



Quarterly Report
September 30, 2011
(Un-audited)

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Company Information

Board of Directors	Mr. Adil Matcheswala Mr. Shahid Hameed Mr. Kashif Shafi Khan Mr. Naief Abdullatif 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 Officer
Audit Committee	Mr. Adil Matcheswala Mr. Shahid Hameed Mr. Ahsen Ahmed Mr. Ilyas Ahmed	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	
Auditor	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi	
Internal Auditor	Fords 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 un-audited financial statements of JS Global Capital Limited (the "Company") for the three months period ended September 30, 2011 together with comparative figures for the corresponding period of last year. Summarized results are set out below:

	Three months period ended	
	30 September 2011	30 September 2010
	------(Rupees)-----	
Profit before tax	55,682,053	54,344,471
Profit after tax	42,925,891	46,390,105
Earnings per share	0.86	0.93

ECONOMIC REVIEW

The past quarter started on a positive note as the SBP in its first policy review opted to cut the discount rate by 50bps to 13.5% in July. Contained inflation target for FY12, retirement of government borrowings in 2HFY11 and positive external account were cited as the main reasons for the cut. Moreover, exports continued to remain northbound, with 1QFY12 exports receipts reaching US\$6.0bn – an increase of 19%YoY. Imports too rose by 23%YoY to US\$9.0bn on the back of a higher oil import bill. Remittances, after crossing a US\$1bn mark in Jul-Aug, dropped to US\$840mn in September, with the cumulative number for 1QFY12 reaching US\$3.3bn. The foreign exchange reserves of the country currently stand at US\$17.2bn.

Average inflation in 1QFY12 clocked in at 11.5%, down from 13.4% last year. The improved figure was mainly due to the change in the base year from FY01 to FY08. Given relatively stable macros in the country, the SBP again opted to slash the discount rate by 1.5% to 12% in October (second policy review for FY12).

EQUITY MARKET REVIEW

Despite the relatively stable macro situation in the country, the KSE-100 lost 5.9% in value during 1QFY12, its sharpest fall since 2QFY09 when the price floor was removed during this quarter. The S&P downgrade of US debt rating, strained US-Pak relationship, deteriorating law and order situation in Karachi and the subsequent tension on the political front seemed to be the main reasons for the poor performance of the local bourse. Also important to note was that Foreign Investors were net sellers of equities worth US\$46mn. The average daily volumes at the Karachi Stock Exchange were witnessed at their lowest in 40 quarters, down to 59mn shares (ex. price floor period). Nevertheless, in spite of all these setbacks the KSE-100 managed to smartly outperform its regional peers by an average 7% as impressive corporate results and lower than anticipated inflation figures (albeit due to a change in the base year) - hinted towards another cut in the discount rate.

FIXED INCOME, CURRENCIES, AND COMMODITIES REVIEW

The Fixed income market was very active, due to the 50 basis cut in discount rate during the quarter Jul-Sep 2011. Healthy activity was seen in the Issuance of Treasury Bills, Pakistan Investment Bonds during the said quarter.

USD / PKR traded in a band of 85.79/\$ to 87.95/\$

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 Pakistan Mercantile Exchange, was USD 27.672 million.

COMPANY PERFORMANCE REVIEW

Operating revenue declined by 2% 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 despite introduction of leverage products; the investor interest in the equity market remained dull. Cost Management measures continued to receive priority resulting in an overall decrease of 11.64%

As highlighted by your Board in previous reviews, we continue to expect remaining quarters of 2011-12 to be challenging 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 optimizing revenue generation from treasury management, core brokerage and fee based operations whilst at the same time rationalizing our cost base, despite higher cost pressures 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

