081,549	(1,057,275,951)
	(105,359,135)	(4,632,511)
Loss before working capital changes		
Effect on cash flow due to working capital changes:		
Trade debts	(2,289,495)	(2,321,514)
Loans and advances	(2,095,302)	224,933
Short term prepayments	(124,475)	(105,031)
Other receivables	(409,234)	64,779
Short term investments-net	(65,842,574)	28,408,603
Trade and other payables	65,348,299	3,149,752
	(5,412,781)	29,421,522
	(110,771,916)	24,789,011
Cash generated from operations		
Staff retirement benefits paid	(14,000)	-
Finance and other costs paid	(7,296,242)	(38,848,312)
Long term deposits	-	(109,338)
Taxes paid	(4,996,265)	(1,926,021)
	(12,306,507)	(40,883,671)
	(123,078,423)	(16,094,660)
Net cash used in operating activities		
Cash flows from investing activities		
Capital expenditure incurred	(100,319,197)	(250,157)
Dividend received	23,334,914	2,485,715
Proceeds from disposal of property and equipment	450,000	758,000
Investment property	(35,257,608)	-
Proceeds from disposal of subsidiary	725,000	-
Long term loans-net	76,122,051	(110,000,000)
Long term investment	(419,837,753)	(53,048,702)
Mark up received	65,256,762	3,024,994
Net cash used in investing activities	(389,525,831)	(157,030,150)
Cash flows from financing activities		
Repayment of liabilities against assets subject to finance lease	(431,857)	(335,334)
Short term borrowings-net	182,074,145	162,047,195
Net cash generated from financing activities	181,642,288	161,711,861
Net (decrease) in cash and cash equivalents	(330,961,966)	(11,412,949)
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	19,943,326	6,341,197

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2009

	Share capital Rupees	Capital reserve 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	-	1,432,601,280	-	1,432,601,280
Profit for the period	-	-	1,052,543,967	1,052,543,967
Total recognized income and expenses for the period	-	1,432,601,280	1,052,543,967	2,485,145,247
Issuance of bonus shares	270,870,860	-	(270,870,860)	-
Balance as at 31 March 2008	1,625,225,160	3,100,307,004	2,798,517,556	7,524,049,720
Fair value gain during the period	-	(194,361,669)	-	(194,361,669)
Profit for the period	-	-	4,388,901,645	4,388,901,645
Total recognized income and expenses for the period	-	(194,361,669)	4,388,901,645	4,194,539,976
Balance as at 30 June 2008	1,625,225,160	2,905,945,335	7,187,419,201	11,718,589,696
Issuance of bonus shares	650,090,060	-	(650,090,060)	-
Fair value loss during the period	-	(1,428,184,190)	-	(1,428,184,190)
Loss for the period	-	-	(1,677,478,257)	(1,677,478,257)
Total recognized income and expenses for the period	-	(1,428,184,190)	(1,677,478,257)	(3,105,662,447)
Balance as at 31 March 2009	2,275,315,220	1,477,761,145	4,859,850,884	8,612,927,249

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2009

1 Status and nature of business

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

2 Basis of preparation

These condensed interim financial statements are prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. The condensed interim financial statements 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 statements are the same as those applied in preparing the financial statements for the year ended 30 June 2008.

4 Estimates

The preparation of condensed interim financial statements require management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2008.

31 March	30 June
2009	2008
Rupees	Rupees

5 Long term investments

Available for sale

Subsidiary companies - at cost
 Unrealized (loss)/gain on revaluation of available
 for sale investments recognized directly in equity

5,663,222,580	5,663,698,077
(1,455,142,047)	1,157,184,681
4,208,080,533	6,820,882,758
774,882,753	355,045,000
1,184,142,538	-
6,167,105,824	7,175,927,758

Associated companies - at cost
 Unrealized gain on revaluation of available for sale
 investments recognized directly in equity

31 March	30 June
2009	2008
Rupees	Rupees

**6 Investments at fair value
through profit or loss**

Held for trading

Related parties	21,370,931	14,833,051
Others	174,204,026	51,533,644

Others - related parties

3,236,430,652	1,756,482,752
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3,432,005,609	1,822,849,447
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Unrealised (loss)/gain on account of remeasurement
to fair value during the period

(1,630,419,342)	1,543,313,588
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1,801,586,267	3,366,163,035
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7 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingencies from those disclosed in the published financial statements of the Company for the year ended 30 June 2008.

