



JS Global Capital Limited

Half Yearly Report  
December 31, 2010  
(Un-audited)

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## Company Information

Board of Directors	Mr. Adil Matcheswala Mr. Shahid Hameed Mr. Yousef S FA Alebrahim Mr. Naief Abullatif S A Mohammad Mr. Aslam Khaliq Syed Nadir Shah Mr. Ahsen Ahmed Mr. Muhammad Kamran Nasir	Chairman, Non-Executive Director Vice Chairman, Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Chief Executive
Audit Committee	Mr. Adil Matcheswala Mr. Shahid Hameed Mr. Ahsen Ahmed Mr. Shahid Kamal	Chairman Member Member Secretary
Executive Committee	Mr. Muhammad Kamran Nasir Mr. Shahid Hameed Mr. Adil Matcheswala	Chairman Member Member
Compensation Committee	Mr. Aslam Khaliq Mr. Muhammad Kamran Nasir Mr. Shahid Hameed	Chairman Member Member
CFO & Company Secretary	Mr. Danish Zahoor	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi	
Internal Auditor	Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
Bankers	JS Bank Ltd. MCB Bank Ltd. Habib Bank Ltd. Habib Metropolitan Bank Ltd. NIB Bank Limited Bank Alfalah Ltd. United Bank Limited	
Legal Advisor	Bawaney & Partners 4th Floor, Beaumont Plaza, Civil Lines, Karachi	
Share Registrar	Technology Trade (Private) Limited 241-C, Block 2, P.E.C.H.S, Karachi	
Registered Office	6th Floor, Faysal House, Main Shakra-e-Faisal, Karachi Telephone: 92-21-111574111, Fax: 92-21-32800163, 32800167	

## Director's Report to the Members

The Directors are pleased to present the un-audited financial statements of JS Global Capital Limited (the "Company") for the six months period ended December 31, 2010 together with comparative figures for the corresponding period of last year. Summarized results are set out below:

	Six Months Period ended	
	31 December 2010	31 December 2009
	----- (Rupees) -----	
Profit before tax	112,816,874	266,066,634
Profit after tax	86,938,299	187,369,232
Earnings per share	1.74	3.75

### ECONOMIC REVIEW

Pakistan's economy continued to face challenges in the past quarter as it is still encountering the aftermath of the summer floods in the shape of higher inflation and rising fiscal deficit. CPI rose by 15.5%YoY in December, with average inflation concluding at 14.6% in 1HFY11, pushed up by high food and energy prices. This, alongside rising government borrowing to finance expenditures, forced the Central Bank to raise interest rates thrice in 1HFY11, 50bps each time to 14%. Encouragingly, Pakistan posted a Current Account surplus of US\$26mn in 1HFY11, backed by rising foreign inflows in the shape of remittances, Coalition Support Fund and Foreign Portfolio Investment. This brought stability to the US\$/Rupee exchange parity with rupee depreciating only by 2% in 2010 compared to average annual depreciation of 10% during the 3 years 2007-09.

Going forward, the issues relating to energy subsidies, inter-corporate debt and higher government borrowing will continue to be the key challenges to resolve and will pave way to receive the last two tranches of the stalled IMF programme.

### EQUITY MARKET REVIEW

Improved liquidity led by higher foreign inflows helped Pakistan's equity market rebound sharply in the second quarter of the current fiscal year. The KSE 100 Index recorded an increase of 20% in 2QFY11, with gains cumulating to 24% in 1HFY11. Share volumes traded on the Exchange improved with average daily turnover standing at 131mn shares in the 2Q, compared to a mere 62mn in 1QFY11. Banks and Chemicals sectors were the two top performers, gaining 25% and 23% respectively during the period.

For the equity market to recover in terms of confidence and volumes, increased participation from the domestic investor base is required. Market triggers are needed which include more stability on the political front, clarity on flood damage and the related rehabilitation process and last but not least the introduction of a leveraged product for the equity market.

### FIXED INCOME, CURRENCIES, AND COMMODITIES REVIEW

The Fixed income market was very active, with the discount rate being raised a 150bps during the period. Total new corporate issuance, both short and medium term was PKR 2.6 billion.

USD / PKR traded in a band of 85.42/\$ to 86.32/\$

Turnover activity in the Commodities Futures market continues to show steady growth as investor awareness grows. Over time we expect an increased use of this market by end users due to enhanced governance and delivery certainty. Average daily value traded over the period under review, at the National Commodities Exchange, was USD 1,613 million.