Adil Matcheswala
Chairman

Karachi: October 27, 2011

CONDENSED INTERIM FINANCIAL STATEMENTS

Condensed Interim Balance Sheet As at 30 September 2011

	Note	30 September 2011 (Un-audited)	30 June 2011 (Audited)
------(Rupees)-----			
CAPITAL AND RESERVES			
Share capital			
Authorised 150,000,000 (30 June 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 share capital		500,000,000	500,000,000
Share premium		1,810,104,900	1,810,104,900
Unappropriated profit		328,153,898	285,228,007
Unrealised Loss on remeasurement of available for sale investments at fair value		<u>(7,018,813)</u>	<u>(69,493)</u>
		<u>2,631,239,985</u>	<u>2,595,263,414</u>
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	464,425,532	194,892,528
Provision for taxation		78,718,614	65,962,451
		543,144,146	260,854,979
Contingencies and Commitments	6		
		<u>3,174,384,131</u>	<u>2,856,118,393</u>

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

Adil Matcheswala
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

 JS Global

Condensed Interim Balance Sheet As at 30 September 2011

	Note	30 September 2011 (Un-audited)	30 June 2011 (Audited)
------(Rupees)-----			
ASSETS			
Non Current assets			
Property and equipment	7	22,280,071	24,941,066
Intangible assets		23,500,000	23,500,000
Long term loans, advances and deposits		6,451,151	8,223,874
Deferred taxation-net	8	<u>141,586,220</u>	<u>141,586,220</u>
		193,817,442	198,251,161
Current assets			
Short term investments	9	2,348,604,527	1,868,315,625
Trade debts - unsecured, considered good	10	402,247,466	157,221,996
Loans and advances - considered good		10,163,717	7,701,435
Deposits and short-term prepayments		25,907,766	9,756,565
Interest and markup accrued	11	13,403,282	19,313,483
Other receivables		13,283,873	10,525,803
Advance tax		72,847,270	63,944,065
Cash and bank balances	12	<u>94,108,788</u>	<u>521,088,260</u>
		2,980,566,689	2,657,867,232
		<u>3,174,384,131</u>	<u>2,856,118,393</u>

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

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Unaudited) For the three months period ended 30 September 2011

	Note	Three Months ended	
		30 September 2011	30 September 2010
		----- (Rupees) -----	
Operating revenue	13	40,304,355	41,161,603
Capital gain on sale of investments		4,019,041	12,517,391
Gain on remeasurement of investments at fair value through profit or loss - net		23,998,701	28,833,148
		<u>68,322,097</u>	<u>82,512,142</u>
Administrative and operating expenses		(69,678,761)	(78,860,865)
Reversal for doubtful debts		-	433,592
		<u>(1,356,664)</u>	<u>4,084,869</u>
Other operating income	14	<u>59,353,681</u>	<u>52,522,981</u>
		57,997,017	56,607,850
Provision for Workers' Welfare Fund		(1,113,749)	(1,108,431)
Finance Cost		<u>(1,201,215)</u>	<u>(1,154,948)</u>
Profit before taxation		55,682,053	54,344,471
Taxation - current		(12,756,162)	(10,127,326)
- deferred		-	2,172,960
		<u>(12,756,162)</u>	<u>(7,954,366)</u>
Profit after taxation		<u>42,925,891</u>	<u>46,390,105</u>
Earnings per share - basic and diluted	15	<u>0.86</u>	<u>0.93</u>

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

Adil Matcheswala
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

 JS Global

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) For the three months period ended 30 September 2011

	Note	Three Months ended	
		30 September 2011	30 September 2010
		----- (Rupees) -----	
Net income for the period		42,925,891	46,390,105
OTHER COMPREHENSIVE INCOME:			
Unrealised loss on remeasurement of available for sale investments at fair value		<u>(6,949,320)</u> (6,949,320)	<u>(4,795,031)</u> (4,795,031)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>35,976,571</u>	<u>41,595,074</u>