31 March	30 June
2009	2008
Rupees	Rupees

Commitments

Commitments in respect of capital expenditure	254,655,319	258,854,148
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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:

31 March	31 March
2009	2008
Rupees	Rupees

Subsidiary companies

Finance cost charged	6,261,534	26,835,103
Brokerage / Commission / Loan arrangement fee paid	1,732,060	1,299,976
Mark up income	1,606,178	-
Dividend income	10,200,000	-
Purchase of goods/services	481,815	687,807
Short term borrowings - Repo	189,000,000	650,000,000
Repayment of short term borrowings - Repo	60,000,000	370,000,000
Long term loan given	10,600,000	-
Long term loan matured	10,600,000	-
Placements entered and rolled over	32,200,000	-
Placements matured	32,200,000	-

	31 March 2009 Rupees	31 March 2008 Rupees
Associated companies		
Income from financial consultancy services	1,500,000	10,562,500
Mark up income	19,566,608	3,890,848
Short term borrowing availed and repaid	-	1,000,000
Finance cost charged	-	4,932
Long term loan given	66,425,000	122,000,000
Long term loan matured	142,547,051	-
Insurance premium paid	421,904	439,901
Insurance claim received	59,552	248,365

	31 March 2009 Rupees	30 June 2008 Rupees
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Period end balances

Subsidiary companies

Trade payables	125,569,239	-
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Associated companies

Long term loans	254,577,949	330,700,000
Trade debts	1,500,000	3,000,000

9 Event after Balance Sheet date

The Board of Directors in their meeting held on 28 April 2009 has recommended bonus shares at the rate of 10 shares for each 100 shares held i.e. 10% as an interim stocks dividend to shareholders. These financial statements do not reflect the impact of stock dividend.

10 DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim financial statements for the nine months ended 31 March 2009 were authorized for issue on 28 April 2009 by the Board of Directors of the Company.

11 GENERAL

Figures have been rounded off to the nearest rupee.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL REPORT
FOR THE PERIOD AND QUARTER ENDED
31 MARCH 2009
(Un-Audited)

FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP

DIRECTORS' REVIEW ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of First Capital Corporation Limited ("the Group") is pleased to present the un-audited condensed consolidated financial information for the nine months ended 31 March 2009.

Financial Overview	31 March 2009 (Rupees in million)	31 March 2008
Revenue	1,161	934
Direct Costs	245	183
Operating Expenses	490	291
Operating profit	426	460
Share of profit of associated companies	11	66
Unrealized (loss)/gain on re-measurement of investment	(861)	511
(Loss)/profit after Taxation	(855)	941
Minority interest	(2)	164
Earnings per Share (Basis & Diluted)	(3.75)	3.42

First Capital Equities Limited ("FCEL")

FCEL posted an after tax loss of Rs. 212.82 million as compare to profit of Rs. 274.83 million in the corresponding period last year translating into EPS of Rs. (1.97) and Rs. 2.54 respectively.

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

Trident performed satisfactorily during the period under review posting an after tax profit of Rs. 133.04 million as compared to Rs. 142.25 million in the corresponding period last year. The management of trident has announced 100% cash dividend and 905% bonus shares as an interim stocks dividend to its shareholders.

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

WPL demonstrated healthy performance during the period under review where after tax profit amounted to Rs. 19.14 million against Rs. 13.02 million profit for the corresponding period. This translated into an EPS of Rs. 6.38 and 4.34 respectively.