#### CHANGE IN MANAGEMENT

Mr. Nadir Rahman resigned as the Company's CEO and Mr. Muhammad Kamran Nasir has been appointed as the new CEO with effect from January 01, 2011.

#### COMPANY PERFORMANCE REVIEW

Operating revenue declined by over 38% principally due to lower equity brokerage revenue in comparison to the corresponding period last year. This is a direct reflection of lower volumes at the KSE and the absence of a leverage product that despite various deadlines/efforts, still remains unimplemented.

As highlighted by your Board in previous reviews, we still expect 2011 to be a challenging year for all Equity Market Participants. The Executive Management is acutely monitoring its resources to reap the maximum benefits for all its shareholders during the current Financial Year. This involves optimising revenue generation from treasury management, core brokerage and fee based operations whilst at the same time rationalising our cost base, despite the higher inflation being experienced by the country over the last few years.

#### ACKNOWLEDGEMENT

We express our most sincere appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.


We would like to acknowledge the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan for their efforts to strengthen the Capital Markets and measures to protect investor rights.

On behalf of the Board

Karachi: February 22, 2011

Adil Matcheswala  
Chairman

# Auditors' Report to the Members on Review of Condensed Interim Financial Information



## Introduction

We have reviewed the accompanying condensed interim balance sheet of JS Global Capital Limited ("the Company") as at 31 December 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (hereinafter referred as interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 31 December 2010 and 31 December 2009 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Karachi: February 22, 2011

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Muhammad Taufiq

 JS Global

## Condensed Interim Balance Sheet As at 31 December 2010

	Note	31 December 2010 (Un-audited)	30 June 2010 (Audited)
------(Rupees)-----			
<b>CAPITAL AND RESERVES</b>			
Share capital Authorised 150,000,000 (30 June 2010: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid -up capital		500,000,000	500,000,000
Share premium		1,810,104,900	1,810,104,900
Unappropriated profit		283,045,505	446,107,206
Unrealised gain on remeasurement of available-for-sale investments at fair value	<i>10.6</i>	<u>-</u>	<u>4,100,099</u>
		2,593,150,405	2,760,312,205
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors, accrued expenses and other liabilities	<i>5</i>	<u>658,514,586</u>	<u>196,529,065</u>
Provision for taxation		<u>149,441,872</u>	<u>121,390,337</u>
		807,956,458	317,919,402
Contingencies and commitments	<i>6</i>		
		<u>3,401,106,863</u>	<u>3,078,231,607</u>

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Adil Matcheswala  
Chairman / Director

Muhammad Kamran Nasir  
Chief Executive

## CONDENSED INTERIM BALANCE SHEET

### As at 31 December 2010

	Note	31 December 2010 (Un-audited)	30 June 2010 (Audited)
------(Rupees)-----			
ASSETS:			
Non Current assets			
Property and equipment	7	37,865,235	43,436,658
Intangible assets		23,500,000	23,500,000
Long term loans, advances and deposits		8,008,354	5,369,026
Deferred taxation - net	8	<u>116,510,547</u>	<u>114,337,587</u>
		185,884,136	186,643,271
Current assets			
Short term investments	9	1,559,501,285	1,759,574,556
Trade debts - unsecured, considered good	10	591,038,834	351,209,537
Loans and Advances		6,518,759	7,855,218
Deposits and short term prepayments		7,216,845	58,465,001
Interest and markup receivable	11	14,647,658	6,163,159
Other receivables		17,710,029	33,769,492
Advance tax		145,771,695	111,592,889
Cash and bank balances	12	872,817,622	562,958,484
		3,215,222,727	2,891,588,336
		<u>3,401,106,863</u>	<u>3,078,231,607</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

Adil Matcheswala  
Chairman / Director

Muhammad Kamran Nasir  
Chief Executive

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## CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Unaudited) For the six months period ended 31 December 2010

