

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

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

**31 MARCH 2008**

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# FIRST CAPITAL SECURITIES CORPORATION LIMITED

## COMPANY INFORMATION

<b>Board of Directors</b>	Salmaan Taseer (Chairman & Chief Executive Officer) Aamna Taseer Suliaman Ahmed Said Al-Hoqani Sardar Ali Wattoo Jamal Said Al-Ojaili Khawaja Khalil Shah Syed Kashan Kazmi
<b>Chief Financial Officer</b>	Syed Kashan Kazmi
<b>Audit Committee</b>	Sardar Ali Wattoo (Chairman) Aamna Taseer Khawaja Khalil Shah
<b>Company Secretary</b>	Mohammad Naeem Sheikh
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants
<b>Legal Adviser</b>	Rehman Saleem & Tarar Advocates
<b>Bankers</b>	Allied Bank Limited Bank Alfalah Limited Citi Bank N.A. Faysal Bank Limited PICIC Commercial Bank Limited Standard Chartered Bank (Pakistan) Limited
<b>Registrar and Shares Transfer Office</b>	THK Associates (Pvt.) Limited Ground Floor, State Life Building-3, Dr. Zia-ud-Din Ahmed Road, Karachi. ☎ (021) 5689021, 111-000-322
<b>Registered Office/Head Office</b>	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920

## FIRST CAPITAL SECURITIES CORPORATION LIMITED

### DIRECTORS' REVIEW

The Board of Directors is pleased to present the financial statements of First Capital Securities Corporation Limited (the "Company" or "FCSC") for the third quarter ended 31 March 2008.

#### Operational Results

The Company has performed well in the period under review and the key operational results are summarized below:

<b>Financial Overview</b>	<b>31 March 2008 Rupees</b>	<b>31 March 2007 Rupees</b>
Revenue	<b>1,119,237,924</b>	695,481,074
Operating expenses	<b>34,207,751</b>	32,563,865
Operating profit	<b>1,085,030,173</b>	662,917,209
Finance and other costs	<b>37,083,600</b>	29,282,251
Profit after taxation	<b>1,052,543,967</b>	636,191,582
Earnings per share	<b>6.48</b>	3.91

During the period, the Company's after tax profit increased to Rs. 1,052.54 million as compared to Rs. 636.19 million, therefore translating into a 65.44% increase in Earnings per Share to Rs. 6.48 from Rs. 3.91 for the corresponding period last year. The growth in the company's profit is mainly contributed by valuation of investment in the shares of Worldcall Telecom Limited ("WTL") at price of Rs. 25 per share as the Company has entered into a share purchase agreement with Oman Telecommunications Company (S.A.O.G) ("Omantel"). Acquisition of WTL by Omantel is in the finalization process. The Company also earned substantial unrealized gain on its investments in Pace Pakistan Limited and First Capital Equities Limited. Operating expenses slightly increased to Rs.34.21 million as compared to Rs. 32.56 million.

#### Future Outlook

FCSC is moving confidently ahead and is endeavoring to increase its earning potential. With the successful proven track record of FCSC its subsidiaries and associates, the Company intends to utilize available resources prudently, effectively and efficiently; aiming towards boosting profitability and growth, increasing profitable revenue streams in order to enhance shareholders investment. Further, with steady growth and stability in all sectors of the company's investment, FCSC is planning to invest further in real estate and media sector.

In the end, we would like to avail this opportunity to appreciate the assistance and co-operation provided by financial institutions, Government authorities and other stakeholders in achieving admirable performance. We acknowledge and admire the dedication and hard work put in by the employees of the Company, which enabled the company to achieve such appreciable results.

