



JS Global Capital Limited

Condensed Interim Financial Information
For the Period Ended June 30, 2012
(Un-audited)

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Company Information

Board of Directors	Mr. Basir Shamsie Mr. Shahid Hameed Mr. Kashif Shafi Khan Mr. Naief Abdullatif S A Mohammad Mr. Aslam Khaliq Mr. Khurshid Hadi Mr. Muhammad Yousuf Amanullah 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 Officer
Audit Committee	Mr. Muhammad Yousuf Amanullah Mr. Shahid Hameed Mr. Basir Shamsie Mr. Ilyas Ahmed	Chairman Member Member Secretary
Executive Committee	Mr. Muhammad Kamran Nasir Mr. Shahid Hameed Mr. Basir Shamsie	Chairman Member Member
Compensation Committee	Mr. Aslam Khaliq Mr. Muhammad Kamran Nasir Mr. Shahid Hameed	Chairman Member Member
CFO & Company Secretary	Mr. Jamal Rehmat Ali	
Auditor	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi	
Internal Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
Bankers	JS Bank Limited MCB Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Bank Alfalah Limited United Bank Limited	
Legal Advisers	Bawaney & Partners , 4th Floor, Beaumont Plaza, Civil Lines, Karachi	
Share Registrar	Technology Trade (Pvt) Limited , 241-C, Block-2, P.E.C.H.S., Karachi	
Registered Office	6th Floor, Faysal House, Main Shahra – 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 unaudited financial statements of JS Global Capital Limited (the "Company") for the twelve months period and Quarter ended June 30, 2012 with limited scope review from external auditors, together with comparative figures for the corresponding period of last year. Summarized results are set out below:

	Twelve months period ended		Quarter ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	------(Rupees)-----		------(Rupees)-----	
Profit / (loss) before tax	248,078,816	126,231,381	88,498,760	(49,044,358)
Profit / (loss) after tax	184,863,833	89,120,801	59,201,230	(41,488,789)
Earnings / (loss) per share	3.70	1.78	1.18	(0.83)

ECONOMIC REVIEW

Like FY11, FY12 started with the monsoon floods, hindering economic recovery. Severe power and gas shortage further contributed to economic slowdown during the year. GDP growth for FY12 was recorded at 3.7% compared to initial target of 4.2%. Large Scale Manufacturing (LSM) growth was restricted to 1.3%YoY in FY12. Trade deficit surged by 36%YoY in FY12 to USD 21.3 bn. Higher international oil prices inflated the import bill as imports rose by 11%YoY to USD 44.9 bn. Exports during the year declined by 5%YoY to USD 23.6 bn. Resultantly, current account recorded a deficit of USD 4.5 bn compared to last year's surplus of USD 542 mn. Foreign exchange reserves also depleted to USD 15 bn in FY12 as payments to the IMF began in February 2012. However, on the positive side, inflation tapered off to 11% compared to last year's 13.7% while remittances surged to USD 13.2 bn in FY12 against USD 11.2 bn recorded last year. Inflation has declined further post June 2012 and is likely to allow SBP to lower discount rate, which would bode well for economic activity going forward.

EQUITY MARKET REVIEW

During the twelve months ended June 2012 KSE-100 index recorded a relatively muted gain of 10% vs. an average increase of 32% in the preceding two fiscal years. Nevertheless, the local bourse outperformed its regional peers by an average 11%, while also bettered commodities by a fair margin of 27% (measured through the CRB index). The KSE gains were largely limited to 2HFY12 (up 22%) mainly owing to the amnesty scheme offered by the government. Whereas in 1HFY12, the market contracted by 9% given concerns on the domestic political scenario, complicated ties with the US and weak global economic outlook. Average daily volumes also improved by 37%YoY to 130 mn shares in FY12. Improvement in ties with the US and expected monetary easing by the Central Bank is expected to provide further support to the market going forward.

Money Market / FX Overview

In the year 2011 Asia money conferred the "Best Brokerage House in Corporate Debt Securities" award on the Company while Financial Market Association also recognized JS Global's performance and its "Best Brokerage House in Foreign Exchange (FX)" award was bestowed upon the Company. These awards reflect our highly focused and tailor-made efforts on each client in catering to his specific requirements.

USD/PKR parity range for 2011-2012 was (85.75 - 94.70). It shows that our rupee remained under pressure and depreciated approximately by 10.43%.

Commodity Overview

PMEX is achieving remarkable growth day by day in terms of total traded value of contracts. Between first and second quarter 2012 the traded value has grown from approximately Rs. 187 billion to Rs. 274 billion during this period, the total traded contract volume rose approximately from 812,000 contracts to 997,000 contracts. PMEX's business growth is primarily a result of new products, low transaction costs, tight spreads, deep liquidity, growing membership and efficient systems that make it very easy for brokers and their clients to transact and manage their trades.

JS Global ended the year 2011 as the No. 1 leading PMEX broker in terms of contracts traded.

