



JS Global Capital Limited
(Formerly Jahangir Siddiqui Capital Markets Limited)

Annual Report 2007

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MISSION

To ensure growth of various
financial services by creating new
products and services in
financial sector.



VISION

To be the leader in
the financial service sector.

COMPANY INFORMATION

Board of Directors

Mr. Adil Matcheswala	Chairman, Non - Executive Director
Mr. Omar M. El-Quqa	Vice Chairman, Non - Executive Director
Mr. G.M. Malkani	Chief Executive
Mr. Aslam Khaliq	Non - Executive Director
Mrs. Maha K. Al-Ghunaim	Non - Executive Director
Mr. Eyad N. Abu-Huwaij	Non - Executive Director
Syed Nadir Shah	Non - Executive Director
Mr. Ahsen Ahmed	Non - Executive Director

Audit Committee

Mr. Adil Matcheswala	Chairman
Mr. Eyad N. Abu-Huwaij	Member
Mr. Ahsen Ahmed	Member
Syed Nadir Shah	Member
Mr. Shahid Kamal	Secretary

Executive Committee

Mr. G.M. Malkani	Chairman
Mr. Omar M. El-Quqa	Member
Mr. Adil Matcheswala	Member

CFO & Company Secretary

Mr. Kamran Ansari

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
First Floor, Sheikh Sultan Trust Building No. 2
Beaumont Road, Karachi

Internal Auditor

Mr. Fazal Mehmood Malik

Bankers

MCB Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
PICIC Commercial Bank Limited
Bank Alfalah Limited
NIB Bank Limited
JS 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: 92-21-2800163, 2800167



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventh Annual General Meeting of JS Global Capital Limited (formerly Jahangir Siddiqui Capital Markets Limited) will be held at Grand Mercure Hotel, Star Avenue, Terminal No.1, Karachi on Saturday, September 29, 2007 at 1230 hours, to transact the following business:

Ordinary Business

1. To confirm the minutes of the Extraordinary General Meeting held on December 23, 2006.
2. To receive and consider the audited financial statements of the Company for the year ended June 30, 2007 together with the Directors' and Auditors' report thereon.
3. To approve 50% stock dividend and 100% cash dividend as recommended by the Board of Directors of the Company for the year ended June 30, 2007.
4. To appoint the auditors for the ensuing year and fix their remuneration. Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and offer themselves for reappointment.
5. To elect seven directors as fixed by the Board for a term of three years commencing from October 14, 2007. The names of the retiring directors are Mr. Adil Matcheswala, Mr. Omar M. El-Quqa, Mrs. Maha K. Al-Ghunaim, Mr. Ahsen Ahmed, Mr. Aslam Khaliq, Mr. Eyad N. Abu-Huwajj and Syed Nadir Shah. All the retiring directors shall be eligible to offer themselves for election.
6. To transact any other business with the permission of the Chair.

Special Business

7. To consider and approve the increase in the Authorised Share Capital from Rs. 250,000,000 divided into 25,000,000 Ordinary Shares of Rs:10/- each to Rs. 1,500,000,000 divided into 150,000,000 Ordinary Shares of Rs:10/- each, subject to necessary approval and completion of regulatory requirements and to correspondingly amend the provisions of the Memorandum and Articles of Association of the Company and if thought fit, to pass the following resolution, with or without modification as a Special Resolution:-

RESOLVED THAT

- a) *"Authorised Share Capital of the company be and hereby increased to Rs. 1,500,000,00 divided into 150,000,000 Ordinary Shares of Rs:10/- each, from existing authorized capital of Rs. 250,000,000 divided into 25,000,000 Ordinary Shares of Rs:10/- each"*
- b) Clause V of the Memorandum of Association, be and is hereby altered and replaced to read as follows:

"The Authorized Capital of the Company is Rs.1,500,000,000 divided into 150,000,000 Shares of Rs.10/- each, with power to the Company from time to time to increase or reduce its capital. The share capital shall comprise one or more kinds of shares and different classes of shares under each kind, as permitted by the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000, as amended from time to time, with such rights and privileges attached thereto, as may be determined by the Board from time to time and approved by the Members by Special Resolutions"

- c) Main para of Article 4 of the Articles of Association be and is hereby amended to the extent of reflecting the increase in the Authorized Share Capital, as follows:

"The Authorized Capital of the Company is Rs. 1,500,000,000/- divided into 150,000,000 Shares of Rs. 10/- each, with power to the Company from time to time to increase or reduce its capital. The share capital shall comprise one or more kinds of shares and different classes of shares under each kind, as permitted by the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000, as amended from time to time, with such rights and privileges attached thereto, as may be determined by the Board from time to time and approved by the Members by Special Resolutions. The Company shall have the right to issue Preference Shares of upto Rs.100,000,000 (Rupees One Hundred Million only) divided into 10,000,000 Shares of Rs:10/- each, having the following rights and privileges attached thereto"

- d) *"The Chief Executive Officer and Company Secretary are hereby authorised to complete all necessary formalities in this regard"*

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution, for investment in non convertible preference shares of Azgard Nine Limited, under section 208 of the Companies Ordinance, 1984, as approved by the Board of Directors of the Company on August 25, 2007:-

- a) *"Resolved that consent of the company in General Meeting be and is hereby accorded to invest upto Rs. 250,000,000 in non convertible preference shares of an associated company, Azgard Nine Limited"*
- b) *"Resolved Further that Chief Executive Officer and the Company Secretary be and are hereby authorised to complete all formalities for the above investment and do all such acts, deeds and things as may be necessary and/or expedient for the aforesaid purpose"*

Statements under section 160 of the Companies Ordinance, 1984 stating all material facts concerning the special business to be transacted at the Annual General Meeting is annexed to this notice.