	Note	Six Months Period ended		Three Months Period ended	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
		(Rupees)		(Rupees)	
Operating revenue	13	108,227,460	174,835,165	67,065,857	81,530,956
Capital gain on sale of investments		34,385,544	52,228,754	21,868,153	27,541,762
Gain on remeasurement of investments carried at fair value through profit or loss - net		37,294,339	21,129,868	8,461,191	10,270,584
		<u>179,907,343</u>	<u>248,193,787</u>	<u>97,395,201</u>	<u>119,343,302</u>
Administrative and operating expenses		(163,389,537)	(186,191,785)	(84,528,672)	(99,342,864)
Reversal of provision for doubtful debts		433,592	-	-	-
		<u>16,951,398</u>	<u>62,002,002</u>	<u>12,866,529</u>	<u>20,000,438</u>
Other operating income	14	100,516,575	211,192,457	47,993,594	36,000,736
		<u>117,467,973</u>	<u>273,194,459</u>	<u>60,860,123</u>	<u>56,001,174</u>
Provision for Workers' Welfare Fund		(2,284,344)	(5,321,333)	(1,175,913)	(1,079,194)
Finance Cost		(2,366,755)	(1,806,492)	(1,211,807)	(922,426)
Profit before taxation		<u>112,816,874</u>	<u>266,066,634</u>	<u>58,472,403</u>	<u>53,999,554</u>
Taxation - current		(28,051,535)	(79,923,940)	(17,924,209)	(33,091,504)
- deferred		2,172,960	1,226,538	-	1,182,458
		<u>(25,878,575)</u>	<u>(78,697,402)</u>	<u>(17,924,209)</u>	<u>(31,909,046)</u>
Profit after taxation		<u>86,938,299</u>	<u>187,369,232</u>	<u>40,548,194</u>	<u>22,090,508</u>
Earnings per share - basic and diluted	15	<u>1.74</u>	<u>3.75</u>	<u>0.81</u>	<u>0.44</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) For the six months period ended 31 December 2010

	Six Months Period ended		Three Months Period ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	------(Rupees)-----		------(Rupees)-----	
Net income / (loss) for the period	86,938,299	187,369,232	40,548,194	22,090,508
Other comprehensive income:				
Unrealised (loss) / gain on remeasurement of available for sale investments at fair value	(4,100,099)	87,043,923	694,932	16,730,974
Total comprehensive income for the period	<u>82,838,200</u>	<u>274,413,155</u>	<u>41,243,126</u>	<u>38,821,482</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

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Adil Matcheswala  
Chairman / Director

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Muhammad Kamran Nasir  
Chief Executive

 JS Global

## CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

### For the six months period ended 31 December 2010

	Six Months Period ended	
	31 December 2010	31 December 2009
	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	112,816,874	266,066,634
Adjustments for:		
Depreciation	8,186,872	9,196,230
(Gain) / Loss on sale of property and equipment	(2,855,642)	1,900,391
Amortisation of intangible assets	-	36,652
Gain remeasurement of investments carried at fair value through profit or loss - net	(37,294,339)	(21,129,868)
Reversal of provision for doubtful debts	(433,592)	-
Provision for Workers' Welfare Fund	2,284,344	5,321,333
Finance cost	2,366,755	1,806,492
	(27,745,602)	(2,868,770)
Cash generated from operating activities before working capital changes	85,071,272	263,197,864
<i>(Increase) / decrease in operating assets</i>		
Trade debts - unsecured, considered good	(239,395,706)	682,082,047
Loans and Advances	1,336,459	(4,972,251)
Deposits and short term prepayments	51,248,156	(6,331,214)
Interest and markup receivable	(8,484,499)	4,718,041
Other receivables	16,059,463	24,264,252
	(179,236,127)	699,760,875
<i>Increase / (decrease) in current liabilities</i>		
Creditors, accrued expenses and other liabilities	466,357,507	67,602,750
Cash generated from operations	372,192,652	1,030,561,489
Finance cost paid	(2,366,755)	(1,777,069)
Taxes paid	(34,178,806)	(36,952,336)
Payment to workers' welfare fund	(7,293,206)	(5,463,059)
Net cash from operating activities	328,353,885	986,369,025
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,705,800)	(3,221,662)
Proceeds from disposal of property and equipment	4,945,993	3,136,466
Purchase of National Commodities Exchange Limited membership card	-	(2,500,000)
Long term loans, advances and deposits	(2,639,328)	(217,315)
Short term investments	233,267,512	(877,427,627)
Net cash from / (used in) investing activities	230,868,377	(880,230,138)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(249,363,124)	(498,351,502)
Net cash used in financing activities	(249,363,124)	(498,351,502)
Increase / (Decrease) in cash and cash equivalents during the period	309,859,138	(392,212,615)
Cash and cash equivalents at the beginning of the period	562,958,484	814,149,824
Cash and cash equivalents at the end of the period	872,817,622	421,937,209

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) For the six months period ended 31 December 2010