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

LSL generated revenue of LKR 35.29 million and net after tax loss of LKR 1.51 million during the period under review translating into negative EPS of LKR 0.22.

First Capital Investments Limited ("FCIL")

FCIL reported an after tax loss of Rs. 18.26 million as compared to profit of Rs 0.25 million correspondingly thus translating into EPS of Rs. (1.78) and Rs. 0.07 respectively.

Future Outlook

Pakistan's stock markets demonstrated improvement during the quarter ended 31 March 2009 with the KSE-100 index posting a rise of 17%. This improvement can be mainly attributable to reduction in political uncertainty, improving balance of payments situation of the country and release of payment by World Bank and IMF, which resultantly boost investors' sentiment. The encouraging stock market situation suggests that economic indicators will show further development in coming days and management is confident that the Group's well diversified portfolio will pursue the anticipated bullish trend to convert temporary losses into profitability.

The Board of Directors wishes to place on record their appreciation to all the shareholders for their continued support. Finally, the Board of Directors wishes to pay their gratitude to all employees of the Group for their dedication and commitment.

For and on behalf of the Board of Directors

Lahore
28 April 2009

Salmaan Taseer
Chairman & Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009**

	Note	Un-audited 31 March 2009 Rupees	Audited 30 June 2008 Rupees
NON CURRENT ASSETS			
Property, plant and equipment		535,559,272	837,651,529
Intangible assets		41,890,000	40,700,000
Long term loans		254,577,949	330,700,000
Investment property		771,565,541	736,307,933
Investment in associates	5	965,844,007	534,831,039
Long term deposits and advances		16,525,755	14,802,312
Deferred tax assets		556,034	-
		2,586,518,558	2,494,992,813
Current assets			
Inventories		99,481,222	34,760,863
Trade debts		4,621,969,440	2,599,551,840
Loans and advances		40,714,224	968,230,098
Short term prepayments		7,452,831	7,911,514
Taxation recoverable		34,294,390	42,140,736
Deposits and other receivables		96,256,156	91,886,879
Placements	6	908,297,339	1,997,425,000
Interest receivable		24,489,804	18,393,819
Short term investments	7	1,092,664,736	1,435,122,313
Cash and bank balances		224,855,879	993,870,985
		7,150,476,021	8,189,294,047
Current liabilities			
Trade and other payables		918,194,418	1,100,300,523
Mark up accrued		145,035,774	92,511,811
Liability against repurchase agreement	8	1,141,801,827	508,425,000
Short term borrowings	9	3,370,480,223	3,971,364,774
Current portion of liabilities against assets subject to finance lease		18,566,363	17,789,895
		5,594,078,605	5,690,392,003
Net current assets		1,556,397,416	2,498,902,044
Net assets		4,142,915,974	4,993,894,857
Non current liabilities			
Liabilities against assets subject to finance lease		25,608,445	37,354,781
Deferred tax liability		-	138,967
Staff retirement benefits		47,241,642	38,885,992
		72,850,087	76,379,740
Contingencies and commitments			
Net capital employed	10	4,070,065,887	4,917,515,117
Represented by:			
Share capital and reserves			
Issued, subscribed and paid up capital		2,275,315,220	1,625,225,160
Exchange translation reserve		18,581,103	9,670,933
Reserves capitalised		405,816,640	298,968,600
Unappropriated profit		563,110,153	2,172,678,728
Capital and reserves attributable to equity holders of the parent company			
		3,262,823,116	4,106,543,421
Minority interest		807,242,771	810,971,696
		4,070,065,887	4,917,515,117