COMPANY PERFORMANCE REVIEW

Operating revenue declined due to lower equity brokerage revenue in comparison to the corresponding period last year. However, the overall results of the Company have shown a substantial increase by 107% as compared to the corresponding period last year. The balance Sheet size of the Company grew by Rs 235 million and stood at Rs 3.1 billion as compared to Rs 2.8 billion corresponding period last year. Further, the cost controls measures have resulted in an overall reduction by 13.77% in the administrative expenses.

Despite current market-related challenges and the country's economic condition, the Company is focused in maintaining its growth momentum in the long run. Management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from treasury management, core brokerage and fee-based operations whilst at the same time rationalizing our cost base, despite high inflation being experienced by the country over the last few years.

During the period, Mr. Adil Matcheswala, Mr. Ahsen Ahmed and Syed Nadir Shah resigned from the Board of Directors and Mr. Basir Shamsie, Mr. Yousuf Amanullah and Mr. Khurshid Hadi were appointed as Directors in their place.

In order to align its financial year with its parent company and to facilitate preparation of financial statements, the Company changed its financial year from July-June to January- December and has been accorded the necessary approval by the SECP.

ACKNOWLEDGEMENT

The Board expresses its most sincere appreciation towards the Company's employees for their dedication and hard work and its clientele, business partners and shareholders for their support and confidence.

We would like to acknowledge the role of 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

Basir Shamsie
Chairman

Karachi: August 27, 2012

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



Introduction

We have reviewed the accompanying condensed interim statement of financial position of JS Global Capital Limited (the Company) as at June 30, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the twelve months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 condensed interim financial information as of and for the twelve months ended June 30, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the twelve months ended June 30, 2012.

The financial statements of the Company for the year ended June 30, 2011 were audited by another firm of chartered accountants who through their report dated September 22, 2011 expressed an unqualified opinion thereon.

Karachi: August 27, 2012

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Nadeem Yousuf Adil

 JS Global

Condensed Interim Balance Sheet

As at 30 June 2012

	Note	30 June 2012 (Un-audited)	30 June 2011 (Audited)
------(Rupees)-----			
CAPITAL AND RESERVES			
Share capital			
Authorised:			
150,000,000 (June 30, 2011: 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		370,091,840	285,228,007
Unrealized gain / (loss) on remeasurement of available-for-sale investments at fair value		-	(69,493)
		<u>2,680,196,740</u>	<u>2,595,263,414</u>
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	<u>289,500,322</u>	194,892,528
Provision for taxation		<u>121,393,784</u>	65,962,451
Contingencies and Commitments	6	<u>410,894,106</u>	260,854,979
		<u>3,091,090,846</u>	<u>2,856,118,393</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information

Condensed Interim Balance Sheet

As at 30 June 2012

	Note	30 June 2012 (Un-audited)	30 June 2011 (Audited)
----- (Rupees) -----			
ASSETS:			
Non Current assets			
Property and equipment	7	17,271,252	24,941,067
Intangible assets	8	23,770,831	23,500,000
Long term loans, advances and deposits		5,725,776	8,223,874
Deferred taxation-net	9	133,802,569	141,586,220
		180,570,428	198,251,161
Current assets			
Short term investments	10	1,670,051,761	1,868,315,625
Trade debts - unsecured, considered good	11	527,497,318	157,221,996
Loans and advances - considered good		11,085,935	7,701,435
Deposits and short-term prepayments		12,761,040	9,756,565
Interest and markup accrued	12	16,908,143	19,313,483
Other receivables		10,817,551	10,525,803
Advance tax		113,953,065	63,944,065
Cash and bank balances	13	547,445,605	521,088,260
		2,910,520,418	2,657,867,232
		3,091,090,846	2,856,118,393

The annexed notes 1 to 21 form an integral part of this condensed interim financial information

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

JS Global

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Unaudited)