For and on behalf of the Board of Directors

Lahore  
30 April 2008

**Salmaan Taseer**  
Chairman & Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT 31 MARCH 2008**

	Un-audited 31 March 2008	Audited 30 June 2007
Note	Rupees	Rupees
<b>NON CURRENT ASSETS</b>		
Property and equipment	2,581,234	2,189,747
Long term loans	125,520,000	15,520,000
Long term investments	3,574,176,910	2,088,526,928
Long term deposits	146,838	37,500
	<u>3,702,424,982</u>	<u>2,106,274,175</u>
<b>Current assets</b>		
Trade debts	6,464,816	4,143,302
Loans and advances	205,999	430,932
Short term prepayments	220,627	115,596
Taxation recoverable	19,298,440	17,471,892
Other receivables	991,036	299,549
Investments at fair value through profit or loss	4,264,565,772	3,203,171,616
Cash and bank balances	6,341,197	17,754,146
	<u>4,298,087,887</u>	<u>3,243,387,033</u>
<b>Current liabilities</b>		
Current portion of liabilities against assets subject to finance lease	305,389	154,068
Mark up accrued	2,931,445	4,696,157
Short term borrowings - secured	457,047,195	295,000,000
Trade and other payables	8,489,250	5,339,498
	<u>468,773,279</u>	<u>305,189,723</u>
<b>Working capital</b>	<u>3,829,314,608</u>	<u>2,938,197,310</u>
<b>Net assets</b>	<u>7,531,739,590</u>	<u>5,044,471,485</u>
<b>Non current liabilities</b>		
Liabilities against assets subject to finance lease	619,345	-
Staff retirement benefits	7,070,525	5,567,012
	<u>7,689,870</u>	<u>5,567,012</u>
<b>Contingencies and commitments</b>		
<b>Net capital employed</b>	<u>7,524,049,720</u>	<u>5,038,904,473</u>
<b>Represented by:</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up capital	1,625,225,160	1,354,354,300
Capital reserve	3,100,307,004	1,667,705,724
Unappropriated profit	2,798,517,556	2,016,844,449
	<u>7,524,049,720</u>	<u>5,038,904,473</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 AND NINE MONTHS ENDED 31 MARCH 2008**

	Nine months ended		Three months ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	Rupees	Rupees	Rupees	Rupees
<b>Operating revenue</b>				
Financial consultancy services	10,562,500	6,027,768	6,040,625	-
Money market services	9,332,164	8,610,358	3,105,027	3,304,392
Gain/(loss) on sale of investments	7,210,301	(4,652,630)	3,280,672	18,741,234
Unrealized gain on remeasurement of investments at fair value through profit or loss	1,089,802,759	681,065,565	777,761,690	372,728,548
Dividend income	2,330,200	4,430,013	50,000	3,375,938
	<u>1,119,237,924</u>	<u>695,481,074</u>	<u>790,238,014</u>	<u>398,150,112</u>
Operating expenses	34,207,751	32,563,865	10,512,678	12,224,120
<b>Operating profit</b>	<u>1,085,030,173</u>	<u>662,917,209</u>	<u>779,725,336</u>	<u>385,925,992</u>
Finance and other costs	37,083,600	29,282,251	14,378,275	13,891,412
	<u>1,047,946,573</u>	<u>633,634,958</u>	<u>765,347,061</u>	<u>372,034,580</u>
Other operating income	4,696,867	2,682,519	2,791,759	927,783
<b>Profit before taxation</b>	<u>1,052,643,440</u>	<u>636,317,477</u>	<u>768,138,820</u>	<u>372,962,363</u>
Taxation	99,473	125,895	(182,292)	24,298
<b>Profit after taxation</b>	<u>1,052,543,967</u>	<u>636,191,582</u>	<u>768,321,112</u>	<u>372,938,065</u>
<b>Earnings per share- basic and diluted</b>	<u>6.48</u>	<u>3.91</u>	<u>4.73</u>	<u>2.29</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 NINE MONTHS ENDED 31 MARCH 2008**