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2009**

	Nine months ended		Three months ended	
	31 March 2009 Rupees	31 March 2008 Rupees	31 March 2009 Rupees	31 March 2008 Rupees
Revenue	1,160,667,065	933,778,605	282,023,715	361,180,822
Direct costs	244,863,648	182,522,695	72,111,310	83,997,081
Gross profit	915,803,417	751,255,910	209,912,405	277,183,741
Operating expenses	490,058,229	290,773,030	291,351,940	97,900,715
Operating profit	425,745,188	460,482,880	(81,439,535)	179,283,026
Other income	181,826,316	205,756,496	18,641,476	103,743,703
	607,571,504	666,239,376	(62,798,059)	283,026,729
Finance costs	569,051,701	239,078,020	157,110,887	114,271,830
	38,519,803	427,161,356	(219,908,946)	168,754,899
Share of profit of associated companies	11,175,215	65,547,659	20,965,576	30,363,789
Unrealized (loss)/gain on remeasurement of short term investments	(861,354,701)	510,553,967	(37,780,250)	588,592,740
(Loss)/profit before taxation	(811,659,683)	1,003,262,982	(236,723,620)	787,711,428
Taxation	43,460,466	62,404,811	(9,644,821)	22,658,156
(Loss)/profit after taxation	(855,120,149)	940,858,171	(227,078,799)	765,053,272
Minority interest	(2,489,674)	163,521,213	(60,633,382)	48,248,052
	(852,630,475)	777,336,958	(166,445,417)	716,805,220
(Loss)/profit attributable to parent company	(852,630,475)	777,336,958	(166,445,417)	716,805,220
Earnings per share - basic and diluted	(3.75)	3.42	(0.73)	3.15

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

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2009
(UN-AUDITED)**

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/profit before taxation

Adjustments for:

Depreciation	52,022,075	42,118,234
Finance cost	571,765,254	239,078,020
(Loss)/gain on remeasurement of short term investments	861,354,701	(510,553,967)
Dividend income	(12,459,719)	(3,257,669)
Amortization of intangible assets	210,000	-
Gain on disposal of property, plant and equipment	(17,773,815)	(929,175)
Exchange translation difference	(8,910,170)	(8,638,192)
Retirement benefits	13,978,159	7,826,922
Gain on disposal of subsidiary	(249,503)	-
Share of profit of associated companies	(11,175,215)	(65,547,659)
Mark up income	(403,576,883)	(186,466,283)

Profit before working capital changes

Effect on cash flow due to working capital changes:

(Increase)/decrease in:

Inventories	(64,720,359)	(7,186,067)
Trade debts	(2,022,417,600)	(1,301,845,027)
Loans and advances	924,840,736	192,736,987
Short term prepayments	458,683	(7,922,421)
Deposits and other receivables	(40,388,079)	6,531,455
Short term investments - net	(518,897,124)	(94,175,074)
Placements	1,089,127,661	(1,386,525,000)
Interest receivable	(17,958,041)	(35,095,381)

Increase/(decrease) in:

Trade and other payables	(182,106,105)	(161,827,352)
Liability against repurchase agreement	633,376,827	285,525,000
Short term borrowings	(600,884,551)	2,482,289,584

Cash (used in)/generated from operations

Long term deposits and advances	(1,723,443)	(109,358,938)
Retirement benefits paid	(5,622,509)	(1,200,124)
Finance costs paid	(516,527,738)	(180,945,722)
Taxes paid	50,611,811	59,707,706

Net cash (used in)/generated from operating activities

Cash flows from investing activities

Fixed capital expenditure	(195,424,083)	(146,627,782)
Sale proceeds of property, plant and equipment	461,649,845	1,115,322
Sale proceeds of subsidiary	725,000	-
Dividend received	23,559,083	12,088,394
Investment in associates	(419,837,753)	(88,607,870)
Investment property	(35,257,608)	-
Long term Loans	76,122,051	(110,000,000)
Mark up received	379,522,857	146,905,227

Net cash generated/ (used in) from investing activities

Cash flows from financing activities

Repayment of liabilities against assets subject to finance lease	(10,969,868)	20,929,796
Long term finance	-	(8,280,000)
Dividend paid to minority	(9,800,000)	-