For the twelve months period ended June 30, 2012

	Note	Twelve Months Period ended		Three Months Period ended	
		30 June 2012 (Un-audited) ----- (Rupees)	30 June 2011 (Audited)	30 June 2012 (Un-audited) ----- (Rupees)	30 June 2011 (Un-audited)
Operating revenue	14	194,865,130	216,301,342	64,266,241	39,695,543
Income from reverse repurchase transactions		223,994	-	-	-
Capital gain on sale of investments		55,118,551	60,683,916	21,548,084	24,446,061
Gain on remeasurement of investments at fair value through profit or loss - net		68,788,458	60,007,688	31,022,997	7,599,758
		<u>318,996,133</u>	<u>336,992,946</u>	<u>116,837,322</u>	<u>71,741,362</u>
Administrative and operating expenses		(283,745,232)	(329,060,703)	(77,123,245)	(81,894,255)
Bad debts written off directly-trade debts		-	-	-	-
(Provision) / reversal for doubtful debts-net		22,843,411	(6,815,799)	22,843,411	(7,249,391)
Impairment of investment in preference shares		(20,000,000)	(78,417,906)	(20,000,000)	(78,417,906)
Impairment of dividend receivable		-	(8,592,669)	-	(8,592,669)
		<u>38,094,312</u>	<u>(85,894,131)</u>	<u>42,557,488</u>	<u>(104,412,859)</u>
Other operating income	15	230,356,624	219,176,350	53,564,024	55,515,743
		<u>268,450,936</u>	<u>133,282,219</u>	<u>96,121,512</u>	<u>(48,897,116)</u>
Provision for workers' welfare fund		(5,510,554)	(2,664,135)	(2,196,097)	913,586
Finance cost	16	(14,861,566)	(4,386,703)	(5,426,655)	(1,060,828)
Profit / (loss) before taxation		<u>248,078,816</u>	<u>126,231,381</u>	<u>88,498,760</u>	<u>(49,044,358)</u>
Taxation - current		(55,431,332)	(64,205,550)	(16,809,720)	(17,366,441)
- prior		-	(153,663)	-	(153,663)
- deferred		(7,783,651)	27,248,633	(12,487,810)	25,075,673
		<u>(63,214,983)</u>	<u>(37,110,580)</u>	<u>(29,297,530)</u>	<u>7,555,569</u>
Profit / (loss) after taxation		<u>184,863,833</u>	<u>89,120,801</u>	<u>59,201,230</u>	<u>(41,488,789)</u>
Earnings / (loss) per share - basic and diluted	17	<u>3.70</u>	<u>1.78</u>	<u>1.18</u>	<u>(0.83)</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information



Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the twelve months period ended 30 June 2012

	Twelve Months Period ended		Three Months Period ended	
	30 June 2012 (Un-audited)	30 June 2011 (Audited)	30 June 2012 (Un-audited)	30 June 2011 (Audited)
	------(Rupees)-----		------(Rupees)-----	
Net profit / (loss) for the period	184,863,833	89,120,801	59,201,230	(41,488,789)
Other comprehensive income:				
Unrealized gain / (loss) on remeasurement of available for sale investments at fair value	69,493	(4,169,592)	(5,767,936)	17,303,807
	69,493	(4,169,592)	(5,767,936)	17,303,807
Total comprehensive income / (loss) for the period	184,933,326	84,951,209	53,433,294	(24,184,982)

The annexed notes 1 to 21 form an integral part of this condensed interim financial information

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

 **JS Global**

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

For the twelve months period ended 30 June 2012

	30 June 2012 (Un-audited)	30 June 2011 (Audited)
(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	248,078,816	126,231,381
Adjustments for:		
Depreciation	8,836,273	14,939,949
Amortization of intangible assets	54,168	-
(Gain) / loss on sale of property and equipment	(5,647,336)	1,147,847
(Gain) / loss on remeasurement of investments carried at fair value through profit or loss - net	(68,788,458)	(60,007,688)
(Reversal)/provision for doubtful debts	(22,843,411)	6,815,799
Provision for workers' welfare fund	5,510,554	2,664,135
Impairment of investment in preference shares	20,000,000	78,417,906
Impairment of dividend receivable	-	8,592,669
Finance cost	14,861,566	4,386,703
	(48,016,644)	56,957,320
Cash generated from operating activities before working capital changes	200,062,172	183,188,701
(Increase) / decrease in current assets		
Trade debts - considered good	(347,431,911)	187,171,742
Loans and Advances - unsecured considered good	(3,384,500)	153,783
Deposits and short term prepayments	(3,004,475)	48,708,436
Interest and markup accrued	2,405,340	(13,150,324)
Other receivables	(291,748)	14,650,061
	(351,707,294)	237,533,698
Increase / (decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	91,557,158	2,716,093
Cash (used in) / generated from operations	(60,087,964)	423,438,492
Finance cost paid	(14,861,566)	(4,386,703)
Taxes paid	(50,009,000)	(72,138,274)
Payment to workers' welfare fund	(2,647,214)	(7,293,206)
Net cash (used in) / from operating activities	(127,605,744)	339,620,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,941,944)	(7,793,340)
Capital expenditure incurred on software	(325,000)	-
Proceeds from disposal of property and equipment	6,422,824	10,202,093
Long term loans, advances and deposits	2,498,098	(2,854,848)
Short term investments	247,121,815	(131,320,879)
Net cash from / (used in) investing activities	253,775,793	(131,766,974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(99,812,704)	(249,723,559)
Net cash used in financing activities	(99,812,704)	(249,723,559)
Increase / (decrease) in cash and cash equivalents during the period	26,357,345	(41,870,224)
Cash and cash equivalents at the beginning of the period	521,088,260	562,958,484
Cash and cash equivalents at the end of the period	547,445,605	521,088,260

The annexed notes 1 to 21 form an integral part of this condensed interim financial information