Karachi: September 07, 2007

By order of the Board

Kamran Ansari
Company Secretary



Notes

- (i) Share transfer books of the Company will remain closed from September 23, 2007 to September 29, 2007 (both days inclusive).
- (ii) A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
- (iii) Proxies must be received at the Head Office of the Company not later than 48 hours before the time of the meeting.
- (iv) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan (CDC) and / or their proxies are required to produce their original National Identity Cards (CNICs) or Passports for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copy of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the Company).
- (v) Shareholders are requested to notify immediately of any change in their address.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE 1984

A. Increase in Authorised Share Capital (Item 7 of the Agenda)

The existing Authorised Share Capital of the company is Rs. 250,000,000 (Rupees two fifty million). To accommodate the required increase in share capital resulting from Stock dividend proposed by the directors and for future capitalization and further issue, the authorised share capital needs to be increased especially in the backdrop that company's business and operations have shown phenomenal growth more particularly after issuance of 10,009,700 shares to Global Investment House, K.S.C.C, Kuwait. The Company also needs additional working capital to cater to its business growth. Additionally, with great potentials for strategic investments in new and existing projects the company would require additional funds. The increase in Authorised Capital would be in the best interest of the company and its shareholders, whereas no prejudice will be caused to any shareholders. The interest of the directors and chief executive is only limited to the extent of their being directors and chief executive and ordinary shareholders of the company. It is therefore proposed to increase the Authorised Capital of the company so as to enable the company to increase its paid up capital by offering right shares and bonus shares to members, in future as and when decided by the Board after fulfilling necessary regulatory requirements.

B Investment in non convertible preference shares of Azgard Nine Limited (Item 8 of the Agenda)

Proceeds realized from issuance of shares to Global Investment House, K.S.C.C, Kuwait are currently utilized in reverse repurchase transactions and arbitrage transactions. CFS rates have shown a declining trend for the last six months. Moreover, spread on arbitrage transactions is also on a decline because of excess liquidity. It is therefore proposed to make investment of upto Rs. 250,000,000 in non convertible preference shares issued by an associated company Azgard Nine Limited (ANL). ANL is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacturing of yarn, denim and denim products. Proposed investment would be in the best interest of the company and its shareholders, whereas no discrimination will be caused to any

shareholders. The interest of the directors and chief executive is only limited to the extent of their being directors and chief executive and ordinary shareholders of the company.

Other information as desired vide S.R.O. No 865(1)/2000 to be annexed with the resolution of investment u/s 208 of the Companies Ordinance 1984 is as under:

Name of associated company	Azgard Nine Limited
Nature, amount and extent of investment	Investment in non convertible preference shares upto Rs. 250,000,000
Average market price of shares intended to be purchased during preceding six months in case of listed companies	Rs. 7.33 (Feb to July 2007)
Break up value of shares intended to be purchased on the basis of last published financial statements	Rs. 10/share
Price at which shares will be purchased	Market Price yielding a minimum after tax cut off yield of 13%
Earnings per share of investee company in last three years	2004: Rs. 4.33 2005: Rs. 7.62 2006: Rs. 4.97
Source of funds from where shares will be purchased	Internal cash generation
Period for which investment will be made	Maximum upto three years
Purpose of investment	Diversification of risk, higher yield and investment of surplus funds not presently needed for the Company's business.
Benefits likely to accrue to the company and the shareholders from the proposed investment	To improve profitability and enhance return to shareholders
Interest of directors and their relatives in the investee company	The directors and their relatives have no personal interest in ANL.



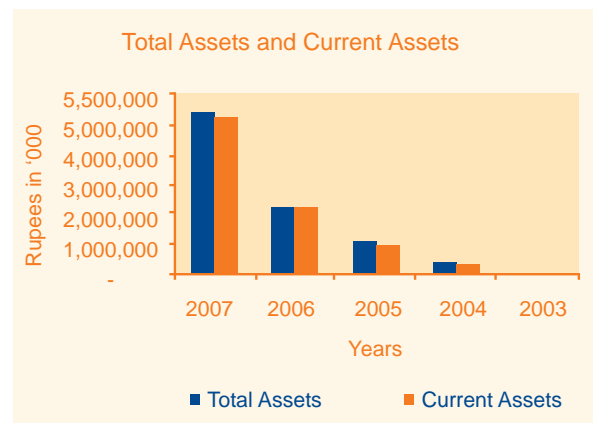
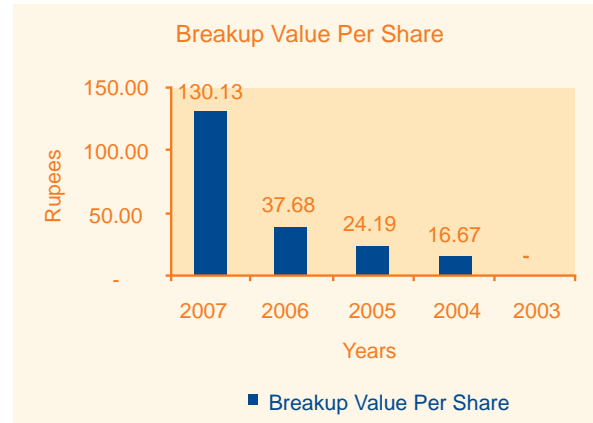
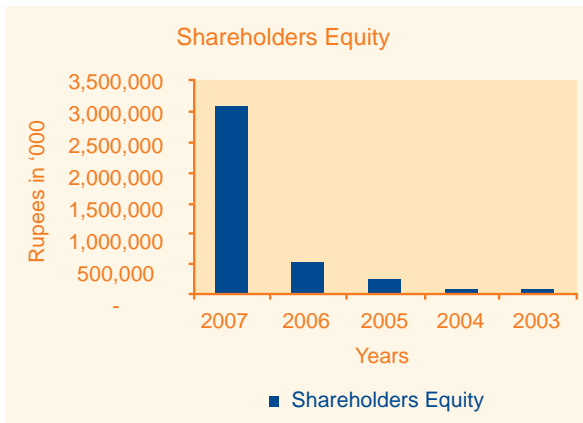
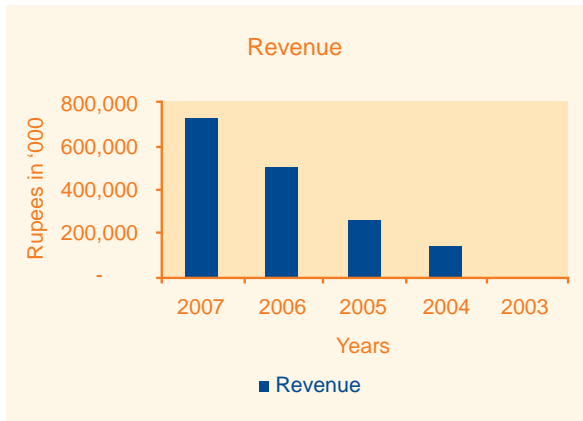
FINANCIAL HIGHLIGHTS