	31 March 2008 Rupees	31 March 2007 Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	1,052,643,440	636,317,477
Adjustments for:		
Finance and other costs	37,083,600	29,282,251
Unrealized gain on remeasurement of investments at fair value through profit or loss	(1,089,802,759)	(681,065,565)
Dividend income	(2,330,200)	(4,430,013)
Depreciation	964,670	882,568
Gain on disposal of property and equipment	(758,000)	-
Mark up income	(3,936,775)	(2,682,519)
Provision for gratuity-net	1,503,513	939,051
	<u>(1,057,275,951)</u>	<u>(657,074,227)</u>
<b>Profit/(loss) before working capital changes</b>	<b>(4,632,511)</b>	<b>(20,756,750)</b>
<b>Effect on cash flow due to working capital changes:</b>		
Trade debts	(2,321,514)	1,184,058
Loans and advances	224,933	77,075
Short term prepayments	(105,031)	(58,300)
Other receivables	64,779	(589,877)
Short term investments-net	28,408,603	87,348,144
Trade and other payables	3,149,752	3,226,733
	<u>29,421,522</u>	<u>91,187,833</u>
<b>Cash generated from operations</b>	<b>24,789,011</b>	<b>70,431,083</b>
Finance and other costs paid	(38,848,312)	(28,816,529)
Long term deposits	(109,338)	84,500
Taxes paid	(1,926,021)	(1,218,753)
	<u>(40,883,671)</u>	<u>(29,950,782)</u>
<b>Net cash (used in)/generated from operating activities</b>	<b>(16,094,660)</b>	<b>40,480,301</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(250,157)	(360,700)
Dividend received	2,485,715	898,560
Proceeds from disposal of property and equipment	758,000	-
Long term investments	(53,048,702)	(202,020,500)
Long term loans-net	(110,000,000)	(1,781,501)
Mark up received	3,024,994	2,835,312
<b>Net cash used in investing activities</b>	<b>(157,030,150)</b>	<b>(200,428,829)</b>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease	(335,334)	(1,207,428)
Short term borrowings-net	162,047,195	155,070,612
<b>Net cash generated from financing activities</b>	<b>161,711,861</b>	<b>153,863,184</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(11,412,949)</b>	<b>(6,085,344)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,754,146</b>	<b>8,978,128</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,341,197</b>	<b>2,892,784</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2008**

	Share capital Rupees	Capital reserve Fair value reserve Rupees	Revenue reserve Unappropriated profit Rupees	Total Rupees
<b>Balance as at 30 June 2006</b>	1,003,225,410	612,996,894	732,421,358	<b>2,348,643,662</b>
Fair value gain during the period	-	909,549,420	-	<b>909,549,420</b>
Profit for the period	-	-	636,191,582	<b>636,191,582</b>
<b>Total recognized income and expenses for the period</b>	<b>-</b>	<b>909,549,420</b>	<b>636,191,582</b>	<b>1,545,741,002</b>
Issuance of bonus shares	351,128,890	-	(351,128,890)	-
<b>Balance as at 31 March 2007</b>	<b>1,354,354,300</b>	<b>1,522,546,314</b>	<b>1,017,484,050</b>	<b>3,894,384,664</b>
Fair value gain during the period	-	145,159,410	-	<b>145,159,410</b>
Profit for the period	-	-	999,360,399	<b>999,360,399</b>
<b>Total recognized income and expenses for the period</b>	<b>-</b>	<b>145,159,410</b>	<b>999,360,399</b>	<b>1,144,519,809</b>
<b>Balance as at 30 June 2007</b>	<b>1,354,354,300</b>	<b>1,667,705,724</b>	<b>2,016,844,449</b>	<b>5,038,904,473</b>
Fair value gain during the period	-	1,432,601,280	-	<b>1,432,601,280</b>
Profit for the period	-	-	1,052,543,967	<b>1,052,543,967</b>
<b>Total recognized income and expenses for the period</b>	<b>-</b>	<b>1,432,601,280</b>	<b>1,052,543,967</b>	<b>2,485,145,247</b>
Issuance of bonus shares	270,870,860	-	(270,870,860)	-
<b>Balance as at 31 March 2008</b>	<b>1,625,225,160</b>	<b>3,100,307,004</b>	<b>2,798,517,556</b>	<b>7,524,049,720</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

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**FIRST CAPITAL SECURITIES CORPORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 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 approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. 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 2007.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

**3 Accounting policies**

Accounting policies adopted for the preparation of these condensed interim financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2007.

**4 Estimates**

The preparation of condensed interim financial information requires 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 2007.

**5 Long term investments**

**Available for sale**

	Note	31 March 2008 Rupees	30 June 2007 Rupees
Subsidiary companies	5.1	2,011,530,630	903,773,098
Associated companies		130,045,000	130,045,000
Unrealized gain on revaluation of available for sale investments recognized directly in equity		<u>1,432,601,280</u>	<u>1,054,708,830</u>
		<u>3,574,176,910</u>	<u>2,088,526,928</u>

5.1 During this period, First Capital Equities Limited issued bonus shares @ 60%.

	31 March 2008 Rupees	30 June 2007 Rupees
<b>6 Investments at fair value through profit or loss</b>		
<b>Held for trading</b>		
Related parties	4,791,920	3,008,975
Others	40,808,776	63,150,302
<b>Others - related parties</b>	<u>3,129,162,317</u>	<u>1,460,046,380</u>
	<u>3,174,763,013</u>	<u>1,526,205,657</u>
Unrealised gain on account of remeasurement to fair value during the period	1,089,802,759	1,676,965,959
	<u>4,264,565,772</u>	<u>3,203,171,616</u>