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Reserve for issue of bonus shares	Share premium	Unrealized gain/ (loss) on remeasurement of available for sale investment at fair value	Unappropriated profit	
..... (Rupees) .....						
Balance as at 01 July 2009	500,000,000	-	1,810,104,900	(34,416,500)	1,023,463,793	3,299,152,193
Total comprehensive income for the period						
Loss for the six months period ended 31 December 2009	-	-	-	-	187,369,232	187,369,232
Other comprehensive income						
Unrealised gain on remeasurement of available for sale investments at fair value	-	-	-	87,043,923	-	87,043,923
Total comprehensive income for the period	-	-	-	87,043,923	187,369,232	274,413,155
Transactions with owners of the Company, recognised directly in equity						
Contribution by and distribution to owners of the Company						
- Appropriations for the year ended 30 June 2009 final dividend @ Rs.10 per ordinary share	-	-	-	-	(500,000,000)	(500,000,000)
Balance as on 31 December 2009	500,000,000	-	1,810,104,900	52,627,423	710,833,025	3,073,565,348
Balance as at 01 July 2010	500,000,000	-	1,810,104,900	4,100,099	446,107,206	2,760,312,205
Total comprehensive income for the period						
Profit for the six months period ended 31 December 2010	-	-	-	-	86,938,299	86,938,299
Other comprehensive income						
Un realized loss on remeasurement of available for sale investments at fair value	-	-	-	(4,100,099)	-	(4,100,099)
Total comprehensive income for the period	-	-	-	(4,100,099)	86,938,299	82,838,200
Transactions with owners of the Company, recognised directly in equity						
Contribution by and distribution to owners of the Company						
- Appropriations for the year ended 30 June 2010 final dividend @ Rs.5 per ordinary share	-	-	-	-	(250,000,000)	(250,000,000)
Balance as at 31 December 2010	500,000,000	-	1,810,104,900	-	283,045,505	2,539,150,405

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

Adil Matcheswala  
Chairman / Director

Muhammad Kamran Nasir  
Chief Executive

 JS Global

## Notes To The Condensed Interim Financial Statement (Unaudited) For the Six Months Period Ended December 31, 2010

### 1. THE COMPANY AND ITS OPERATIONS

JS Global Capital Limited is a corporate member of Karachi Stock Exchange (Guarantee) Limited and member of National Commodity Exchange Limited. The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 6th floor, Faysal House, Shakra-e-Faisal, Karachi, Pakistan.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010.

These condensed interim financial information are being submitted to the shareholders as required by the Listing regulations of Karachi and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial information are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

#### 2.2 Use of estimates and judgments

The preparation of condensed interim financial information requires the Company 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 the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2010.

### 3. ACCOUNTING POLICIES

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

### 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2010.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	31 December 2010 (Un-audited)	30 June 2010 (Audited)
	------(Rupees)-----	
Creditors for sale of shares on behalf of clients	619,710,751	153,780,321
Accrued expenses	20,363,656	17,611,505
Provision for staff bonus	2,000,000	2,000,000
Unclaimed dividend	2,873,037	2,236,161
Retention money	40,600	40,600
Advance fee from client	3,485,696	6,043,182
Provision for workers' welfare fund	2,127,167	7,136,029
Others	7,913,679	7,681,267
	<u>658,514,586</u>	<u>196,529,065</u>

## 6. CONTINGENCIES AND COMMITMENTS

## Contingencies

A recovery suit has been filed against the Company by the lessor of the previous Islamabad office vacated during the year. The lessor has demanded Rs. 6.5 million. Management considers that no amount would become payable under the said claim. Accordingly, provision has not been made against the claim.

## Commitments

Future sale transactions of equity and other securities entered into by the Company in respect of which the sale transactions have not been settled as at 31 December / 30 June

-	<u>405,845,769</u>
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Bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from JS Bank Limited. The guarantee expires on 5 August 2011 and is secured against pledge of treasury bills amounting to Rs.500 million and 21,200,000 preference shares of Azgard Nine Limited - a related party

<u>400,000,000</u>	<u>400,000,000</u>
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## 7. PROPERTY AND EQUIPMENT

Following is the cost of property and equipment that have been added / disposed off during the six months period ended 31 December 2010:

Additions:	31 December 2010 (Un-audited)	30 June 2010 (Audited)
	------(Rupees)-----	
Office Equipments	673,340	2,111,455
Office Furniture	-	2,941,850
Motor Vehicles	<u>4,032,460</u>	<u>6,243,304</u>
	<u>4,705,800</u>	<u>11,296,609</u>
<u>Disposals:</u>		
Office Equipments	1,097,820	27,000
Office Furniture	-	4,764,500
Motor Vehicles	<u>5,194,899</u>	<u>7,454,900</u>
	<u>6,292,719</u>	<u>12,246,400</u>

31 December 2010 (Un-audited)      30 June 2010 (Audited)  
----- (Rupees) -----

8. DEFERRED TAXATION

Taxable temporary differences		
Accelerated depreciation for tax purposes	(962,407)	(1,350,753)
Revaluation of investments	(2,955,103)	(4,868,358)
Deductible temporary difference		
Difference in accounting and tax base of intangible assets	813	3,496
Provision for doubtful debts	120,427,244	120,553,202
	<u>116,510,547</u>	<u>114,337,587</u>

9. SHORT TERM INVESTMENTS

Investments in marketable securities 'at fair value through profit or loss - held for trading'

Quoted equity securities	-	386,250,060
Units of mutual funds	9.1 537,206,399	477,547,609
Term finance certificates and sukuk bonds	9.2 218,153,089	71,886,925
Government securities	9.3 537,215,656	502,863,722
	<u>1,292,575,144</u>	<u>1,438,548,316</u>
Available for sale		
Unlisted term finance certificates	9.4 56,000,000	106,000,000
Quoted preference shares of related parties	9.5 210,926,141	215,026,240
	<u>1,559,501,285</u>	<u>1,759,574,556</u>

9.1 Units of mutual funds

Number of units		Name of Fund	31 December, 2010		30 June, 2010
31 December 2010	30 June 2010		Average cost	Fair Value	Fair Value
			----- (Rupees) -----		(Rupees)
357,117	805,268	MCB - Cash Management Optimizer fund	34,607,645	36,500,039	82,029,106
-	5,000,000	NIT Government Bond Fund	-	-	53,240,000
-	7,553,816	NIT Income Fund	-	-	78,135,162
-	997,506	JS Cash Fund - related party	-	-	102,204,489
1,028,093	1,083,293	Lakson Money Market Fund	100,000,000	102,875,290	111,324,959
269,013	247,060	UBL Liquidity Plus Fund	25,628,919	26,954,266	25,425,363
-	2,451,629	NAFA Government Securities Liquid Fund	-	-	25,188,530
2,491,521	-	JS Principal Secure Fund I - related party	250,000,000	277,430,883	-
892,085	-	JS Capital Protected Fund IV - related party	91,492,255	93,445,921	-
			<u>501,728,819</u>	<u>537,206,399</u>	<u>477,547,609</u>
		Unrealised gain on remeasurement at fair value	35,477,580		
			<u>537,206,399</u>	<u>537,206,399</u>	

## 9.2 Term finance certificates and sukuk bonds

Number of certificates		Name of term finance certificates	31 December, 2010		30 June, 2010
31 December 2010	30 June 2010		Average cost ------(Rupees)-----	Fair Value	Fair Value (Rupees)
<b>Listed</b>					
-	5,000	Engro Fertilizers Pakistan Limited III	-	-	24,509,250
2,990	800	Askari Bank Limited I	14,835,065	14,836,622	3,918,720
10,900	-	Pakistan Mobile Communication Limited	46,571,250	47,579,263	-
9,400	-	NIB Bank Limited	44,747,708	45,704,285	-
3,140	-	Bank Al Falah Limited	15,483,631	15,482,080	-
1,400	-	Bank Al Habib Limited	6,991,600	7,004,548	-
4,548	-	Standard Chartered Bank (Pakistan) Limited	21,771,499	21,771,477	-
<b>Un-Listed</b>					
-	9,740	Engro Fertilizers Pakistan Limited IV	-	-	43,458,955
110	-	Orix Leasing Pakistan Limited	8,341,666	9,106,835	-
23,810	-	Orix Leasing Pakistan Limited - sukuk	56,548,750	56,667,979	-
			<u>215,291,169</u>	<u>218,153,089</u>	<u>71,886,925</u>
Unrealised loss on remeasurement at fair value			2,861,920		
			<u>218,153,089</u>	<u>218,153,089</u>	

## 9.3 Government securities

Treasury bills	9.3.1	490,122,971	488,289,010	495,643,722
Pakistan investment bonds	9.3.2	47,957,702	48,746,502	-
National saving bonds		180,144	180,144	7,220,000
		<u>538,260,817</u>	<u>537,215,656</u>	<u>502,863,722</u>
Unrealised gain on remeasurement at fair value		(1,045,161)		
		<u>537,215,656</u>	<u>537,215,656</u>	

9.3.1 These treasury bills have a tenor of one year with maturity on 07 April 2011, 05 May 2011 and 02 June 2011 respectively. They carry an effective yield ranging from 12.10 % to 12.61% per annum.