Net cash (used in)/generated from financing activities

Net (decrease)/increase in cash and cash equivalents

Cash and cash equivalents in the beginning of the period

Cash and cash equivalents at the end of the period

	31 March 2009 Rupees	31 March 2008 Rupees
(Loss)/profit before taxation	(811,659,683)	1,003,262,982
Adjustments for:		
Depreciation	52,022,075	42,118,234
Finance cost	571,765,254	239,078,020
(Loss)/gain on remeasurement of short term investments	861,354,701	(510,553,967)
Dividend income	(12,459,719)	(3,257,669)
Amortization of intangible assets	210,000	-
Gain on disposal of property, plant and equipment	(17,773,815)	(929,175)
Exchange translation difference	(8,910,170)	(8,638,192)
Retirement benefits	13,978,159	7,826,922
Gain on disposal of subsidiary	(249,503)	-
Share of profit of associated companies	(11,175,215)	(65,547,659)
Mark up income	(403,576,883)	(186,466,283)
Profit before working capital changes	233,525,201	516,893,213
Effect on cash flow due to working capital changes:		
(Increase)/decrease in:		
Inventories	(64,720,359)	(7,186,067)
Trade debts	(2,022,417,600)	(1,301,845,027)
Loans and advances	924,840,736	192,736,987
Short term prepayments	458,683	(7,922,421)
Deposits and other receivables	(40,388,079)	6,531,455
Short term investments - net	(518,897,124)	(94,175,074)
Placements	1,089,127,661	(1,386,525,000)
Interest receivable	(17,958,041)	(35,095,381)
Increase/(decrease) in:		
Trade and other payables	(182,106,105)	(161,827,352)
Liability against repurchase agreement	633,376,827	285,525,000
Short term borrowings	(600,884,551)	2,482,289,584
	(799,567,952)	(27,493,296)
Cash (used in)/generated from operations	(566,042,751)	489,399,917
Long term deposits and advances	(1,723,443)	(109,358,938)
Retirement benefits paid	(5,622,509)	(1,200,124)
Finance costs paid	(516,527,738)	(180,945,722)
Taxes paid	50,611,811	59,707,706
Net cash (used in)/generated from operating activities	(1,039,304,630)	257,602,839
Fixed capital expenditure	(195,424,083)	(146,627,782)
Sale proceeds of property, plant and equipment	461,649,845	1,115,322
Sale proceeds of subsidiary	725,000	-
Dividend received	23,559,083	12,088,394
Investment in associates	(419,837,753)	(88,607,870)
Investment property	(35,257,608)	-
Long term Loans	76,122,051	(110,000,000)
Mark up received	379,522,857	146,905,227
Net cash generated/ (used in) from investing activities	291,059,392	(185,126,709)
Repayment of liabilities against assets subject to finance lease	(10,969,868)	20,929,796
Long term finance	-	(8,280,000)
Dividend paid to minority	(9,800,000)	-
Net cash (used in)/generated from financing activities	(20,769,868)	12,649,796
Net (decrease)/increase in cash and cash equivalents	(769,015,106)	85,125,926
Cash and cash equivalents in the beginning of the period	993,870,985	286,494,519
Cash and cash equivalents at the end of the period	224,855,879	371,620,445

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

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 NINE MONTHS PERIOD ENDED 31 MARCH 2009**