Financial Highlights

	2007	2006	2005	2004	2003
Operating Performance (Rupees in 000)					
Revenue	734,404	495,754	252,301	143,260	485
Operating expenses	305,772	190,204	122,585	77,222	757
Financial expenses	11,890	12,828	9,318	704	-
Other income	49,893	12,279	631	915	25
Profit before tax	466,635	305,001	121,029	66,249	(247)
Profit after tax	402,818	264,208	102,300	40,271	(247)
Per Ordinary Share (Rupees)					
Earnings Per Share	19.02	19.15	10.58	6.71	-
Breakup Value Per Share	130.13	37.68	24.19	16.67	-
Dividends (Percentage)					
Cash	100.00 (F)	-	15.00 (I)	-	-
Bonus shares	50.00 (F)	20.00 (I)	15.00 (F)	-	-
Assets & Liabilities (Rupees in 000)					
Total Assets	5,417,810	2,238,756	1,062,461	332,337	60,389
Current Assets	5,325,048	2,187,744	1,008,485	307,046	58,234
Current Liabilities	2,317,805	1,417,425	819,931	232,128	654
Financial Position (Rupees in 000)					
Shareholders Equity	3,098,437	520,040	241,933	100,007	59,735
Share Capital	238,097	138,000	100,000	60,000	60,000
Reserves	2,860,340	382,040	141,933	-	-
Shares Outstanding- (Numbers in 000)	23,810	13,800	10,000	6,000	6,000
Return on capital employed - (%)	22.26	50.81	42.28	40.27	(0.41)
Return on total assets - (%)	7.44	11.80	9.63	12.12	(0.41)
Current Ratio-times	2.30	1.54	1.23	1.32	89.04
Interest Cover Ratio-times	33.88	20.60	10.98	57.20	-

(I) Interim

(F) Final



DIRECTORS' REPORT

The directors are pleased to present the audited financial statements of JS Global Capital Limited (formerly Jahangir Siddiqui Capital Markets Limited) for the year ended June 30, 2007.

The Economy

Economic growth remained strong for yet another year. The service sector which accounts for 53% of GDP was the largest contributor towards economic performance in FY07 well supported by the robust growth of agriculture sector. Per capita income was up by 11.0% to USD 933. The service sector depicted an impressive growth of 8% which was mainly attributable to continued outstanding performance of telecom sector. Teledensity in the country shot up to over 45% by June 2007 from 26% in June 2006. There was a bumper wheat crop and healthy livestock growth which compensated for the below target cotton crop in the first half of FY07. This resulted in 5.0% growth in the sector. The textile sector as a whole continued to remain under pressure from global competition and showed minimal growth.

The overall weakness in textile export growth and the large oil import bill were the major contributors to a widened trade deficit of USD 13.5 billion in FY07. However, 26% growth in foreign remittances kept the current account deficit at around USD 7.8 billion (5.4% of GDP). Substantial foreign inflows during FY07 of USD 8.4 billion in the form of Foreign Direct Investment and Foreign Portfolio Investment covered the current account deficit and the foreign exchange reserves increased to USD 16.6 billion from USD 13 billion during the year under review. The expansionary fiscal stance of the government, coupled with rising foreign inflows, has made the task of managing inflation difficult for the State Bank of Pakistan (SBP). To control rising inflation the SBP has been tightening monetary conditions and reducing surplus liquidity in the banking system. In spite of these measures the inflation target was missed by 1.3% as CPI stood at 7.8% in FY07.

Capital Markets Review

FY07 turned out to be another strong year for Pakistan's equity markets. The Karachi Stock Exchange was one of the best performing markets in the region. Unlike previous years, FY07 saw significant foreign funds inflows into the local markets. The KSE-100 index registered a 38% gain in FY07 as against a 34% gain in FY06. This took the 5 year annualized gain of the Index to 48%, an outstanding performance by any standard. The banks single-handedly drove the market with a 42% return in FY07, as compared to cement showing a 21% return, fertilizer 17%, telecom 6% and Oil and Gas distribution was up just 5%. The Oil and Gas Exploration and Production ("E&P") sector performed weakly with a negative return of 5%. Banks have now taken over as the largest listed sector with 31% (as compared to June 2006 at 21%) weight in the total market capitalization. Conversely, the weight of the E&P sector came down to 19% from 29% in June last year.

The two halves of FY07 had very different return profiles. The 2HFY07 stood out, as virtually the whole of FY07 return was attributed to second half, with 1HFY07 contributing only 1%. FY07 also proved a better year in terms of new listings and the amount of capital raised by new issues. Thirteen new companies got listed on the exchange compared to 9 companies in FY06. In this process, PKR 6.5 billion was raised in FY07 vis-à-vis PKR 3.6 billion in FY06.

Debt Market

In FY07, a total of 11 listed Term Finance Certificates (Corporate Bonds) were issued. The issued value was over PKR 11.6 billion as opposed to 8 issues totaling PKR 10.1 billion in FY06. The growing appetite of the mutual fund and insurance industry is fuelling demand for corporate bonds in the domestic market and we expect this trend for bond issuance to continue in FY08.



Foreign Exchange Market

FY07 started with the US Dollar spot rate PKR 60.21 and closed at PKR 60.36. The lowest trade was at PKR 60.18 in August 2006 and the highest trade was at PKR 61.00 in January 2007, whereas the average US Dollar rate for the fiscal year was PKR 60.64 in the inter bank market. The swap market remained stable throughout the year with the major 6-month swap points traded between 1.10 to 1.20 paisa's (8.95% to 9.28%) with lowest premium of 0.78 paisa during July 2006 and highest premium of 1.26 paisa during March 2007. Forex reserves in July 2006 stood at USD 13.725 billion and ended the fiscal year 2006-07 at USD 15.614 billion.

Performance Review

The Fiscal Year 2007 was another successful year in the history of the company. The following key financial results are a clear reflection of the Company's continued growth during the year:

	2006-07	2005-06
Rupees.....	
Operating revenue	491,477,344	424,300,760
Profit before tax	466,634,618	305,000,730
Profit after tax	402,817,841	264,208,154
Earnings per share	19.02	19.15

The strong financial performance is mainly attributable to increase in equity brokerage income and control over costs through focus on efficiencies and initiatives. The company earned brokerage revenue of PKR 416,942,479, a 35.80% growth versus the same period last year. The incremental increase in brokerage revenue is an impressive achievement when looked at in the context that average daily volumes in ready and future markets on the Karachi Stock Exchange for FY07 were lower by 33% and 42% respectively than FY06. Operating expenses grew from PKR 190,204,308 to PKR 305,771,927 in 2006-07 - an increase of 60.75% over the same period last year mainly due to expansion of our branch network to Lahore and Islamabad, development of IT infrastructure and increased head count.