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

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

For the three months period ended 30 September 2011

Note	Three Months ended	
	30 September 2011	30 September 2010
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,682,053	54,344,471
Adjustments for:		
Depreciation	2,703,103	4,276,642
(Gain) on sale of property and equipment	(3,153,094)	(1,007,549)
(Gain) on remeasurement of investments carried at fair value through profit or loss - net	(23,998,701)	(28,833,148)
Provision for doubtful debts/(reversal)	-	(433,592)
Provision for Workers' Welfare Fund	1,113,749	1,108,431
Finance cost	1,201,215	1,154,948
	(22,133,728)	(23,734,268)
Cash generated from operating activities before working capital changes	33,548,325	30,610,203
(Increase) / decrease in current assets:		
Trade debts	(245,025,470)	(121,227,674)
Loans and Advances	(2,462,283)	2,071,709
Deposits and short term prepayments	(16,151,201)	50,942,273
Interest and markup accrued	5,910,202	(18,681,333)
Other receivables	(2,758,070)	8,347,807
	(260,486,822)	(78,547,218)
Increase / (decrease) in current liabilities:		
Creditors, accrued expenses and other liabilities	268,452,588	103,675,042
Cash generated from operations	41,514,091	55,738,027
Finance cost paid	(1,201,215)	(1,154,948)
Taxes paid	(8,903,205)	(9,939,333)
Net cash generated from operating activities	31,409,671	44,643,746
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(686,400)	(3,014,600)
Proceeds from disposal of property and equipment	3,764,055	2,837,774
Long term loans, advances and deposits	1,772,723	(3,286,224)
Short term investments	(463,239,521)	(917,991,730)
Net cash (used in) investing activities	(458,389,143)	(921,454,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payable under reverse repurchase transactions	-	461,928,800
Dividend Paid	-	(1,692)
Net cash from financing activities	-	461,927,108
Decrease in cash and cash equivalents during the period	(426,979,472)	(414,883,925)
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	94,108,788	148,074,559

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

Adil Matcheswala
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

 JS Global

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) For the three months period ended 30 September 2011

	Issued, subscribed and paid up share 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 on 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 year						
Profit for the three months period ended 30 September 2010	-	-	-	-	46,390,105	46,390,105
Other Comprehensive Income						
Un realized loss on remeasurement of available for sale investments at fair value	-	-	-	(4,795,031)	-	(4,795,031)
Total Comprehensive income for the period	-	-	-	(4,795,031)	46,390,105	41,595,074
Transactions with owners						
Distribution to owners of the Company						
- Final dividend for the year ended June 30, 2010 @ Rs.5 per ordinary share					(250,000,000)	(250,000,000)
Balance as on 30 September 2010	<u>500,000,000</u>	<u>-</u>	<u>1,810,104,900</u>	<u>(694,932)</u>	<u>242,497,311</u>	<u>2,551,907,279</u>
Balance as at 01 July 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 three months period ended 30 September 2011	-	-	-	-	42,925,891	42,925,891
Other Comprehensive Income						
Un realized loss on remeasurement of available for sale investments at fair value	-	-	-	(6,949,320)	-	(6,949,320)
Total Comprehensive income for the period	-	-	-	(6,949,320)	42,925,891	35,976,571
Balance as at 30 September 2011	<u>500,000,000</u>	<u>-</u>	<u>1,810,104,900</u>	<u>(7,018,813)</u>	<u>328,153,898</u>	<u>2,631,239,985</u>

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

Notes To The Condensed Interim Financial Information (Unaudited) For the three months period ended 30 September 2011

1. THE COMPANY AND ITS OPERATIONS

JS Global Capital Limited is a corporate member of Karachi Stock Exchange (Guarantee) Limited and member of Pakistan Mercantile 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, Shahr-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 2011.

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 2011.

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 2011.