 JS Global

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the twelve months period ended 30 June 2012

	Issued, subscribed and paid up share capital	Capital reserves Share premium	Revenue reserves		Total
			Unrealized gain / (loss) on remeasurement of available for sale investment at fair value (Rupees)	Unappropriated profit	
Balance as on July 1, 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 twelve months period ended June 30, 2011	-	-	-	89,120,801	89,120,801
Other comprehensive income					
Un realized loss on remeasurement of available for sale investments at fair value	-	-	(4,169,592)	-	(4,169,592)
Total comprehensive income for the period	-	-	(4,169,592)	89,120,801	84,951,209
Transactions with owners of the Company, recognised directly in equity					
- Final dividend for the year ended June 30, 2010 @ Rs.5 per ordinary share	-	-	-	(250,000,000)	(250,000,000)
Balance as on June 30, 2011	500,000,000	1,810,104,900	(69,493)	285,228,007	2,595,263,414
Balance as at July 01, 2011	500,000,000	1,810,104,900	(69,493)	285,228,007	2,595,263,414
Total comprehensive income for the period					
Profit for the twelve months period ended June 30, 2012	-	-	-	184,863,833	184,863,833
Other comprehensive income					
Un realized gain on remeasurement of available for sale investments at fair value	-	-	69,493	-	69,493
Total comprehensive income for the period	-	-	69,493	184,863,833	184,933,326
Transactions with owners of the Company, recognised directly in equity					
Interim dividend for the six months period ended December 31, 2011 @ Rs.2 per ordinary share	-	-	-	(100,000,000)	(100,000,000)
Balance as at June 30, 2012	500,000,000	1,810,104,900	-	370,091,840	2,680,196,740

The annexed notes 1 to 21 form an integral part of this condensed interim financial information

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

 **JS Global**

Notes To The Condensed Interim Financial Information (Un-audited) For the twelve months period ended 30 June 2012

1. THE COMPANY AND ITS OPERATIONS

JS Global Capital Limited ('the Company') was incorporated as a private limited company on June 28, 2000. However, the Company commenced operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited on February 7, 2005. During 2006-07 the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. Securities and Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated July 19, 2006 gave its approval in principle to the scheme of the transaction.

During the current period, JS Bank Limited (the Bank), a subsidiary of JSCL, acquired 25,525,169 shares of the Company from JSCL and other shareholders of the Company against issuance of 185,321,546 shares of the Bank in lieu thereof. As a result the principle ownership of the Company was transferred to the Bank. Now, the Company is subsidiary of JS Bank Limited and JSCL has become the ultimate parent of the Company.

JS Global Capital Limited is a corporate member of Karachi Stock Exchange (Guarantee) Limited and member of Pakistan Merchantile Exchange Limited (formerly 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, Shahra-e-Faisal, Karachi, Pakistan.

1.1 Change in accounting year

The Company has changed its financial year from June 30 to December 31 to align its year-end with JS Bank Limited. In this respect the Company has been granted approval by SECP through letter No.EMD/233/667/2005-1576 dated June 05, 2012 to change its financial year from July-June to January-December in accordance with the provisions of the section 238 of the Companies Ordinance 1984. The Company has also been allowed the following approvals/permissions:

- Waiver of the requirement for laying accounts for the calendar year 2012.
- Preparation of accounts for a period eighteen (18) months period starting from July 01, 2011 to December 31, 2012.

- Waiver from holding of annual general meeting for the calendar year 2012.
- Extension for holding of annual general meeting of the company for the calendar year 2012 upto April 30, 2013 i.e. beyond fifteen months from last preceding annual general meeting.

In view of above, complete set of financial statements of the Company will be prepared for eighteen months starting from July 01, 2011 to December 31, 2012. Therefore, management has prepared condensed financial information for the twelve months period ended starting from July 1, 2011 to June 30, 2012 instead of complete set of financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the twelve months period ended June 30, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim financial information has been limited based on requirements of International Accounting Standard 34, 'Interim Financial Reporting' and do not include all the disclosures required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2011.

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 annual financial statements as at and for the year ended June 30, 2011.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2011.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 30 June 2011.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2012 (Un-audited)	30 June 2011 (Audited)
	----- (Rupees) -----	
Creditors for sale of commodities and shares on behalf of clients	239,134,598	155,408,663
Accrued expenses	25,052,810	22,411,990
Provision for staff bonus	4,000,000	2,000,000
Unclaimed dividend	2,699,898	2,512,602
Retention money	40,600	40,600
Advance fee from client	5,914,963	3,276,971
Provision for Workers' Welfare Fund	5,370,298	2,506,958
Others	7,287,155	6,734,744
	<u>289,500,322</u>	<u>194,892,528</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

A recovery suit has been filed against the Company by the lessor of the previous Islamabad office. 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.