Appropriation of Profits

Profit for the year, along with distributable profit at year end, has been appropriated as follows:

	2006-07	2005-06
Rupees.....	
Profit after tax	402,817,841	264,208,154
Un-appropriated profit brought forward	385,514,334	127,306,180
Profit available for appropriation	788,332,175	391,514,334
Appropriations		
Final Bonus *50% (2006: NIL)	-	15,000,000
Appropriation out of share premium	-	(15,000,000)
Interim Bonus@ NIL (2006: 20%)	-	23,000,000
Appropriation out of share premium	-	(17,000,000)
Un-appropriated profit carried forward	788,332,175	385,514,334

A part from the interim bonus issue of 20% for the year ended 2006, a final bonus issue of 15% pertaining to FY ended 2005 was also accounted for during the FY 2006 as a result of the substitution of the fourth schedule to the Companies Ordinance, 1984.

In view of the strong financial performance, the Board has recommended final bonus issue of *50% and cash dividend of PKR 10/= per share. The appropriation is to be made out of the amount of share premium reserves and unappropriated profit respectively and will be accounted for in the ensuing year.

Significant Event Related to Shareholding Structure

The company issued and credited 10,009,700 numbers of shares to Global Investment House, K.S.C.C. ("Global") on October 4, 2006 against the receipt of PKR 2,172,104,900. Permission for issuance of those shares was obtained from the Securities and Exchange Commission of Pakistan on September 27, 2006. Subsequently, Jahangir Siddiqui & Company Limited is no longer the holding company and Global and Jahangir Siddiqui & Company Limited each have equal stake of 43.47%.

Good Corporate Governance

The directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP's) Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies as more fully explained in notes 3.1 to 3.19 to the financial statements have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan and the Companies Ordinance, 1984 as also stated in note 2.1 to the financial statements, have been followed in preparation of the financial statements.
- The system of internal control, which is sound in design has been effectively implemented and is being continuously reviewed and monitored.
- The company is financially sound and is a going concern and there are no doubts about its ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data of preceding years is appearing on page 10 and 11.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2007 except for those disclosed in the financial statements.
- The company operates an approved contributory provident fund for its eligible employees. Value of investments as per un-audited financial statements for the year ended June 30, 2007 amounts to approximately Rs. 9.673 million (2006: Rs. 7.675 million audited). The audit activity for the year ended June 30, 2007 is in process.
- No material changes and commitments affecting the financial position of your company have occurred between the balance sheet date and the date of the directors' report.



The Board

The Board comprised of five non-executive directors and two working directors in Q1 FY07, however, subsequent to issuance of shares to Global, the Board was reconstituted on November 8, 2006 and now comprises of seven non-executive directors. The positions of the Chairman and CEO are kept separate in line with best governance practices. The Board has a separate Audit and Executive Committee, which assist the Board in the performance of its functions. The members of these committees are stated in the company information pages.

Changes in the Board

The directors wish to report the following changes in the Board of Directors:

Mr. Ghulam Mohd Malkani was appointed as director on October 14, 2004 and Mr. Tariq Usman and Mr. Zulfiqar Hyder were appointed as directors from May 16, 2005. These directors, however, resigned from the Board on November 08, 2006. We express our appreciation for the valuable contributions made by Mr. Malkani, Mr. Tariq and Mr. Zulfiqar during their tenure on the Board.

Casual vacancies created by the resignation of the aforementioned directors was filled up the same day on November 8, 2006. Mrs. Maha K. Al-Ghunaim, Mr. Omar M. El-Quqa and Mr. Eyad N. Abu-Huwaij have been appointed as the new directors. The Board welcomes Mrs. Maha K. Al-Ghunaim, Mr. Omar M. El-Quqa and Mr. Eyad N. Abu-Huwaij who have been appointed as the new directors and bring with them significant experience related to capital markets. No director of the Company had any interest in their appointment.

Change of Name

The directors are pleased to inform that the name of the company is now changed to JS Global Capital Limited with effect from 22nd January, 2007 after obtention of approval from shareholders in the extraordinary general meeting held on December 23, 2006 and approval of Additional Registrar of Companies, Securities and Exchange Commission of Pakistan.

Board of Directors Meetings

During the year 2006-07, seven meetings of the Board of directors were held. The attendance by the directors is shown hereunder:

Name of Director	Appointed on	Resigned*/ Retired on	Eligibility	Meetings attended
Mr. Adil Matcheswala	June 28, 2000	-	7	7
Mr. G. M. Malkani	October 14, 2004	*November 08, 2006	5	5
Mr. Aslam Khaliq	October 14, 2004	-	7	5
Mrs. Maha K. Al-Ghunaim	November 08, 2006	-	2	-
Mr. Omar M. El-Quqa	November 08, 2006	-	2	2
Mr. Eyad N. Abu-Huwaij	November 08, 2006	-	2	2
Mr. Tariq Usman	June 01, 2005	*November 08, 2006	5	5
Mr. Zulfiqar Hyder Khan	May 16, 2005	*November 08, 2006	5	5
Syed Nadir Shah	May 18, 2006	-	7	6
Mr. Ahsen Ahmed	May 18, 2006	-	7	5

Management Discussion of Financial Responsibility

The company's management is responsible for preparing the financial statements and related notes contained in the Annual Report. The Audit Committee monitors and supervises the functions of the Internal Audit Department and assists the Board in monitoring and managing risks and internal controls. The internal audit adopts a risk based approach for planning and conducting business process audits, which is very much consistent with the established Framework. The Committee also reviews the performance of the Company's external auditors and recommends their appointment and the terms of their appointment.

The Audit Committee operates in accordance with the Code of Corporate Governance issued by the SECP. Terms of reference approved by the Board sets out the scope of the Committee. The Committee comprises of four Non-Executive Directors. The Chief Internal Auditor reports directly to the Chairman Audit Committee and the Chief Financial Officer is invited to attend the meetings. The Committee held four meetings during the year. The external auditors were also in attendance to discuss specific issues. The financial statements of the company were reviewed by the Audit Committee before approval by the Board.