9.3.2 These have a tenor of 10 years with maturity on 06 October 2013 and 30 August 2018 respectively. They carry an effective yield ranging from 12.00 % to 12.10% per annum.

9.4 These unlisted term finance certificates were due to mature on 31 October 2009. However, owing to the financial difficulties being faced by the issuer and the pending initial public offering of its shares which was due for SECP clearance, the investee company was unable to fully redeem the said certificates. The Company received Rs. 20 million and Rs. 50 million in January 2010 and July 2010 respectively from the issuer representing partial repayment of the principal amount, leaving an outstanding exposure of Rs. 56 million at the period end. The markup at the rate of 17.95% per annum (last coupon rate) has been paid on a monthly basis till August 2010. Management is hopeful about the recovery of the remaining amount and outstanding markup and expecting it to recover by 30 June 2011.

9.5 Quoted preference shares of related parties

Number of shares		Name of Company	31 December, 2010		30 June, 2010
31 December 2010	30 June 2010		Average cost ------(Rupees)-----	Fair Value	Fair Value (Rupees)
6,949,320	6,949,320	Pakistan International Containers Terminal Limited 2.5.1	69,493,200	69,493,200	73,593,299
25,601,986	25,601,986	Azgard Nine Limited 2.5.2	229,178,138	229,178,138	229,178,138
		Impairment of investment in preference shares of Azgard Nine Limited	(87,745,197)	(87,745,197)	(87,745,197)
			<u>210,926,141</u>	<u>210,926,141</u>	<u>215,026,240</u>

9.5.1 These are fully paid preference shares having issue price of Rs.10 each and carrying dividend @ 10% per annum payable annually in arrears on the issue price with a term of 7 years from the issue date of 6 November 2005.

9.5.2 These are partly convertible preference shares having issue price of Rs.10 each and carrying dividend @ 8.95% per annum payable annually in arrears on the issue price with a term of 6 years from the issue date of 24 September 2004. As per the original terms of the issue, 50% of the preference shares were due for redemption at the end of the fifth year whereas remaining 50% will be due for redemption at the end of the sixth year (24 September 2010). As per the terms of the issue, if the issuer fails to redeem the shares in the said manner, the entire amount of the face value of the shares together with the dividend accrued will be converted into ordinary shares of the Azgard Nine Limited at the option of the shareholder at the end of the sixth year (completing on 24 September 2010).

Azgard Nine Limited did not comply with the original terms of the issue and issued a draft of revised terms. As per the revised terms, 50% of the outstanding amount will be converted into ordinary shares of Agritech Limited and the balance of 50% will be converted into ordinary shares of Azgard Nine Limited. A provision on the basis of the above had already been recognised in the financial statements for the year ended 30 June 2010.

	31 December 2010 (Un-audited)	30 June 2010 (Audited)
10. TRADE DEBTS -unsecured, considered good	------(Rupees)-----	
-Purchase of shares on behalf of clients	543,061,579	310,986,861
-Advisory services	21,723,650	21,723,650
-Forex and fixed income commission	11,851,939	13,950,002
-Commodity	14,401,666	4,549,024
	<u>591,038,834</u>	<u>351,209,537</u>
Considered doubtful or bad	<u>414,551,614</u>	<u>414,985,205</u>
	1,005,590,448	766,194,742
Provision for doubtful debts	<u>(414,551,614)</u>	<u>(414,985,205)</u>
	<u>591,038,834</u>	<u>351,209,537</u>