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 2011.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	30 September 2011 (Un-audited)	30 June 2011 (Audited)
	------(Rupees)-----	
Creditors for commodities and sale of shares on behalf of clients	422,374,901	155,408,663
Accrued expenses	23,370,131	22,411,990
Provision for staff bonus	2,000,000	2,000,000
Unclaimed dividend	2,512,602	2,512,602
Retention money	40,600	40,600
Advance fee from client	3,276,971	3,276,971
Provision for workers' welfare fund	3,620,707	2,506,958
Others	7,229,621	6,734,744
	<u>464,425,532</u>	<u>194,892,528</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

A recovery suit was filed against the Company by the lessor of the previous Islamabad office vacated last 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 securities entered into by the Company in respect of which the sale transactions have not been settled as at 30 September 2011

<u>22,860,000</u>	<u>-</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 2012 and is secured against pledge of shares, listed TFC's, PIB's, Tbills, cash deposits and lien on Rupee plus Account No 109520 for Rs.20 Million

<u>200,000,000</u>	<u>400,000,000</u>
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	30 September 2011 (Un-audited)	30 June 2011 (Audited)
	------(Rupees)-----	
7. PROPERTY AND EQUIPMENT		
Following is the cost of property and equipment that have been added / disposed during the three months period ended 30 September, 2011		
Additions:		
Office Equipments	36,400	1,281,260
Office Furniture	-	-
Motor Vehicles	650,000	6,512,080
	<u>686,400</u>	<u>7,793,340</u>
Disposals:		
Office Equipments	-	1,097,820
Office Furniture	-	8,595,171
Motor Vehicles	3,876,062	9,782,773
	<u>3,876,062</u>	<u>19,475,764</u>
8. DEFERRED TAXATION		
Taxable temporary difference		
Accelerated depreciation for tax purposes	(43,362)	(43,362)
Revaluation of investments	(6,000,769)	(6,000,769)
Deductible temporary difference		
Difference in accounting and tax base of intangible assets	-	-
Provision for doubtful debts	147,630,351	147,630,351
	<u>141,586,220</u>	<u>141,586,220</u>
9. SHORT TERM INVESTMENTS		
Investments in marketable securities 'at fair value through profit or loss -held for trading'		
Quoted equity securities	9.1 22,560,000	-
Units of mutual funds	9.2 728,863,020	708,570,947
Term finance certificates	9.3 223,324,842	305,046,849
Engro Rupiya Certificate - unquoted	15,000,000	15,000,000
Government Securities	9.4 1,177,367,243	651,259,087
	<u>2,167,115,105</u>	<u>1,679,876,883</u>
Available for sale		
Unlisted term finance certificates	9.5 56,000,000	56,000,000
Quoted preference shares of related parties	9.6 125,489,422	132,438,742
	<u>2,348,604,527</u>	<u>1,868,315,625</u>

9.1 Quoted equity securities

Number of shares		Name of Company	Average Cost	30 September	30 June
30 September 2011	30 June 2011			2011	2011
2,000,000	-	Bank Al Falah Limited (Note 9.1.1)	20,507,500	22,560,000	-
			<u>20,507,500</u>	<u>22,560,000</u>	<u>-</u>
		Unrealized gain on remeasurement at fair value	<u>2,052,500</u>		
			<u>22,560,000</u>		

9.1.1 These securities were purchased in the ready "T+2" market and sold in the future market.

9.2 Units of mutual funds

Number of units		Name of funds	Average Cost	30 September	30 June
30 September 2011	30 June 2011			2011	2011
385,514	385,514	MCB-Cash Management Optimizer fund	38,633,171	39,773,652	38,633,171
4,001,284	4,001,284	ABL Cash Fund	40,088,065	41,284,022	40,088,065
250,000	-	UBL Government Securities Fund	25,000,000	25,650,188	-
1,738,224	1,899,335	JS Cash Fund- related party	175,215,945	180,781,243	200,000,000
1,109,902	1,078,760	Lakson Money Market Fund	108,932,332	112,138,398	108,932,332
285,018	285,018	UBL Liquidity Plus Fund	28,562,283	29,418,384	28,562,283
2,627,669	2,491,521	JS Principal Secure Fund I	292,355,095	299,817,133	292,355,095
			<u>708,786,891</u>	<u>728,863,019</u>	<u>708,570,947</u>
		Un realised gain on remeasurement at fair value	<u>20,076,128</u>		
			<u>728,863,019</u>	<u>728,863,019</u>	