External Auditors

The auditors Messrs. KPMG Taseer Hadi & Co. retired and offer themselves for reappointment.

Shareholding

The pattern of shareholding as on June 30, 2007 is appearing on page 54 including the transactions carried out by directors, Chief Executive Officer and their spouses and minor children. The Chief Financial Officer & Company Secretary had reportedly carried out no trading in the shares of the company.

Credit Rating

The directors are pleased to inform you that The Pakistan Credit Rating Agency (PACRA) has upgraded our long term rating by one notch to AA ("Double A") while maintaining the short term rating at A1+ ("A-one plus"). These ratings denote a very low expectation of credit risk emanating from very strong capacity for timely payments of financial commitments.

Future Outlook

The results of the outgoing fiscal year indicate that Pakistan's strong economic performance will continue. The State Bank of Pakistan is expected to continue its strict monetary stance to control inflation. Another important challenge will be managing the widening trade and current account deficits arising mainly because of weaknesses in exports. For the capital markets, the biggest challenge will be the evolving political changes due to the election scheduled for the year ahead. In spite of these challenges, we remain optimistic regarding the strength of the economy and the fundamentals of our business and are confident that the company will maintain its growth momentum and continue to build shareholder value.



Acknowledgement

We express our sincerest appreciation to our employees, clients, and business partners and to our shareholders for the confidence they have entrusted in us.

We would also like to acknowledge the work of the Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their efforts to strengthen the capital markets and the measures to protect investor rights.

For and on behalf of the
Board of Directors

Adil Matcheswala
Chairman

Karachi: August 25, 2007

PROFILES AND BOARD COMMITTEES

Chairman, Mr. Adil Matcheswala

Mr. Adil Matcheswala joined the JS Group in April 1993 and remained an employee till October 2001. During his 8 years with the group he served in various capacities ranging from Head of Equity Operations, Head of Equity Sales and as a member of various Committees ranging from technology, investments, special projects and acquisitions. He is an Alumni of Brown University in Rhode Island, USA from where he obtained a degree in Economics. He is also on the board of Jahangir Siddiqui and Company Limited, Food Basics (Private) Limited and Speed (Private) Limited. At present he is the Chief Executive Officer of Speed (Private) Limited, a company he co-founded. Speed (Private) Limited's scope of operations revolve around the retail and service industry and it is the exclusive distributor and representative in Pakistan for brands like Nike, Tag Heuer, Dior, Fendi, Oris SA, Timex Watches and HCA International Hospitals UK.

Chief Executive Officer, Mr. G. M. Malkani

Mr. G.M. Malkani joined Jahangir Siddiqui and Co. Ltd. on August 01, 2004 in the capacity of an Executive Vice President. Before joining the Jahangir Siddiqui Group, he has held senior positions in Police, Federal Investigation Agency and Intelligence Bureau. In recognition of his public service and gallantry he was awarded Sitara-i-Imtiaz by the President of Pakistan on 23rd March 2004. He took voluntary retirement from Government Service in 2004. He holds Bachelor's degree in Electrical Engineering and post graduate Diploma in Administrative Studies (D.A.S) from University of Liver Pool, United Kingdom.

Details of Different Committees

1. Audit Committee
2. Executive Committee

1. Audit Committee

The Audit Committee comprise of four members including the Chairman of the Audit Committee. All the member of Committee are non-executive directors.

The members of committee are as follows:

Mr. Adil Matcheswala	Chairman
Mr. Eyad N. Abu-Huwaij	Member
Mr. Ahsen Ahmed	Member
Syed Nadir Shah	Member
Mr. Shahid Kamal	Secretary of the Audit Committee

Terms of Reference of Audit Committee

- Recommendation to Board of Directors regarding the appointment of external auditors, subject to shareholders ratification.



- Consideration of any question of resignation/removal of external auditors, audit fee and provision of any service to the company in addition to audit of its financial statements as are allowed under the Code of Corporate Governance.
- Determination of appropriate measures to safeguard the company's assets.
- Review of preliminary announcements of results prior to publication.
- Review of quarterly, half yearly and annual financial statements, prior to their approval by the Board of Directors.
- Facilitating the external auditors and discussion with external auditors of major observations arising from interim and final audit.
- Review of management letter issued by the external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors.
- Review of the scope and extent of the internal audit and ensuring that the internal audit function has adequate resources.
- Consideration of major findings of internal investigations and management response thereto.
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- Review of the management statement on internal control system prior to endorsement by the Board of Directors.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with the best practice of corporate governance and identification of significant violations thereof.
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

Attendance of the Audit Committee

Name of Directors / Members	Total no. of meetings held during the year	Eligibility	Meetings attended
Mr. Adil Matcheswala	4	4	4
Syed Nadir Shah	4	4	4
Mr. Ahsen Ahmed	4	4	4
Mr. Eyad N. Abu-Huwaij	4	2	2

2. Executive Committee

The Executive Committee comprise of three members including the Chairman of the Executive Committee.

The members of committee are as follows:

Mr. G.M. Malkani	Chairman
Mr. Omar M. El-Quqa	Member
Mr. Adil Matcheswala	Member

Terms of Reference of Executive Committee

- The Committee is appointed by the Board of Directors. There must be atleast three members, of whom one must be the Chief Executive Officer (CEO). In the event of any casual vacancy, appointment is made immediately in the following Board meeting.
- Quorum of the meeting is atleast two members present in person, of whom one must be the CEO. The meeting is compulsorily convened once each quarter to evaluate and recommend to management and Board for approval of new lines of business, underwriting, major additions / deletions in assets and changes in investment mix.
- Review the Company's adherence to the mission and vision statement and, if needed, make recommendation to the Board for change as a result of new developments.
- Regularly review the Company's operations based on operating reports and present to the Board any shortfalls or significant changes in financial conditions, operations, prospectus or business plan of the company.
- Implement or as appropriate delegation to the CEO to implement, the Company's capital expenditures budget approved by the Board.

Risk Management Policy

Risk management is the process of identifying, controlling, eliminating or minimizing uncertain events that may affect the system resources. It includes risk analysis, cost benefit analysis, controls selection, implementation and tests, security evaluation of safeguards and overall security review.

Risk management is a continuous, measured, rational and vigilant process. It is designed to identify and manage the risks inherent in the brokerage business. The goal of an effective Risk Management process is not only to avoid financial losses, but also to ensure that the company achieves its targeted financial results with a high degree of reliability.