	30 June 2012 (Un-audited)	30 June 2011 (Audited)
	----- (Rupees) -----	
Commitments:		
Bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from JS Bank Limited (holding company). - Rs. 200 million expires on August 03, 2012 - Rs. 200 million expires on March 19, 2013 Both guarantees are secured against pledge of T-Bills	<u>400,000,000</u>	<u>400,000,000</u>

7. PROPERTY AND EQUIPMENT

Following is the cost of property and equipment that have been purchased / disposed off during the twelve months period ended June 30, 2012:

Additions (at Cost):

Office Equipments	711,991	1,281,260
Office Furniture	416,000	-
Motor Vehicles	813,953	6,512,080
	<u>1,941,944</u>	<u>7,793,340</u>

Disposals (at WDV):

Office Equipments	(71,536)	(153,407)
Office Furniture	-	(5,938,498)
Motor Vehicles	(703,952)	(5,258,035)
	<u>(775,488)</u>	<u>(11,349,940)</u>

		30 June 2012 (Un-audited)	30 June 2011 (Audited)
	Note	------(Rupees)-----	
8. INTANGIBLE ASSETS			
Membership Cards			
- Karachi Stock Exchange (Guarantee) Limited		21,000,000	21,000,000
- Pakistan Merchantile Exchange Limited		2,500,000	2,500,000
		23,500,000	23,500,000
- Software		270,831	-
		23,770,831	23,500,000
9. DEFERRED TAXATION			
Taxable temporary difference			
Accelerated depreciation for tax purposes		1,046,258	(43,362)
Revaluation of investments		(6,878,846)	(6,000,769)
		(5,832,588)	(6,044,131)
Deductible temporary difference			
Provision for doubtful debts		139,635,158	147,630,351
		133,802,569	141,586,220
10. SHORT TERM INVESTMENTS			
Investments in marketable securities 'at fair value through profit or loss -held for trading'			
Units of mutual funds	10.1	699,832,087	708,570,947
Term finance certificates and sukuk bonds	10.2	121,240,225	305,046,849
Government securities	10.3	675,388,174	651,259,087
Engro Rupaiyya Certificates		41,083,040	15,000,000
		1,537,543,526	1,679,876,883
Available for sale			
Unlisted term finance certificates	10.4	20,000,000	56,000,000
Quoted preference shares	10.5	112,508,235	132,438,742
		1,670,051,761	1,868,315,625

10.1 Units of mutual funds

Number of units		Name of funds	30 June 2012 (Unaudited)		30 June 2011 (Audited)
30 June 2012 (Unaudited)	30 June 2011 (Audited)		Average Cost	Fair Value	
		----- (Rupees) -----			
-	385,514	MCB-Cash Management Optimizer fund	-	-	38,633,171
-	4,001,284	ABL Cash Fund	-	-	40,088,065
274,042	-	UBL Government Securities Fund	25,000,000	27,805,832	-
2,643,228	1,899,335	JS Cash Fund- related party	250,215,945	275,133,558	200,000,000
-	1,078,760	Lakson Money Market Fund	-	-	108,932,332
313,552	285,018	UBL Liquidity Plus Fund	28,562,283	31,795,636	28,562,283
2,756,543	2,491,521	JS Principal Secure Fund I - related party	292,355,095	339,535,813	292,355,095
2,519,237	-	NAFA Government Securities Liquid Fund	25,000,000	25,561,248	-
			621,133,323	699,832,087	708,570,947
Un realized gain on remeasurement at fair value			78,698,764		
			699,832,087	699,832,087	708,570,947

10.2 Term finance certificates and sukuk bonds

Number of certificates		Name of Term Finance Certificates	30 June 2012 (Unaudited)		30 June 2011 (Audited)
30 June 2012 (Unaudited)	30 June 2011 (Audited)		Average Cost	Fair Value	
		----- (Rupees) -----			
Listed					
-	1,600	Bank Al Habib Limited	AA	-	8,209,236
-	2,000	Engro Fertilizers Pakistan Limited III	AA	-	9,616,768
1,500	-	Engro Fertilizers Pakistan Limited	AA-	7,125,000	7,132,500
100	500	Orix Leasing Pakistan Limited	AA	8,000,000	8,076,544
1,001	-	Faysal Bank Limited	AA-	5,038,457	5,030,858
200	6,900	Pakistan Mobile Communication Limited	AA-	20,000,000	20,537,480
-	3,000	United Bank Limited III	AA	-	15,159,444
-	10,000	United Bank Limited IV	AA	-	49,298,121
800	-	United Bank Limited II	AA	3,878,914	3,800,935
				44,042,371	44,578,317
Un-Listed					
1,700	10,000	Bank Al Habib Limited IV	AA	9,027,744	9,043,637
-	13,000	Engro Fertilizers Pakistan Limited II	AA	-	65,919,880
10,400	510	Engro Fertilizers Pakistan Limited Sukuk	AA	52,000,000	52,000,000
-	4,300	Faysal Bank Limited	AA-	-	21,495,700
-	190	Orix Leasing Pakistan Limited Sukuk	AA	-	317,952
3,000	-	Bank Al Habib Limited III	AA	15,562,560	15,618,271
				76,590,304	76,661,908
Un realized gain on remeasurement at fair value				607,550	
				121,240,225	121,240,225
					305,046,849