	31 March 2008 Rupees	30 June 2007 Rupees
<b>7 SHORT TERM BORROWINGS - SECURED</b>		
Running facility with Bank Alfalah Limited	7,047,195	-
Securities sold under repurchase agreements		
First Capital Equities Limited - related party	450,000,000	170,000,000
Salman Services (Private) Limited	-	75,000,000
First Dawood Investment Bank Limited	-	50,000,000
	<u>450,000,000</u>	<u>295,000,000</u>
	<u>457,047,195</u>	<u>295,000,000</u>

**8 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 2007 except for the commitment to sell 76,422,454 shares of WorldCall Telecom Limited @ 25/- per share to Oman Telecommunications Company (S.A.O.G).

**9 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 2008 Rupees	31 March 2007 Rupees
<b>Subsidiary companies</b>		
Finance cost charged	26,835,103	20,242,353
Brokerage commission paid	1,299,976	5,631,614
Long term investments made	53,048,702	-
Purchase of goods/services	687,807	398,239
Dis invest from short term investments	-	2,965,766
Short term borrowings - Repo	650,000,000	472,000,000
Repayment of short term borrowings - Repo	370,000,000	472,000,000

	<b>31 March 2008 Rupees</b>	31 March 2007 Rupees
<b>Associated companies</b>		
Finance cost charged	4,932	1,313,644
Mark up income	3,890,848	2,640,991
Income from financial consultancy services	10,562,500	5,937,768
Short term borrowings availed and repaid	1,000,000	-
Insurance premium	439,901	217,948
Insurance claim	248,365	69,686
Dis invest from Short term investments	-	174,981,600
Long term loan given	122,000,000	-
Long term loan received	12,000,000	-

	<b>31 March 2008 Rupees</b>	30 June 2007 Rupees
<b>Period end balances</b>		

<b>Subsidiary companies</b>		
Short term borrowings - secured	450,000,000	170,000,000

<b>Associated companies</b>		
Long term loan	125,520,000	15,520,000
Trade debts	-	3,000,000

#### 10 Date of authorization for issue

These unaudited condensed interim financial information for the nine months ended 31 March 2008 were authorized for issue on 30 April 2008 by the Board of Directors of the Company.

#### 11 GENERAL

Figures have been rounded off to the nearest rupee.



**FIRST CAPITAL SECURITIES CORPORATION LIMITED**

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

**31 MARCH 2008**

## FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP

### DIRECTORS' REVIEW ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors of First Capital / Worldcall Group ("The Group") are privileged to present the unaudited consolidated financial statements of the group for the quarter ended 31 March 2008.

Financial Overview	31 March 2008 (Rupees in million)	31 March 2007
Revenue	934	345
Direct Costs	183	24
Operating Expenses	291	213
Operating Profit	460	108
Share of profit of associated companies	66	71
Unrealized gain on re measurement of investment	511	39
Profit after Taxation	941	161
Minority interest	(164)	(46)
Earnings per Share (Basis & Diluted)	4.78	0.71

First Capital Securities Corporation Limited and its subsidiaries collectively have shown good performance and reported steady growth in earnings during the quarter under review. The revenues earned by the group as a whole increased from Rs. 345 million to Rs.933 million while post tax profit ascended to Rs. 941 million as compared to Rs. 161 million for the corresponding period last year. Earning per share (EPS basic & diluted) consequently rose to Rs. 4.78 as compared to Rs.0.71 correspondingly, showing an increase of over 573%.

First Capital Equities Limited ("FCEL") reported remarkable outcome during the period, earning brokerage revenue of Rs. 499 million, an increase of 108% over the revenue in the corresponding period last year. Profit after tax rose to Rs. 275 million versus Rs. 108 million in the corresponding period, thereby increasing the EPS by 129% from Rs. 1.39 to Rs. 3.18 per share.

Sri Lanka based brokerage subsidiary Lanka Securities (Pvt.) Limited ("LSL") reported revenues of Rs. 32.34 million whereas profit after tax stood at Rs. 4.1 million translating into EPS of Rs. 0.55.

Revenue earned by First Capital Investments Limited ("FCIL") from investment advisory services rose to Rs. 8.02 million from Rs. 6.75 million as compared to the corresponding period of the preceding year, translating into earning per share of Rs. 0.07.