The Company's principal business activities by their nature engender significant market and credit risks. In addition, the Company is also subject to other risks including operating risk, legal risk and funding risk. Effective identification, assessment and management of these risks are critical to the success and stability of the Company. As a result, comprehensive risk management policies and procedures have been established to identify, control and monitor each of these risks.

Risk management begins with the Board of Directors, which reviews the governance of these activities. Formulation of policy and day to day risk management is the responsibility of Executive Committee.



The Board of Directors has adopted a Statement of Investment & Operations Policies which provides for overall risk management guidelines for the company. The Statement also provides authority limits for Chairman, CEO and the Executive Committee.

Corporate Social Responsibility

At JS Global, we are committed to operate ethically and contribute towards economic development while enhancing the skills and quality of life of our workforce as well as of the local community and the society at large.

As part of the Company's commitment towards corporate social responsibility, a portion of the Company's profit is donated to Siddiqui Foundation. The Foundation is committed to variety of initiatives addressing quality education and health facility needs.

We are an equal opportunity employer and we ensure employment of a diverse workforce. Bonuses are given to employees based on performance against targets in order to encourage cohesion and to maintain a strong competitive position. We understand the importance of training in the development of quality human resource, thus, every year the Company invests generously in training its workforce. JS Global has a structured internship programs; on the job training is effectively imparted through delegation of responsibility for actual tasks. The program is directly linked to recruitment and successful candidates are offered employment.

The Company paid PKR 74.480 million to the National Exchequer in terms of taxes – 90.81% higher than the last year.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 and Chapter XI of Listing Regulations of Karachi and Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and the Board currently includes seven independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed Companies including JS Global Capital Limited (formerly Jahangir Siddiqui Capital Markets Limited).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring in the Board on November 08, 2006 were filled up by the directors on the same date.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management of the Company has submitted a paper to the Board of Directors on August 01, 2007 to consider it as an orientation course for its directors and to apprise them of their duties and responsibilities.
10. The appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO is approved by the Board of directors.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.



12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of four members, of whom all are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has set-up an internal audit function consisting of a full time internal auditor and taking appropriate measures to make it more effective.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all material principles contained in the Code have been complied with.

For and on behalf of the Board

Adil Matcheswala
Chairman

Karachi: August 25, 2007

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of JS Global Capital Limited (Formerly Jahangir Siddiqui Capital Markets Limited) ("the company") to comply with the Listing Regulations of the Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Dated: August 25, 2007
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of JS Global Capital Limited (Formerly Jahangir Siddiqui Capital Markets Limited) ("the Company") as at 30 June 2007 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information require by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2007 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Dated: August 25, 2007
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



JS Global Capital Limited
(Formerly Jahangir Siddiqui Capital Markets Limited)



FINANCIAL STATEMENTS

Balance Sheet As at June 30, 2007

	Note	2007(Rupees)	2006(Rupees)		Note	2007(Rupees).....	2006(Rupees).....
CAPITAL AND RESERVES				ASSETS			
Share capital Authorised 25,000,000 (June 30, 2006: 25,000,000) ordinary shares of Rs. 10 each		<u>250,000,000</u>	<u>250,000,000</u>	Non Current assets			
Issued, subscribed and paid up capital	4	238,097,000	138,000,000	Property, plant and equipment	9	68,076,487	26,153,242
Share premium		2,072,007,900	-	Intangible assets	10	22,000,001	22,933,335
Unappropriated profit		788,332,175	385,514,334	Long term loans, advances and deposits	11	<u>2,685,116</u>	<u>1,925,305</u>
Unrealised loss on remeasurement of available-for-sale investment at fair value	12.3	-	(3,474,660)	Current assets		<u>92,761,604</u>	<u>51,011,882</u>
		<u>3,098,437,075</u>	<u>520,039,674</u>	Short term investments	12	1,038,133,637	66,018,540
LIABILITIES				Trade debts - unsecured, considered good	13	1,914,577,787	1,087,641,912
Non Current liabilities				Loans, advances, prepayments and other receivables	14	613,160,050	11,659,082
Advance against issue of shares		-	300,499,400	Advance tax		79,169,928	40,818,648
Deferred taxation	5	1,567,285	791,803	Receivable under reverse repurchase / continuous funding system transactions	15	1,573,890,024	664,420,075
		<u>1,567,285</u>	<u>301,291,203</u>	Cash and bank balances	16	<u>106,116,654</u>	<u>317,185,884</u>
Current liabilities						<u>5,325,048,080</u>	<u>2,187,744,141</u>
Running finance under mark-up arrangements-secured	6	246,473,078	176,890,535				
Creditors, accrued expenses and other liabilities	7	2,001,664,608	1,197,779,507				
Provision for taxation		69,667,638	42,755,104				
Commitments	8	<u>2,317,805,324</u>	<u>1,417,425,146</u>				
		<u>5,417,809,684</u>	<u>2,238,756,023</u>			<u>5,417,809,684</u>	<u>2,238,756,023</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer



Profit and Loss Account

For the year ended June 30, 2007

	Note	2007(Rupees).....	2006
Operating revenue	17	491,477,344	424,300,760
Income from reverse repurchase / continuous funding system transactions	18	186,718,842	71,453,095
Capital gain on sale of investments	19	56,380,753	-
Loss on revaluation of investments carried at fair value through profit or loss - net		(172,671)	-
		<u>734,404,268</u>	<u>495,753,855</u>
Administrative and operating expenses	20	(305,771,927)	(190,204,308)
		<u>428,632,341</u>	<u>305,549,547</u>
Other operating income	21	49,892,512	12,278,845
		<u>478,524,853</u>	<u>317,828,392</u>
Financial charges	22	(11,890,235)	(12,827,662)
Profit before taxation		<u>466,634,618</u>	<u>305,000,730</u>
Taxation - current		(69,667,638)	(42,755,104)
- prior		6,626,343	2,156,879
- deferred		(775,482)	(194,351)
	23.2	<u>(63,816,777)</u>	<u>(40,792,576)</u>
Profit after taxation		<u>402,817,841</u>	<u>264,208,154</u>
Earnings per share - basic and diluted	24	<u>19.02</u>	<u>19.15</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Cash Flow Statement For the year ended June 30, 2007