9.3 Term finance Certificates

Number of units		Name of Term Finance Certificates	Average Cost	30 September	30 June
30 September 2011	30 June 2011			2011	2011
		Listed			
2,000	2,000	Engro Fertilizers Pakistan Limited III	9,616,768	9,410,157	9,616,768
3,000	1,600	Bank Al Habib Limited	15,369,721	15,304,517	8,209,236
14,010	6,900	Pakistan Mobile Communication Limited	66,715,250	69,071,261	32,479,749
-	3,000	United Bank Limited III	-	-	15,159,444
-	10,000	United Bank Limited IV	-	-	49,298,121
		Un-Listed			
1,000	-	Engro Fertilizers Pakistan Limited II	5,070,760	5,035,110	-
14,100	-	Century Papers & Board Mills Limited	41,559,750	41,500,657	-
100	4,300	Faysal Bank Limited	499,900	511,400	21,495,700
-	510	Engro Sukuk	-	-	2,550,000
500	500	Orix Leasing Pakistan Limited	50,000,000	50,000,000	50,000,000
2,000	190	Orix Leasing Pakistan Limited Sukuk	3,300,007	3,349,147	317,952
-	10,000	Bank Al Habib II	-	-	50,000,000
5,700	-	Bank Al Falah - Fixed	28,696,522	29,142,592	-
-	13,000	Engro Fertilizers Pakistan Limited II	-	-	65,919,880

Number of units		Name of Term Finance Certificates	30 September 2011		30 June 2011	
30 September 2011	30 June 2011		Average Cost	Fair Value	(Rupees)	
			220,828,678	223,324,842	305,046,849	
		Un realised gain on remeasurement at fair value	2,496,164			
			223,324,842	223,324,842		
9.4 Government Securities						
		Treasury Bills	9.4.1	931,578,287	932,340,595	555,338,687
		Pakistan Investment Bonds	9.4.2	238,790,047	239,501,648	95,740,400
		National Saving Bonds		5,525,000	5,525,000	180,000
				1,175,893,334	1,177,367,243	651,259,087
		Un realized gain on remeasurement at fair value		1,473,909		
				1,177,367,243	1,177,367,243	
9.4.1 These treasury bills have a tenor of one year & six months with maturity on 22 March 2012, 20 September 2012, 17 November 2011, November 03, 2011 and 15 December, 2011 respectively. They carry an effective yield ranging from 13.07 % to 13.85% per annum.						
9.4.2 These have a tenor of ten years & five years with maturity on August 18, 2021, September 30, 2019, October 06, 2013 and July 22, 2015. They carry an effective yield ranging from 13.09% to 13.75% per annum.						
9.5 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. In January 2010, an amount of Rs.20 Million was received from the issuer representing partial repayment of the principal and during the year, a further amount of Rs. 50 million has been received by the Company. Markup at the rate of 17.95% per annum (last coupon rate) has been paid on a monthly basis. Management is hopeful that the remaining principal amount will be paid by 31 December 2011. The Company also holds 23.6 million ordinary shares of TPL Direct Insurance limited as a security against the exposure.						
9.6 Quoted Preference Shares of related parties						
Number of shares		Name of Company	30 September 2011		30 June 2011	
30 September 2011	30 June 2011		Average Cost	Fair Value	(Rupees)	
6,949,320	6,949,320	Pakistan International Containers Terminal Ltd- Related Party	9.6.1	69,493,200	62,474,387	69,423,707
		Un realized (loss) on remeasurement		(7,018,813)	-	-
				62,474,387	62,474,387	69,423,707
25,601,986	25,601,986	Azgard Nine Limited - Related Party	9.6.2	229,178,138	229,178,138	229,178,138
		Impairment of investment in preference shares of Azgard Nine Limited		(166,163,103)	(166,163,103)	(166,163,103)
				63,015,035	63,015,035	63,015,035
				125,489,422	125,489,422	132,438,742

9.6.1 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.