World Press (Pvt.) Limited reported revenues of Rs. 48.9 million, showing an increase of 93% over the corresponding figure for last year. Net profit stood at Rs. 5.2 million translating into EPS of Rs. 7.5.

Trident Construction (Pvt.) Limited reported brilliant growth during the period under review posting revenues of Rs. 152 million and after tax profit of Rs. 76 million. This translates into an EPS of Rs. 38.24 which is 297% higher than the corresponding period last year.

#### Future Outlook

Even though the global market is in apprehension, Karachi Stock Exchange has demonstrated itself as one of the best markets in the world showing an inspiring performance of 7.45% for the quarter ended 31 March 2008. Given the improved political situation and overall promising progress, FCSC is advancing assertively and is attempting to maximize its earnings and growth. Further, with steady

growth and stability in all sectors of the Company's investments, FCSC is planning to invest further in the real estate and media sectors.

The Board of Directors wishes to express its sincere appreciation and gratitude to the stakeholders for their valued support and to employees for their ongoing dedication and commitment in the performance of their duties

For and on behalf of the Board of Directors

Lahore  
30 April 2008

**Salmaan Taseer**  
Chairman & Chief Executive Officer

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED)  
AS AT 31 MARCH 2008**

	Un-audited 31 March 2008	Audited 30 June 2007
Note	Rupees	Rupees
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	419,393,980	346,120,922
Capital work in progress	33,729,053	2,678,710
Intangible assets	40,700,000	51,023,266
Long term loans	135,710,000	25,710,000
Investment in associates	634,435,621	568,887,962
Investment - available for sale	121,767,150	33,159,280
Long term deposits and advances	192,229,779	82,870,841
	<u>1,577,965,583</u>	<u>1,110,450,981</u>
<b>Current assets</b>		
Inventories	22,543,138	15,357,071
Trade debts	1,649,324,308	379,698,461
Loans and advances	737,656,445	930,393,432
Short term prepayments	11,719,259	3,796,838
Taxation recoverable	40,105,597	36,156,666
Deposits and other receivables	64,938,126	71,469,581
Placements	2,375,275,000	988,750,000
Interest receivable	46,822,939	11,727,558
Short term investments	2,806,796,095	2,202,067,054
Cash and bank balances	371,620,445	286,494,519
	<u>8,126,801,352</u>	<u>4,925,911,180</u>
<b>Current liabilities</b>		
Trade and other payables	545,332,436	707,159,788
Mark up accrued	81,032,474	22,900,176
Liability against repurchase agreement	1,209,275,000	923,750,000
Short term borrowings	3,366,005,636	883,716,052
Current portion of liabilities against assets subject to finance lease	10,898,761	4,092,412
Current portion of long term finance	-	5,040,000
	<u>5,212,544,307</u>	<u>2,546,658,428</u>
<b>Net current assets</b>	<u>2,914,257,045</u>	<u>2,379,252,752</u>
<b>Net assets</b>	<u>4,492,222,628</u>	<u>3,489,703,733</u>
<b>Non current liabilities</b>		
Liabilities against assets subject to finance lease	26,743,916	12,620,469
Long term finance	-	3,240,000
Deferred tax liability	1,323,129	71,303
Staff retirement benefits	31,818,712	25,191,914
	<u>59,885,757</u>	<u>41,123,686</u>
<b>Contingencies and commitments</b>		
<b>Net capital employed</b>	<u>4,432,336,871</u>	<u>3,448,580,047</u>
<b>Represented by:</b>		
<b>Share capital and reserves</b>		
Issued, subscribed and paid up capital	1,625,225,160	1,354,354,300
Exchange translation reserve	6,290,556	(2,347,636)
Reserves capitalised	80,898,000	80,898,000
Revaluation reserve of an associated company	25,313,943	25,313,943
Unappropriated profit	1,956,034,995	1,450,492,381
<b>Capital and reserves attributable to equity holders of the parent company`</b>	<u>3,693,762,654</u>	<u>2,908,710,988</u>
Minority interest	738,574,217	539,869,059
	<u>4,432,336,871</u>	<u>3,448,580,047</u>

The annexed notes 1 to 14 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT  
(UN-AUDITED)**

**FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2008**

Note	Nine months ended		Three months ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	Rupees	Rupees	Rupees	Rupees
Revenue	933,778,605	344,905,284	361,180,822	144,550,722
Direct costs	182,522,695	23,861,323	83,997,081	5,621,216
<b>Gross profit</b>	<u>751,255,910</u>	<u>321,043,961</u>	<u>277,183,741</u>	<u>138,929,506</u>
Operating expenses	290,773,030	213,237,508	97,900,715	77,711,792
<b>Operating profit</b>	<u>460,482,880</u>	<u>107,806,453</u>	<u>179,283,026</u>	<u>61,217,714</u>
Other income	205,756,496	119,903,297	103,743,703	36,834,098
	<u>666,239,376</u>	<u>227,709,750</u>	<u>283,026,729</u>	<u>98,051,812</u>
Finance costs	239,078,020	124,353,866	114,271,830	48,951,919
	<u>427,161,356</u>	<u>103,355,884</u>	<u>168,754,899</u>	<u>49,099,893</u>
Share of profit of associated companies	65,547,659	70,848,248	30,363,789	(6,291,558)
Unrealized gain on remeasurement of short term investments	510,553,967	38,872,446	588,592,740	21,857,775
	<u>1,003,262,982</u>	<u>213,076,578</u>	<u>787,711,428</u>	<u>64,666,110</u>
<b>Profit before taxation</b>	<u>1,003,262,982</u>	<u>213,076,578</u>	<u>787,711,428</u>	<u>64,666,110</u>
Taxation	62,404,811	51,722,474	22,658,156	17,250,133
<b>Profit after taxation</b>	<u>940,858,171</u>	<u>161,354,104</u>	<u>765,053,272</u>	<u>47,415,977</u>
Minority interest	163,521,213	45,632,237	48,248,052	15,280,416
<b>Profit attributable to parent company</b>	<u>777,336,958</u>	<u>115,721,867</u>	<u>716,805,220</u>	<u>32,135,561</u>
<b>Earnings per share - basic and diluted</b>	<u>4.78</u>	<u>0.71</u>	<u>4.41</u>	<u>0.20</u>

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

The annexed notes 1 to 14 form an integral part accounts.

LAHORE:

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2008**

	31 March 2008 Rupees	31 March 2007 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,003,262,982	213,076,578
Adjustments for:		
Depreciation	42,118,234	15,950,874
Finance cost	239,078,020	124,353,866
Gain on remeasurement of short term investments	(510,553,967)	(38,872,446)
Dividend income	(3,257,669)	(9,895,394)
Amortization of deferred cost	-	(1,028,503)
Amortization of goodwill	-	(574,437)
Gain on disposal of property, plant and equipment	(929,175)	928,659
Exchange translation difference	(8,638,192)	-
Retirement benefits	7,826,922	5,612,200
Share of profit of associated companies	(65,547,659)	(70,848,248)
Mark up income	(186,466,283)	(87,760,873)
	(486,369,769)	(62,134,302)
<b>Profit before working capital changes</b>	<b>516,893,213</b>	<b>150,942,276</b>
Effect on cash flow due to working capital changes: (Increase)/decrease in:		
Inventories	(7,186,067)	(8,921,293)
Trade debts	(1,301,845,027)	(103,940,341)
Loans and advances	192,736,987	(128,506,712)
Short term prepayments	(7,922,421)	(2,104,212)
Deposits and other receivables	6,531,455	13,136,851
Short term investments - net	(94,175,074)	(218,429,601)
Placements	(1,386,525,000)	(195,358,480)
Interest receivable	(35,095,381)	(99,497)
Increase/(decrease) in:		
Trade and other payables	(161,827,352)	(89,319,463)
Liability against repurchase agreement	285,525,000	183,000,000
Short term borrowings	2,482,289,584	417,911,675
	(27,493,296)	(132,631,073)
Cash generated from/(used in) operations	489,399,917	18,311,203
Long term deposits and advances	(109,358,938)	(22,638,362)
Retirement benefits paid	(1,200,124)	(1,332,660)
Finance costs paid	(180,945,722)	(115,607,952)
Taxes paid	59,707,706	(48,524,562)
<b>Net cash generated from/(used in) operating activities</b>	<b>257,602,839</b>	<b>(169,792,333)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(146,627,782)	(137,058,211)
Sale proceeds of property, plant and equipment	1,115,322	4,811,714
Investment made during the period	(88,607,870)	91,804,860
Dividend received	12,088,394	59,375
Long term Loans	(110,000,000)	(1,781,501)
Mark up received	146,905,227	90,523,387
<b>Net cash (used in)/generated from investing activities</b>	<b>(185,126,709)</b>	<b>48,359,624</b>
<b>Cash flows from financing activities</b>		
Repayment of liabilities against assets subject to finance lease	20,929,796	(1,362,010)
Long term finance	(8,280,000)	6,983,636
Share premium	-	29,447,586
<b>Net cash generated from financing activities</b>	<b>12,649,796</b>	<b>35,069,212</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>85,125,926</b>	<b>(86,363,497)</b>
<b>Cash and cash equivalents in the beginning of the period</b>	<b>286,494,519</b>	<b>308,453,860</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>371,620,445</b>	<b>222,090,363</b>