	Note	2007(Rupees).....	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		466,634,618	305,000,730
Adjustments for:			
Depreciation		11,806,011	6,623,826
Gain on sale of fixed assets		(741,874)	(163,697)
Amortisation of intangible assets		2,433,334	1,933,332
Loss on revaluation of investments carried at fair value through profit and loss account - net		172,671	-
Mark-up on running finance		11,229,936	12,177,080
		<u>24,900,078</u>	<u>20,570,541</u>
Profit before working capital changes		491,534,696	325,571,271
(Increase) / decrease in operating assets:			
Trade debts		(826,935,875)	(610,608,625)
Advances, deposits, prepayments and other receivables		(601,500,968)	(1,502,600)
		<u>(1,428,436,843)</u>	<u>(612,111,225)</u>
(Decrease) / increase in current liabilities (creditors, accrued expenses and other liabilities)		803,377,156	682,813,141
Cash (used in) / generated from operations		<u>(133,524,991)</u>	<u>396,273,187</u>
Mark-up paid		(10,689,591)	(12,390,474)
Taxes paid		(74,480,041)	(39,028,928)
Dividend paid		(32,400)	-
Net cash (used in) / from operating activities		<u>(218,727,023)</u>	<u>344,853,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(57,044,921)	(13,097,190)
Proceeds from disposal of property, plant and equipment		4,057,539	642,808
Payment for software		(1,500,000)	(4,234,000)
Changes in long term loans, advances and deposits		(759,811)	3,953,752
Short term investments		(968,813,108)	-
Refund against equity		-	3,071,667
Net cash used in investing activities		<u>(1,024,060,301)</u>	<u>(9,662,963)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issue of shares		-	300,499,400
Proceeds from issue of share capital		1,871,605,500	-
Receivable under reverse repurchase / continuous funding system transactions		(909,469,949)	(240,809,324)
Net cash from financing activities		<u>962,135,551</u>	<u>59,690,076</u>
(Decrease) / increase in cash and cash equivalents		(280,651,773)	394,880,898
Cash and cash equivalents at beginning of the year		140,295,349	(254,585,549)
Cash and cash equivalents at end of the year	25	<u>(140,356,424)</u>	<u>140,295,349</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer



Statement of Changes in Equity

For the year ended June 30, 2007

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Reserve for issue of bonus shares	Share premium	Unrealized (loss) / gain on remeasurement of available for sale investment at fair value	Unappropriated profit	
(Rupees)						
Balance as on 01 July 2005	100,000,000	-	32,000,000	(17,373,300)	127,306,180	241,932,880
Reserve for issue of bonus shares	-	15,000,000	(15,000,000)	-	-	-
Issue of bonus shares 2004-05	15,000,000	(15,000,000)	-	-	-	-
Reserve for issue of bonus shares	-	23,000,000	(17,000,000)	-	(6,000,000)	-
Issue of bonus shares 2005-06	23,000,000	(23,000,000)	-	-	-	-
Profit for the year	-	-	-	-	264,208,154	264,208,154
Effect of remeasurement of available for sale investment at fair value	-	-	-	13,898,640	-	13,898,640
Total recognized income and expense for the year ended 30 June 2006	-	-	-	13,898,640	264,208,154	278,106,794
Balance as on 30 June 2006	138,000,000	-	-	(3,474,660)	385,514,334	520,039,674
Issue of shares	100,097,000	-	2,072,007,900	-	-	2,172,104,900
Profit for the year	-	-	-	-	402,817,841	402,817,841
Effect of remeasurement of available for sale investment at fair value	-	-	-	3,474,660	-	3,474,660
Total recognized income and expense for the year ended 30 June 2007	-	-	-	3,474,660	402,817,841	406,292,501
Balance as on 30 June 2007	<u>238,097,000</u>	<u>-</u>	<u>2,072,007,900</u>	<u>-</u>	<u>788,332,175</u>	<u>3,098,437,075</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Notes To The Financial Statements

For The Year Ended June 30, 2007

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited ('the Company') was incorporated as a private limited company on 28 June 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 Company Limited 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 7 February 2005. During the year 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 11 July 2006. Securities and Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated 19 July 2006 gave its approval in principle to the scheme of the transaction. Consequently, Global and Jahangir Siddiqui and Company Limited each hold 10,350,000 shares of the Company and the name of the Company has changed from Jahangir Siddiqui Capital Markets Limited to JS Global Capital Limited.

The Company is a corporate member of Karachi Stock Exchange (Guarantee) Limited and the principal activities of the Company are share brokerage, money market and forex brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase / continuous funding system transactions. The registered office of the Company is situated in Karachi, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved Accounting Standards comprise such International Accounting Standards / International Financial Reporting Standards as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain short term investments which are stated at fair value.

2.3 Functional and presentation currency

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



2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in note 29.

2.5 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 July 2007 and are not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in the certain cases:

- IAS 1 - Presentation of Financial Statements - Amendments Relating to Capital Disclosures;
- IAS 23 - Borrowing Costs - Amendments relating to mandatory capitalisation of borrowing costs relating to qualifying assets;
- IAS 41 - Agriculture;
- IFRS 2 - Share-based Payments;
- IFRS 3 - Business Combinations;
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations;
- IFRS 6 - Exploration for and Evaluation of Mineral Resources;
- IFRIC 10 Interim Financial Reporting and Impairment;
- IFRIC 11 Group and Treasury Share Transactions;
- IFRIC 12 Service Concession Arrangements;
- IFRIC 13 Customer Loyalty Programmes.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution plan, i.e. recognized provident fund scheme for all its eligible employees in accordance with the trust deed and rules made there under. Equal monthly contributions at the rate of 10% of basic salary are made to the fund by the Company and the employees.

3.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on straight line basis over the estimated useful life of the assets. Depreciation on additions is charged from the month in which they are put to use and on deletions up to the month of deletion. The estimated useful lives for the current and comparative periods are as follows:

Office equipments	4 years
Office furniture	10 years
Motor vehicles	5 years

Normal repairs and maintenance are charged to income as and when incurred. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property plant and equipment.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each balance sheet date. Items of capital nature purchased are classified in Capital Work-in-Progress till these are available for their intended use.

Gain and losses on disposal of assets, if any, are included in the profit and loss account.

3.3 Intangible assets

Membership card

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

Software

Costs that are directly associated with identifiable software products purchased and have probable economic benefits beyond one year are recognized as intangible assets. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortisation is recognized in profit and loss account on a straight line basis over the estimated useful life of the intangible assets.