Attributable to equity holders of the Parent Company

	Share capital	Revaluation reserve of an associated company	Reverse capitalised	Currency translation reserve	Revenue Reserve	Minority interest	Total Equity
	Rupees	Rupees	Rupees	Rupees	Unappropriated profit	Rupees	Rupees
Balance as at 30 June 2007	1,354,354,300	25,313,943	80,898,000	(2,347,636)	1,450,492,381	539,869,059	3,448,560,047
Adjustment for profit of subsidiary	-	-	-	-	(923,484)	923,484	-
Exchange translation difference recognized directly in equity	-	-	-	8,638,192	-	3,082,372	11,720,564
Profit for the period	-	-	-	-	777,336,958	163,521,213	940,858,171
Total recognized income and expense for the period	-	-	-	8,638,192	776,413,474	167,527,069	952,578,735
Disposal of investment	-	-	-	-	-	(7,667,759)	(7,667,759)
Reserve on issue of right shares by subsidiary	-	-	-	-	-	20,352,877	20,352,877
Share premium on right issue by subsidiary	-	-	-	-	-	18,492,971	18,492,971
Issuance of bonus shares	270,870,860	-	-	-	(270,870,860)	-	-
Balance as at 31 March 2008	1,625,225,160	25,313,943	80,898,000	6,290,556	1,956,034,995	738,574,217	4,432,336,871
Balance as at 30 June 2008	1,625,225,160	-	298,968,600	9,670,933	2,172,678,728	810,971,696	4,917,515,117
Exchange translation difference recognized directly in equity	-	-	-	8,910,170	-	8,560,749	17,470,919
Loss for the period	-	-	-	-	(852,630,475)	(2,489,674)	(855,120,149)
Total recognized income and expenses for the period	-	-	-	8,910,170	(852,630,475)	6,071,075	(837,649,230)
Dividend paid	-	-	-	-	-	(9,800,000)	(9,800,000)
Issue of bonus shares by subsidiary	650,090,060	-	106,848,040	-	(106,848,040)	-	-
Issuance of bonus shares	650,090,060	-	106,848,040	-	(650,090,060)	-	-
Balance as at 31 March 2009	2,275,315,220	-	405,816,640	18,581,103	563,110,153	807,242,771	4,070,065,887

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

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
ACCOUNTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2009

1. Status and nature of business

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

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 the preparation of the preceding consolidated 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	
	31 March 2009	30 June 2008
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

- 4.1** Mileage (Pvt.) Limited (Mileage) was wholly owned subsidiary of the Company and during the period, it has sold its entire share holding due to which Mileage have not been consolidated in these accounts.

	31 March 2009 Rupees	30 June 2008 Rupees
5. Investment in associates		
Opening balance	534,831,039	568,887,962
Add: Acquisition of additional shares	419,837,753	346,767,150
Transfer to short term investment	-	(440,504,145)
Share of (loss)/profit	11,175,215	59,680,072
Closing balance	965,844,007	534,831,039
6 Placements		
Securities purchased under the resale agreements of quoted shares - Related Party	-	1,030,000,000
Securities purchased under the resale agreements of quoted shares - Others	908,297,339	967,425,000
	908,297,339	1,997,425,000
7 Short term investments		
Investments measured at fair value through profit and loss account		
Carrying amount of investments	1,954,019,437	1,469,646,489
Un-realised loss on remeasurement of investments	(861,354,701)	(34,524,176)
	1,092,664,736	1,435,122,313
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 18% per annum (June 2008: Rs. 12.5 % to 20% per annum) and is for a period of seven 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 4,875 million (June 2008: Rs 4,464 million). These facilities carry mark up at rate ranging from 1 to 6 months KIBOR plus 2.5 % to 3 % per annum payable quarterly (June 2008: 1.8 % to 4.25 % per annum) with floor limits ranging from 10 % to 13.5 % 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:		
Contingencies		
First Capital Equities Limited (FCEL)		
(i)	During the period, FCEL entered into a contract for usual future transaction with Meezan Bank Limited on behalf of its clients in certain scrips for an amount of Rs 200,121,653. However, due to extra ordinary circumstances in stock market which led to placing of floor on value of securities for almost four months and finally declaration of force majeure by Karachi Stock Exchange on December 04, 2008, the said contracts were cancelled.	

Resultantly the bank filed a suit in the Honourable Sind High Court for recovery of above stated amount. FCEL is contesting the case in the Honourable Sind High Court, however the management is simultaneously trying to settle the matter with the bank in an amicable manner before the forthcoming year end.