9.6.2 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% were 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 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 September 2011 (Un-audited)	30 June 2011 (Audited)
	------(Rupees)-----	
10. TRADE DEBTS -unsecured, considered good		
-Purchase of shares on behalf of clients	346,962,066	116,763,777
-advisory services	1,000,000	152,295
-forex and fixed income commission	9,997,686	9,639,487
-Commodity	44,287,714	30,666,437
	402,247,466	157,221,996
Considered doubtful or bad	421,801,004	421,801,004
	824,048,470	579,023,000
Provision for doubtful debts	(421,801,004)	(421,801,004)
	<u>402,247,466</u>	<u>157,221,996</u>
11. INTEREST AND MARK-UP RECEIVABLE		
Accrued mark-up on Pakistan investment bonds	5,397,663	4,931,507
Accrued mark-up on term finance certificates	7,611,952	12,406,599
Profit receivable on bank deposits	393,667	1,975,377
	<u>13,403,282</u>	<u>19,313,483</u>
12. CASH AND BANK BALANCES		
Cash with banks:		
- Current accounts	5,978,781	4,943,407
- Profit and loss / deposit accounts	78,812,847	505,621,754
- Foreign currency deposit accounts	9,223,160	10,429,099
	94,014,788	520,994,260
Cash in hand	94,000	94,000
	<u>94,108,788</u>	<u>521,088,260</u>

12.1 Profit and loss / deposit accounts carry profit ranging from 5% to 11.5% per annum (30 June 2011: 5% to 11.5% per annum).

	30 September 2011 (Un-audited)	30 September 2010 (Un-audited)
	------(Rupees)-----	
13. OPERATING REVENUE		
Brokerage and operating income	37,291,793	40,726,603
Advisory and consultancy fee	3,012,562	435,000
	<u>40,304,355</u>	<u>41,161,603</u>
14. OTHER OPERATING INCOME		
Income from financial assets:		
Dividend income	1,737,365	4,601,553
Profits on term finance certificates, treasury bills, Pakistan investment bonds and national saving bonds	45,068,803	30,176,242
Mark-up on commercial papers	-	2,393,029
Profit on Profit and loss / deposit accounts	6,683,794	12,836,158
Return on cash margin on future contracts	-	225,308
Exchange gain on foreign currency deposits accounts	166,234	106,295
Late payment charges	2,412,837	1,019,064
	<u>56,069,033</u>	<u>51,357,649</u>
Income from non-financial assets:		
Profit on sale of property and equipment	3,153,094	1,007,549
Other income	131,554	157,783
	<u>3,284,648</u>	<u>1,165,332</u>
	<u>59,353,681</u>	<u>52,522,981</u>
15. EARNINGS PER SHARE -basic and diluted		
	------(Rupees)-----	
Profit after taxation	<u>49,925,891</u>	<u>46,390,105</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>0.86</u>	<u>0.93</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:

	30 September 2011 (Un-audited)	30 September 2010 (Un-audited)
	------(Rupees)-----	
Brokerage and advisory income earned from:		
- Directors	<u>12,675</u>	<u>8,461</u>
- Associated companies	<u>343,462</u>	<u>1,938,456</u>
- Related parties	<u>2,099,912</u>	<u>1,584,309</u>
Contributions to staff provident fund	<u>1,132,734</u>	<u>889,803</u>
Payment on account of expenses to associated companies	<u>10,349,435</u>	<u>11,088,211</u>
Royalty expense	<u>2,500,000</u>	<u>2,500,000</u>
Key management compensation	<u>12,909,539</u>	<u>9,391,939</u>
Bank Guarantee Charges	<u>500,000</u>	<u>800,000</u>
Bank charges	<u>61,895</u>	<u>56,364</u>
Dividend income on preference shares	<u>1,737,365</u>	<u>4,601,553</u>
Profit on PLS accounts and term deposit receipts	<u>5,398,326</u>	<u>8,956,362</u>
Capital gain on sale of units of JS Cash Fund	<u>215,945</u>	<u>1,002,045</u>