10.3 Government Securities

	Note	30 June 2012 (Unaudited)		30 June 2011 (Audited)
		----- (Rupees) -----		
Treasury Bills	10.3.1	490,071,053	488,605,294	555,338,687
Pakistan Investment Bonds	10.3.2	196,247,070	186,602,880	95,740,400
National Saving Bonds	10.3.3	180,000	180,000	180,000
		686,498,123	675,388,174	651,259,087
Un realized (loss) on remeasurement at fair value		(11,109,949)		
		675,388,174	675,388,174	651,259,087

10.3.1 These treasury bills have a tenor of one year with maturity on November 01, 2012 and October 18, 2012 and August 23, 2012 respectively and carry an effective yield ranging from 11.75 % to 12.25% per annum (June 30, 2011: 13.75% to 13.83%) .

10.3.2 These Pakistan Investment Bonds have a tenor of ten years with maturity on August 18, 2021 and carry an effective yield ranging from 12.24% to 12.55% per annum (June 30, 2011: 11.75%).

10.3.3 This has a tenor of 10 years with maturity on January 29, 2020 and carry an effective yield of 12.60% per annum (June 30, 2011: 12.55%).

10.4 These unlisted term finance certificates were issued by TPL Trakker Limited that were due to mature on October 31, 2009. However, owing to the financial difficulties being faced by the issuer and the pending initial public offering (IPO) of its shares which was due for SECP clearance, the investee company was unable to fully redeem the said certificates. However, during current period, the IPO of investee's shares is complete. Uptill June 30, 2012 a total of Rs. 106 million has been received against the principal in various installments (June 30, 2011: 50 million). Markup at the rate of 17.95% per annum (30 June 2011: 17.95%) has been paid on a monthly basis. The Company also holds 23.6 million ordinary shares of TPL Direct Insurance limited as a security against the exposure having market value of Rs. 279 million as at June 30, 2012.

10.5 Quoted Preference Shares of related parties

Number of shares		Name of Company	Note	30 June 2012 (Unaudited)		30 June 2011 (Audited)
30 June 2012 (Unaudited)	30 June 2011 (Audited)			Average Cost (Rupees)	Fair Value	
6,949,320	6,949,320	Pakistan International Containers Terminal Limited - related party	10.5.1	69,493,200	69,493,200	69,423,707
		Unrealized gain on remeasurement		-	-	-
				<u>69,493,200</u>	<u>69,493,200</u>	<u>69,423,707</u>
25,601,986	25,601,986	Azgard Nine Limited - related party	10.5.2	229,178,138	229,178,138	229,178,138
		Provision for impairment		(186,163,103)	(186,163,103)	(166,163,103)
				<u>43,015,035</u>	<u>43,015,035</u>	<u>63,015,035</u>
				<u>112,508,235</u>	<u>112,508,235</u>	<u>132,438,742</u>

10.5.1 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 November 06, 2005.

10.5.2 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 September 24, 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% were due for redemption at the end of the sixth year (September 24, 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 (completed on September 24, 2010).

Azgard Nine Limited did not comply with the original terms of the issue and issued draft revised terms last year as per which 50% of the outstanding amount would be converted into ordinary shares of Agritech Limited and the balance of 50% would be converted into ordinary shares of Azgard Nine Limited. Azgard Nine Limited failed to comply with the revised terms also subsequently. Management is currently considering various recourses at its disposal and on prudent basis determined provision for impairment against these preference shares. 21,200,000 preference shares have been pledged with JS Bank Limited against bank guarantee.

		30 June 2012 (Unaudited)	30 June 2011 (Audited)
		----- (Rupees) -----	
11. TRADE DEBTS -unsecured, considered good			
Purchase of shares on behalf of clients		464,905,877	116,763,777
Advisory services		3,000,000	152,295
Forex and fixed income commission		11,139,107	9,639,487
Commodity		48,452,334	30,666,437
		<u>527,497,318</u>	<u>157,221,996</u>
Considered doubtful or bad	11.1	<u>398,957,593</u>	<u>421,801,004</u>
Provision for doubtful debts		<u>(398,957,593)</u>	<u>(421,801,004)</u>
		<u>527,497,318</u>	<u>157,221,996</u>

11.1 Provision for doubtful debts

Opening balance		421,801,004	414,985,205
Provision during the year		-	21,723,650
Reversals	11.2	<u>(22,843,411)</u>	<u>(14,907,851)</u>
		<u>(22,843,411)</u>	<u>6,815,799</u>
Closing Balance		<u>398,957,593</u>	<u>421,801,004</u>