(ii) During the year 2007-08, Securities and Exchange Commission of Pakistan (the "SECP") served a show cause notice to FCEL, certain other individuals and investors under Section 4 and 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance, 2002 alleging therein that FCEL contravened the same while providing brokerage services vis-a-vis acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited ("the HWSM"). During the month of March 2009 SECP revised the stated show cause notice dropping certain persons thereof and initiated fresh show cause proceedings. Subsequent to the balance sheet date, SECP has passed an Order on 17 April 2009 and has directed acquirers to offload their holding in the HWSM not later than 30 November 2009 so that none of them shall be holding more than 10% as individually or collectively in HWSM. SECP has also imposed fine of Rs. 500,000/- each on acquirers including FCEL and its two employees. FCEL is considering to prefer an appeal before the Appellate Forum of SECP against the order passed by Executive Director (Enforcement).

(iii) The Honourable Sindh High Court, while deciding on different applications filed by the FCEL, directed the Karachi Stock Exchange (Guarantee) Limited (KSE) Advisory and Arbitration Committee in January 2005 to consider the legal issues before initiating arbitration proceedings for claims amounting to Rs. 37.53 million filed by M/s. Aslam Motiwala, Sultan Ahmad Zakria and Muhammad Asif Sultan against the FCEL. The Arbitration Committee of KSE gave its decision and asked the Company to pay Rs. 28.701 million being the claim of the aforementioned claimants relating to the alleged trades. Further, Arbitration Committee of KSE also directed the aforementioned claimants to make payment of Rs. 6.143 million to the FCEL.

The FCEL filed an appeal against the decision of Arbitration Committee of KSE before the Board of KSE under Rule 36 of the General Rules & Regulations of KSE along with the payment of Rs. 28.702 million to KSE. The Appellate Bench of KSE upheld the order of the Arbitration Committee of KSE. The FCEL filed an application against the aforesaid order of the Appellate Bench of KSE in the Honourable Sindh High Court and has been granted stay against the aforesaid order. During the period the Honourable Sindh High Court has ordered the KSE to pay Rs. 16,918,522/- to M/s. Aslam Motiwala, Sultan Ahmad Zakria and Muhammad Asif Sultan and refund the balance amount out of Rs. 28.701 million to the FCEL based on the settlement mutually agreed by all parties.

(iv) During the period M/s Savari (Pvt) Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura (Pvt) Limited, the clients of the FCEL has defaulted to pay their debts Rs. 239,900,022/-. The FCEL has filed a suit for recovery from these clients. The Management is confident that FCEL would be able to recover the above stated debt.

31 March	30 June
2009	2008
Rupees	Rupees

Commitments

Capital Expenditure	254,655,319	567,126,852
Sale of Shares	-	1,782,101,966
Purchase of shares	-	2,338,809,506
Performance Guarantees	6,565,193	-

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:

	31 March 2009 Rupees	31 March 2008 Rupees
Associated companies		
Brokerage income	20,732,775	28,797,918
Repurchase agreement arrangement fee	2,929,167	500,223
Placements entered and rolled over	1,140,000,000	1,147,500,000
Placements matured	2,170,000,000	468,000,000
Income earned on placement	162,851,439	86,754,514
Finance cost charged	-	4,932
Mark up Income	19,566,608	5,113,728
Income from Financial Consultancy Services	6,147,404	18,590,214
Insurance premium	421,904	439,901
Insurance claim	59,552	248,365
Sale of goods/services	16,623,434	41,265,988
Long term loan given	66,425,000	122,000,000
Long term loan received	142,547,051	12,000,000
Contract services	328,500,899	306,670,573

12 Event after Balance Sheet date

The Board of Directors of Parent Company in their meeting held on 28 April 2009 has recommended bonus shares at the rate of 10 shares for each 100 shares held i.e. 10% as an interim stocks dividend to shareholders. These financial statements do not reflect the impact of stock dividend.

13 Date of authorization for issue

These un-audited condensed interim consolidated financial statements for the nine months ended 31 March 2009 were authorized for issue on 28 April 2009 by the Board of Directors of the Parent Company.

14 GENERAL

Figures have been rounded off to the nearest rupee.