	31 December 2010 (Un-audited)	30 June 2010 (Audited)
	------(Rupees)-----	
<b>11. INTEREST AND MARK-UP RECEIVABLE</b>		
Accrued mark-up on Pakistan investment bonds	2,117,369	-
Accrued mark-up on term finance certificates	10,929,968	5,858,797
Profit receivable on bank deposits	1,600,321	289,526
Accrued mark-up on national savings bond	-	14,836
	<u>14,647,658</u>	<u>6,163,159</u>
<b>12. CASH AND BANK BALANCES</b>		
Cash with banks:		
- Current accounts	7,339,265	3,213,775
- Profit and loss / deposit accounts	<i>12.1</i> 652,465,070	545,631,731
- Term deposit receipts	<i>12.2</i> 200,000,000	-
- Foreign currency deposit accounts	12,919,287	14,018,978
	<u>872,723,622</u>	<u>562,864,484</u>
Cash in Hand	94,000	94,000
	<u>872,817,622</u>	<u>562,958,484</u>
12.1 Profit and loss / deposit accounts carry profit ranging from 5% to 11.5% per annum (30 June 2010: 5% to 11% per annum).		
12.2 This represents term deposit receipts from JS Bank Limited (related party) and Bank Alfalah Limited at the rate of 13.6% per annum with maturity on 4 January 2011 and 5 January 2011 respectively.		
	31 December 2010 (Un-audited)	31 December 2009 (Un-audited)
	------(Rupees)-----	
<b>13. OPERATING REVENUE</b>		
Brokerage and operating income	106,325,462	169,708,229
Advisory and consultancy fee	1,901,998	5,126,936
	<u>108,227,460</u>	<u>174,835,165</u>
<b>14. OTHER OPERATING INCOME</b>		
Income from financial assets		
Dividend income	5,543,985	11,172,991
Profit on term finance certificates and government securities	56,752,536	34,435,078
Mark-up / income on reverse repurchase transaction	1,457,585	3,506,783
Profit on commercial papers	4,375,533	-
Profit on PLS accounts	25,772,474	47,013,990
Profit on term deposit receipts	558,904	5,443,835
Return on cash margin on future contracts	319,833	1,996
Exchange (loss) / gain on foreign currency deposits accounts	(93,696)	351,987
Late payment charges	2,620,036	109,158,204
	<u>97,307,190</u>	<u>211,084,864</u>
Income from non-financial assets		
Gain on sale of property and equipment	2,855,642	-
Other income	353,743	107,593
	<u>3,209,385</u>	<u>107,593</u>
	<u>100,516,575</u>	<u>211,192,457</u>

		31 December 2010 (Un-audited)	31 December 2009 (Un-audited)
		----- (Rupees) -----	
<b>15. EARNINGS PER SHARE - basic and diluted</b>			
Profit after taxation	<i>Rupees</i>	<u>86,938,299</u>	<u>187,369,232</u>
Weighted average number of shares outstanding during the period	<i>Number</i>	<u>50,000,000</u>	<u>50,000,000</u>
Earnings per share -basic and diluted	<i>Rupees</i>	<u>1.74</u>	<u>3.75</u>

**16. RELATED PARTY TRANSACTIONS**

Related parties comprise of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into at rates negotiated with them.

Details of transactions and balances at period end with related parties, other than those which have been disclosed elsewhere in these condensed interim financial information, are as follows:

		31 December 2010 (Un-audited)	31 December 2009 (Un-audited)
		----- (Rupees) -----	
Brokerage and advisory income earned from:			
- Directors		<u>13,868</u>	<u>57,649</u>
- Associated companies		<u>7,970,616</u>	<u>21,540,161</u>
- Related parties		<u>2,586,432</u>	<u>12,365,467</u>
Contributions to staff provident fund		<u>1,781,399</u>	<u>1,694,179</u>
Payment on account of expenses to associated companies		<u>19,841,507</u>	<u>14,513,675</u>
Royalty expense		<u>4,999,998</u>	<u>5,000,002</u>
Key management compensation		<u>19,123,686</u>	<u>14,065,228</u>
Bank Guarantee Charges		<u>1,600,000</u>	<u>1,692,698</u>
Bank charges		<u>94,501</u>	<u>29,423</u>
Dividend income on preference shares		<u>3,474,660</u>	<u>10,887,990</u>
Profit on PLS accounts and term deposit receipts		<u>20,442,697</u>	<u>44,145,006</u>
Capital gain on sale of units of JS Income Fund		<u>1,002,045</u>	<u>-</u>
Exchange (loss) / gain on foreign currency deposit accounts		<u>(15,618)</u>	<u>60,768</u>
Purchase of investments from related party		<u>1,088,740,264</u>	<u>1,763,114,151</u>