The annexed notes 1 to 14 form an integral part of these accounts.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR

**FIRST CAPITAL SECURITIES CORPORATION LIMITED GROUP  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 2008**

	Attributable to equity holders of the Parent					Total Equity Rupees
	Share capital Rupees	Revaluation reserve of an associated company Rupees	Reverse capitalised Rupees	Currency translation reserve Rupees	Unappropriated profit Rupees	
<b>Balance as at 30 June 2006</b>	1,003,225,410	32,557,138	-	(173,170)	670,009,966	1,705,619,344
Exchange translation difference recognized directly in equity	-	-	-	(1,502,091)	-	(1,502,091)
Profit for the period	-	-	-	-	115,721,867	115,721,867
<b>Total recognized income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,721,867</b>	<b>114,219,776</b>
Issuance of share capital bonus issue	351,128,890	-	-	-	(351,128,890)	-
Issue of bonus shares by subsidiary	-	(7,243,195)	80,699,531	-	7,243,195	80,699,531
Disposal of investment	351,128,890	(7,243,195)	(80,699,531)	-	(343,885,695)	80,699,531
<b>Balance as at 31 March 2007</b>	<b>1,354,354,300</b>	<b>25,313,943</b>	<b>80,699,531</b>	<b>(1,675,261)</b>	<b>441,846,138</b>	<b>1,900,538,651</b>
<b>Balance as at 30 June 2007</b>	<b>1,354,354,300</b>	<b>25,313,943</b>	<b>80,898,000</b>	<b>(2,347,636)</b>	<b>1,450,492,381</b>	<b>2,908,710,988</b>
Adjustment for profit of subsidiary	-	-	-	-	(923,484)	(923,484)
Exchange translation difference recognized directly in equity	-	-	-	8,638,192	-	8,638,192
Profit for the period	-	-	-	-	777,336,958	777,336,958
<b>Total recognized income and expenses for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,638,192</b>	<b>776,413,474</b>	<b>785,051,666</b>
Disposal of investment	-	-	-	-	-	-
Reserve on issue of right shares by subsidiary	-	-	-	-	-	-
Share premium on right issue by subsidiary	270,870,860	-	-	-	(270,870,860)	-
Issuance of share capital bonus issue	270,870,860	-	-	-	(270,870,860)	-
<b>Balance as at 31 March 2008</b>	<b>1,625,225,160</b>	<b>25,313,943</b>	<b>80,898,000</b>	<b>6,290,556</b>	<b>1,956,034,995</b>	<b>3,693,762,654</b>

The annexed notes 1 to 14 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  
ACCOUNTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED 31 MARCH 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 directives of Securities and Exchange Commission of Pakistan and 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 for the year ended 30 June 2007.

**4. Subsidiary companies**

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

	<b>Percentage of Holding</b>	
	<b>31 March 2008</b>	<b>30 June 2007</b>
First Capital Equities Limited (FCEL)	67.29	67.29
Lanka Securities (Pvt.) Limited, Sri Lanka	51	51
First Capital Investments Limited	65.79	65.79
Mileage (Pvt.) Limited	100	100
World Press (Pvt.) Limited	65	65
Trident Construct (Pvt.) Limited	51	51.76

**4.1** Equity Partners Securities Limited (EPSL) was subsidiary of FCEL and during the period, it has sold its entire share holding due to which EPSL have not been consolidated in these accounts.