11.2 This includes Rs. 21,723,650 received from Azgard Nine Limited - a related party (June 30, 2011: Nil).

12. INTEREST AND MARK-UP RECEIVABLE

Accrued mark-up on pakistan investment bonds		8,721,311	4,931,507
Accrued markup term finance certificates		7,115,158	12,406,599
Profit receivable on bank deposits	12.1	<u>1,071,674</u>	<u>1,975,377</u>
		<u>16,908,143</u>	<u>19,313,483</u>

12.1 It includes profit receivable from JS Bank Limited (holding company) amounting to Rs. 942,925 (June 30, 2011: Rs. 865,267)

13. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts	13.1	7,801,202	4,943,407
- Profit and loss / deposit accounts	13.2	533,535,231	505,621,754
- Foreign currency deposit accounts	13.3	6,015,172	10,429,099
		<u>547,351,605</u>	<u>520,994,260</u>
Cash in hand		<u>94,000</u>	<u>94,000</u>
		<u>547,445,605</u>	<u>521,088,260</u>

13.1 Included in the current accounts is the amount kept with JS Bank Limited (holding company) amounting to Rs. 5.76 million (June 30, 2011: Rs. 3.26 million)

13.2 Profit and loss / deposit accounts carry profit ranging from 5% to 11.5% per annum (30 June 2011: 5% to 11.5% per annum). Included in these balances is the amount kept with JS Bank Limited (holding company) amounting to Rs. 526.14 million (June 30, 2011: Rs. 358.37).

13.3 Included in the foreign currency deposit accounts is the amount kept with JS Bank Limited (holding company) amounting to Rs. 4.6 million (June 30, 2011: Rs. 4.47 million).

	30 June 2012 Note (Un-audited)	30 June 2011 (Audited)
------(Rupees)-----		
14. OPERATING REVENUE		
Brokerage and other operating income	180,192,568	211,527,559
Advisory and consultancy fee	14,672,562	4,773,783
	<u>194,865,130</u>	<u>216,301,342</u>
15. OTHER OPERATING INCOME		
Income from financial assets:		
Dividend income on preference shares from related parties	6,949,447	25,373,645
Markup on term finance certificates, market treasury bills, pakistan investment bonds & national saving bonds	165,074,360	125,133,715
Mark-up on term deposit receipts	2,054,795	819,726
Mark-up on Pre-IPO investments and management fee	19,704	186,476
Profit on PLS account	38,400,298	60,764,869
Return on cash margin on future contracts	194,812	488,573
Exchange gain / (loss) on foreign currency deposits accounts	696,723	(113,221)
Late payment charges	6,652,541	6,099,490
	<u>220,042,680</u>	<u>218,753,273</u>
Income from non-financial assets		
Profit on sale of vehicles	5,647,336	-
Miscellaneous Income / Other Income	4,666,608	423,077
	10,313,944	423,077
	<u>230,356,624</u>	<u>219,176,350</u>
16. FINANCE COST		
Mark-up on running finance	16.1 3,891	-
Mark-up on repurchase transactions	12,295,465	599,300
Bank and other charges	2,562,210	3,787,403
	<u>14,861,566</u>	<u>4,386,703</u>

16.1 This represents mark-up accrued on running finance facility availed from JS Bank Limited (holding company) amounting to Rs. 200 million (June 30, 2011: Rs. 400 million). The facility carries mark-up at the rate of 3 Months KIBOR plus 2% and is secured by first pari passu hypothecation charge over institutional trade receivables with 30% margin.

	30 June 2012 (Un-audited)	30 June 2011 (Audited)
	----- (Rupees) -----	
17. EARNINGS PER SHARE -basic and diluted		
Profit after taxation	<u>184,863,833</u>	<u>89,120,801</u>
	----- (Number) -----	
Weighted average number of shares	<u>50,000,000</u>	<u>50,000,000</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>3.70</u>	<u>1.78</u>

18. RELATED PARTY TRANSACTIONS

Related parties comprise of holding company, ultimate parent company, 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:

	30 June 2012 (Unaudited)	30 June 2011 (Audited)
	----- (Rupees) -----	
Loans to employees		
Opening balance	564,099	217,441
Disbursements	1,489,314	739,006
Repayments	(1,755,446)	(392,348)
Closing balance	<u>297,967</u>	<u>564,099</u>
Mark-up / return / interest earned	<u>238,291</u>	<u>66,528</u>
Receivable from related parties		
Opening balance	2,089,142	-
Paid during the period	488,911	2,089,142
Received during the period	(2,089,142)	-
Closing balance	<u>488,911</u>	<u>2,089,142</u>

	30 June, 2012 (Unaudited)		30 June, 2011 (Audited)	
	----(Rupees)----		----(Rupees)----	
	Key management personnel	Other related parties	Key management personnel	Other related parties
	----- (Rupees) -----			
Payable to related parties				
Opening balance	95,886	12,727,619	21,251	1,087,048
Received during the period	-	-	74,635	12,104,439
Paid during the period	(95,886)	(739,621)	-	(463,868)
Closing balance	-	11,987,998	95,886	12,727,619