	31 December 2010 (Un-audited)	31 December 2009 (Un-audited)
	------(Rupees)-----	
Sale of investments to related party	<u>842,943,425</u>	<u>203,028,633</u>
Sale of vehicle to JS Sons Limited - G.M.Malkani (Ex CEO)	<u>1,405,000</u>	<u>-</u>
Purchase of units of JS Capital Protected Fund IV	<u>91,492,255</u>	<u>-</u>
Purchase of units of JS Principal Secure Fund I	<u>250,000,000</u>	<u>-</u>
Purchase of membership card of National Commodity Exchange Limited from Jahangir Siddiqui and Company Limited	<u>-</u>	<u>2,500,000</u>
Advance for purchase of office at Hayat Regency paid to Jahangir Siddiqui & Company Limited	<u>-</u>	<u>2,500,000</u>
Investment made in preference shares	<u>-</u>	<u>38,219,246</u>
Sale of units of JS Cash Fund	<u>103,206,534</u>	<u>-</u>

	31 December 2010 (Un-audited)	30 June 2010 (Audited)
	------(Rupees)-----	
Investment in related parties:		
- Pakistan International Containers Terminal Limited	<u>69,493,200</u>	<u>73,593,299</u>
- Azgard Nine Limited (net of impairment)	<u>141,432,941</u>	<u>141,432,941</u>
Cash at bank	<u>732,838,280</u>	<u>240,840,512</u>
Rent received from related parties	<u>4,112,670</u>	<u>4,062,024</u>
Loan to executives	<u>1,464,404</u>	<u>217,441</u>
Receivable from related parties:		
- Associated companies	<u>95,370,146</u>	<u>12,762,298</u>
- Other related parties	<u>38,480,739</u>	<u>2,945,173</u>
Payable to related parties:		
- Associated companies	<u>73,093</u>	<u>648,904</u>
- Other related parties	<u>274,301</u>	<u>459,395</u>

## 17. OPERATING SEGMENT

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	31 December 2010 (Unaudited)			Total
	Brokerage	Investment and Treasury	Other operations	
Segment revenues	106,325,461	172,476,848	1,621,609	280,423,918
Intersegment revenues	-	-	-	-
Total segment revenues	106,325,461	172,476,848	1,621,609	280,423,918
Administrative and operating expenses	(78,119,627)	(26,625,413)	(50,457,625)	(155,202,665)
Depreciation	(4,683,747)	(3,012,291)	(490,834)	(8,186,872)
Amortization of intangible assets	-	-	-	-
Reversal for doubtful debts	433,592	-	-	433,592
Finance cost	-	(2,366,755)	-	(2,366,755)
Provision for workers' welfare fund	23,955,679	140,472,389	(49,326,850)	115,101,218
Taxation	-	-	-	-
Profit after tax	660,412,422	2,715,767,565	24,926,876	3,401,106,863
Other information	619,710,751	160,228,588	28,017,119	807,956,458
Segment assets				
Segment liabilities				

### 17.1 Information about major customers

There were no major customer of the Company which formed part of 10 per cent or more of the Company's revenue.

	31 December 2009 (Unaudited)			
	Brokerage	Investment and Treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	271,305,151	183,524,991	4,556,102	459,386,244
Intersegment revenues	-	-	-	-
Total segment revenues	271,305,151	183,524,991	4,556,102	459,386,244
Administrative and operating expenses	(89,163,141)	(19,008,521)	(19,734,256)	(127,905,918)
Depreciation	(5,165,278)	(870,600)	(3,160,352)	(9,196,230)
Amortization of intangible assets	-	-	-	-
Provision for doubtful debts	(49,089,637)	-	-	(49,089,637)
Finance cost	-	(1,806,492)	-	(1,806,492)
Provision for workers' welfare fund	127,887,095	161,839,378	(18,338,506)	271,387,967
Taxation	-	-	-	(5,321,333)
Profit after tax	-	-	-	(78,697,402)
Other information	-	-	-	187,369,232
Segment assets	678,920,734	2,363,225,280	36,085,593	3,078,231,607
Segment liabilities	311,876,220	-	6,043,182	317,919,402

30 June 2010 (Audited)

(Rupees)

## 17.2 Information about major customers

There were no major customer of the Company which formed part of 10 per cent or more of the Company's revenue.

18. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of directors of the Company have approved cash dividend of Nil(31 December 2009: Nil) for the six months ended 31 December 2010, amounting to Rs. Nil (31 December 2009: Nil) respectively in their meeting held on 22 February 2011.

19. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 22, 2011 by the Board of Directors of the Company.