	<b>31 March 2008 Rupees</b>	<b>30 June 2007 Rupees</b>
<b>5. Investment in associates</b>		
Opening balance	568,887,962	1,378,216,591
Add: Acquisition of additional shares	-	34,995,140
Shares disposed off	-	(114,043,195)
Transfer to short term investment	-	(812,949,863)
Effect of investment transfer to subsidiary	-	(10,200,000)
	-	(937,193,058)
Share of profit	65,547,659	98,869,289
Dividend received	-	(6,000,000)
	<b>65,547,659</b>	<b>92,869,289</b>
Closing balance	<b>634,435,621</b>	<b>568,887,962</b>

**5.1** Subsequent to period end, merger of Total Media Limited with Media Times Limited has been approved by Honourable Lahore High Court on 14 April 2008 and Court Order is in the process of issuance.

	<b>31 March 2008 Rupees</b>	<b>30 June 2007 Rupees</b>
<b>6 Placements</b>		
Securities purchased under the resale agreements of quoted shares - Related Party	1,029,500,000	350,000,000
Securities purchased under the resale agreements of quoted shares - Others	1,345,775,000	638,750,000
	<b>2,375,275,000</b>	<b>988,750,000</b>

**7 Short term investments**

Investments measured at fair value through profit and loss account

Carrying amount of investments	2,296,242,128	1,284,853,951
Un-realised gain on remeasurement of investments	510,553,967	917,213,103
	<b>2,806,796,095</b>	<b>2,202,067,054</b>

**8 Liability against repurchase agreement**

This represent the amount payable to financial institutions under the repurchase agreement against the securities given under the arrangement. The effective interest rate is 11 % to 14.5 % per annum (June 2007: 12.75% to 15%) and is for a period of one to three months.

**9 Short term borrowings**

The facilities are obtained from various commercial banks under mark up arrangements amounting to Rupees 4,675 million (June 2007 : Rs.1,425 million). These facilities carry mark up at the rate ranging from 1 - 6 months KIBOR plus 1.8 % to 3 % (June 2007: 2 % to 4.25 %) per annum with floor limits ranging from 11.8% to 13% per annum (June 2007: 10 % to 13 %) payable quarterly and are secured against pledge of shares of listed companies.

## 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, 2007 except for the following contingencies and commitments:

During the period, Securities and Exchange Commission of Pakistan has served a show cause notice to the FCEL under Sections 4 and 5 of Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002, alleging that the FCEL has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The FCEL has submitted its initial reply to the show cause notice to the SECP and no further proceeding has been held till to date. Based on the legal counsel's opinion, the management is confident that the matter will be decided in the FCEL's favor. The financial impact of the outcome, if any, can not be ascertained at this stage.

	<b>31 March 2008 Rupees</b>	30 June 2007 Rupees
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### Commitments

Leasehold properties	<b>55,200,400</b>	89,110,000
Investment properties	<b>200,472,824</b>	277,087,965
Forward purchase commitment - shares	<b>1,352,729,575</b>	-
Forward sale commitment - shares	<b>3,802,242,775</b>	-

## 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:

	<b>31 March 2008 Rupees</b>	<b>31 March 2007 Rupees</b>
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### Associated companies

Brokerage income	<b>880,038</b>	22,701,434
Placements entered	<b>1,147,500,000</b>	450,000,000
Placements matured	<b>468,000,000</b>	400,000,000
Income earned on placement	<b>86,754,514</b>	34,564,513
Finance cost charged	<b>4,932</b>	1,313,644
Mark up Income	<b>5,113,728</b>	2,640,991
Income from Financial Consultancy Services	<b>18,590,214</b>	10,805,174
Insurance premium	<b>439,901</b>	217,948
Insurance claim	<b>248,365</b>	69,686
Dis Invest from short term investments	-	174,981,600
Take-up commission	-	149,838
Long term loan given	<b>122,000,000</b>	-
Long term loan received	<b>12,000,000</b>	-
Contract services	<b>306,670,573</b>	-

## 12 Earnings per share-basic

Net profit for the period	Rupees	<u><b>777,336,958</b></u>	<u>115,721,867</u>
			Restated
Average ordinary shares outstanding	Shares	<u><b>162,522,516</b></u>	<u>162,522,516</u>
Earnings per share-Basic	Rupees	<u><b>4.78</b></u>	<u>0.71</u>

## 13 Date of authorization

These un-audited condensed interim consolidated financial information for the nine months ended 31 March 2008 were authorized for issue on 30 April 2008 by the Board of Directors of the Parent Company.

## 14 General

Figures have been rounded off to the nearest rupee.

LAHORE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DIRECTOR