	30 September 2011 (Un-audited)	30 September 2010 (Un-audited)
	----- (Rupees) -----	
Exchange gain on foreign currency deposit accounts	<u>68,299</u>	<u>31,236</u>
Purchase of investments from related party	<u>1,794,746,472</u>	<u>2,418,479,040</u>
Sale of investments to related party	<u>2,254,826,592</u>	<u>674,700,994</u>
Sale of units of JS Cash Fund	<u>25,000,000</u>	<u>102,204,489</u>
Rent received from related Parties	<u>244,277</u>	<u>2,859,771</u>
Fee for Directors / Committee Meetings	<u>775,000</u>	<u>775,000</u>

	30 September 2011 (Un-audited)	30 June 2011 (Audited)
	----- (Rupees) -----	
Cash at bank	<u>60,526,281</u>	<u>366,098,142</u>
Loan to executives	<u>783,986</u>	<u>564,099</u>
Receivable from related parties:		
- Associated companies	<u>913,746</u>	<u>674,045</u>
- Related parties	<u>74,891,530</u>	<u>956,325</u>
Payable to related parties:		
- Associated companies	<u>648,904</u>	<u>12,462,413</u>
- Related parties	<u>191,143</u>	<u>287,035</u>

17. OPERATING SEGMENT

	30 September 2011 (Unaudited)			
	Brokerage	Investment and Treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	37,291,793	87,371,423	3,012,562	127,675,777
Intersegment revenues	-	-	-	-
Total segment revenues	<u>37,291,793</u>	<u>87,371,423</u>	<u>3,012,562</u>	<u>127,675,777</u>
Administrative and operating expenses	(33,977,022)	(6,626,302)	(26,372,334)	(66,975,658)
Depreciation	(1,462,574)	(112,527)	(1,128,002)	(2,703,103)
Amortization of intangible assets	-	-	-	-
Reversal for doubtful debts	-	-	-	-
Finance cost	-	(1,201,216)	-	(1,201,216)
	<u>1,852,197</u>	<u>79,431,378</u>	<u>(24,487,774)</u>	<u>56,795,802</u>
Provision for workers' welfare fund				(1,113,749)
Taxation				(12,756,162)
Profit after tax				<u>42,925,891</u>
Other information				
Segment assets	<u>413,498,432</u>	<u>2,752,737,187</u>	<u>8,148,513</u>	<u>3,174,384,131</u>
Segment liabilities	<u>539,867,175</u>	<u>-</u>	<u>3,276,971</u>	<u>543,144,146</u>

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.

	30 September 2010 (Unaudited)			
	Brokerage	Investment and Treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	40,726,603	93,873,520	435,000	135,035,123
Intersegment revenues	-	-	-	-
Total segment revenues	40,726,603	93,873,520	435,000	135,035,123
Administrative and operating expenses	(43,848,078)	(3,821,014)	(26,915,131)	(74,584,223)
Depreciation	(2,012,187)	(1,707,561)	(556,894)	(4,276,642)
Amortization of intangible assets	-	-	-	-
(Provision) / Reversal for doubtful debts	-	-	-	433,592
Finance cost	-	(1,154,948)	-	(1,154,948)
	(5,133,662)	87,189,997	(27,037,025)	55,452,902
Provision for workers' welfare fund				(1,108,431)
Taxation				(7,954,366)
Profit after tax				<u>46,390,105</u>
	30 June 2011			
Other information				
Segment assets	<u>170,409,977</u>	<u>2,675,712,756</u>	<u>9,995,660</u>	<u>2,856,118,393</u>
Segment liabilities	<u>257,578,008</u>	<u>-</u>	<u>3,276,971</u>	<u>260,854,979</u>

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 (30 September 2010 : Nil) for the three months ended 30 September 2011, amounting to Rs. Nil (30 September 2010: Nil) respectively in their meeting held on October 27, 2011

19. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on October 27, 2011 by the Board of Directors of the Company.