	30 June 2012 (Unaudited)	30 June 2011 (Audited)
	----- (Rupees) -----	
Balances with holding company		
Bank deposits	536,526,406	366,098,142

Transactions with related parties**Nature of transactions**

Sale of units of JS Cash Fund	25,000,000	-
Rent received from related Parties	948,508	1,677,108
Director's remuneration	3,100,000	3,164,997
Purchase of units of JS Cash Fund	75,000,000	200,000,000
Royalty Expenses	10,000,000	10,000,000
Brokerage - Others	10,213,361	20,661,244
Contributions to staff provident fund	4,232,828	3,427,801
Payment on account of expenses to associated companies	39,602,352	39,177,245
Dividend income on preference shares	6,949,320	6,949,320
Capital gain on sale of units of - JS Cash Fund	215,945	-

Transactions with holding company**Nature of transactions**

Purchase of Term Finance Certificates	1,996,025,667	105,755,096
Sale of Term Finance Certificates	3,247,874,122	558,631,962
Purchase of Treasury Bills	13,632,674,539	20,281,018,796
Sale of Treasury Bills	15,252,958,115	12,215,806,390
Purchase of Pakistan Investment Bonds	3,282,399,786	2,019,785,850
Sale of Pakistan Investment Bonds	2,982,255,097	1,753,409,371
Brokerage Income	4,711,245	2,227,548
Payment for Rent and Utilities	1,300,491	-
Rent Received	846,253	967,253
Bank Guarantee Charges	2,250,600	3,200,000
Bank Charges	423,442	313,672
Profit on Term Deposit Receipt	2,054,795	-
Profit on PLS Account	36,207,384	53,100,040
Exchange gain / (loss) on foreign currency deposit accounts	407,005	21,963

19. OPERATING SEGMENT

30 June 2012 (Unaudited)

Brokerage	Investment and Treasury	Other operations	Total
-----------	-------------------------	------------------	-------

(Rupees)-----

Segment revenues

- Operating Revenue
- Other Operating Income

180,416,562	123,907,009	14,672,562	318,996,133
-	230,356,624	-	230,356,624
180,416,562	354,263,633	14,672,562	549,352,757

Intersegment revenue

Total Segment revenue

Administrative and operating expenses

Depreciation

Amortization of intangible assets

Reversal for doubtful debts

Impairment of preference shares

Finance cost

180,416,562	354,263,633	14,672,562	549,352,757
(140,341,935)	(29,792,489)	(104,720,365)	(274,854,791)
(4,518,615)	(633,624)	(3,684,034)	(8,836,273)
-	-	(54,168)	(54,168)
-	1,119,761	21,723,650	22,843,411
-	(20,000,000)	-	(20,000,000)
-	(12,295,465)	(2,566,101)	(14,861,566)
35,556,012	292,661,816	(74,628,456)	253,589,370

Provision for workers' welfare fund

Taxation

Profit after tax

(5,510,554)
(63,214,983)
184,863,833

Other information

Segment assets

Segment liabilities

543,740,574	2,494,291,131	53,059,141	3,091,090,846
283,585,359	116,584,064	10,724,683	410,894,106

19.1 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.

30 June 2011 (Audited)

	Brokerage	Investment and Treasury	Other Operations	Total
--	-----------	-------------------------	------------------	-------

(Rupees)

Segment revenues				
- Operating Revenue	211,527,559	332,856,814	11,784,923	556,169,296
- Other Operating Income	-	-	-	-
	211,527,559	332,856,814	11,784,923	556,169,296

Intersegment revenue	-	-	-	-
Total Segment revenue	211,527,559	332,856,814	11,784,923	556,169,296
Administrative and operating expenses	(160,206,253)	(28,640,835)	(125,273,666)	(314,120,754)
Depreciation	(7,244,710)	(390,228)	(7,305,011)	(14,939,949)
Amortization of intangible assets	-	-	-	-
Reversal for doubtful debts/ Impairment	-	(93,826,374)	-	(93,826,374)
Finance cost	(4,386,703)	-	-	(4,386,703)
	39,689,893	209,999,377	(120,793,754)	128,895,516

Provision for workers' welfare fund				(2,664,135)
Taxation				(37,110,580)
Profit after tax				89,120,801

Other information				
Segment assets	170,409,977	2,675,712,756	9,995,660	2,856,118,393
Segment liabilities	257,578,008	-	3,276,971	260,854,979

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.



20. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of directors of the Company have approved cash dividend of 15% (30 June 2011 : Nil) for the twelve months ended 30 June 2012, amounting to Rs. 75 million (30 June 2011 : Nil) in their meeting held on August 27, 2012.

21. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on August 27, 2012 by the Board of Directors of the Company.



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