Full year's amortisation is charged on software acquired during the year, whereas no amortisation is charged in the year of disposal. The estimated useful life of the intangible assets for the current and comparative period is 3 years. Normal maintenance is charged to income as and when incurred.

Gains and losses on disposal of software, if any, are included in the profit and loss account.

3.4 Investments

All investments are initially recognised at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+3' purchases and sales are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sale of assets.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories:

Financial assets 'at fair value through profit or loss - held for trading'

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition these investments are marked to market and are carried on the Balance Sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the Profit and Loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any impairment losses.

Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, 'available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. However, any premium or discount on acquisition on debt securities is amortised and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

3.5 Derivatives

Derivative instruments held by the company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently remeasured at fair value. The fair value of futures contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealised gains) are included in assets and derivatives with negative market values (unrealised losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the income currently. Derivative financial instruments entered into by the Company do not meet the hedging criteria as defined by 'International Accounting Standard - 39, Recognition and Measurement of Financial Instruments', consequently hedge accounting is not being applied by the Company.

3.6 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under continuous funding system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repos) are not recognised in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / continuous funding system and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

3.7 Trade and other receivables

Trade debts and other receivable are recognised at fair value and subsequently measured at amortised cost. A provision for impairment in trade and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

3.8 Revenue recognition

Brokerage, consultancy and advisory fee, commission on foreign exchange dealings and government securities etc. are recognised as and when such services are provided.

Income from reverse repurchase transactions, continuous funding system transactions, debt securities and bank deposits is recognised at effective yield on time proportion basis.

Dividend income is recorded when the right to receive the dividend is established.



Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

Unrealised capital gains / (losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account as discussed in note 3.5 to these financial statements.

3.9 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is provided using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the Company's cash management.

3.11 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.12 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are taken to income currently.

3.13 Borrowing costs

Borrowing costs are interest or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

3.14 Provisions

Provisions are recognized when the Company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.15 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

3.16 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account currently.

3.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.18 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.19 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.



4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

30 June 2007	30 June 2006		30 June 2007	30 June 2006
Number of shares			------(Rupees)-----	
20,009,700	10,000,000	Ordinary shares of Rs.10/- each fully paid in cash	200,097,000	100,000,000
3,800,000	3,800,000	Ordinary shares of Rs.10/- issued as fully paid bonus shares	38,000,000	38,000,000
<u>23,809,700</u>	<u>13,800,000</u>		<u>238,097,000</u>	<u>138,000,000</u>

The Company has issued 10,009,700 shares to Global Investment House on 4 October 2006, subsequent to approval from Securities and Exchange Commission of Pakistan. After issuance of 10,009,700 shares to Global Investment House, Jahangir Siddiqui & Company Limited is no more the holding company and Global Investment House and Jahangir Siddiqui & Company Limited each have 10,350,000 shares of the Company.

5. DEFERRED TAXATION

	30 June 2007	30 June 2006
	------(Rupees)-----	
Taxable temporary difference		
Accelerated depreciation for tax purposes	1,766,380	791,803
Deductible temporary difference		
Difference in accounting and tax base of intangible assets	(199,095)	-
	<u>1,567,285</u>	<u>791,803</u>

6. RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - SECURED

MCB Bank Limited	-	78,216,839
Habib Metropolitan Bank Limited	199,968,811	-
PICIC Commercial Bank Limited	46,504,267	98,673,696
	<u>246,473,078</u>	<u>176,890,535</u>

The company has aggregate running finance facilities from various banks of Rs. 1,450 million (30 June 2006: 600 million) under mark-up arrangements. Mark-up rate varies from KIBOR plus 2% to KIBOR plus 4.25% per annum (30 June 2006: KIBOR plus 2% to KIBOR plus 3% per annum), with a floor ranging from 10% to 13% per annum (30 June 2006: 10% to 12% per annum). These arrangements would remain valid for varying periods up to 31 December 2007 and are secured against pledge of listed securities.

7. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Creditors for sale of shares on behalf of clients	7.1	1,959,407,506	1,162,550,890
Tax deducted at source		-	13,998
Accrued expenses		22,274,432	17,636,441
Provision for staff bonus		10,093,500	12,000,000
Accrued mark-up on running finance		540,717	372
Unclaimed dividend		227,248	259,648
Retention money		722,825	580,000
Others		8,398,380	4,738,158
		<u>2,001,664,608</u>	<u>1,197,779,507</u>

7.1 This includes payable to following related parties which were subsequently settled under T+3 settlement system:

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
DCD JS Factors (Private) Limited		-	1,007,000
JS Bank Limited		37,245,372	7,269,000
Directors of the Company		2,222,455	7,126,000
Staff Retirement Fund		-	3,949,000
Unit Trust of Pakistan		-	255,000
Bank Al Islami Pakistan Limited		19,802,890	163,273,000

8. COMMITMENTS

Continuous Funding System (including transactions to be rolled over) entered into by the Company in respect of which the purchase transactions has not been settled as at 30 June

(361,768,780)	416,654,735
---------------	-------------

Future sale transactions of equity securities entered into by the Company in respect of which the sale transaction has not been settled as at 30 June

828,283,150	-
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Commitment for capital expenditure

12,909,000	-
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9. PROPERTY, PLANT AND EQUIPMENT

The following is a statement of the property, plant and equipment:

Operating fixed assets	9.1	59,470,487	26,153,242
Advance against capital expenditure	9.3	8,606,000	-
		<u>68,076,487</u>	<u>26,153,242</u>

9.1 Operating fixed assets

	2007							
	C O S T			Rate %	DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2006	Additions/ (disposal) (Rupees)	As at June 30, 2007		As at July 1, 2006	For the year/ (disposal) (Rupees)	As at June 30, 2007	As at June 30, 2007
Office equipments	15,183,492	19,548,127 (1,966,093)	32,765,526	25	4,172,940	5,861,470 (1,045,749)	8,988,661	23,776,865
Office furniture	739,700	8,999,565	9,739,265	10	90,542	420,383	510,925	9,228,340
Motor vehicles	19,136,243	19,891,229 (3,471,200)	35,556,272	20	4,642,711	5,524,158 (1,075,879)	9,090,990	26,465,282
	35,059,435	48,438,921 (5,437,293)	78,061,063		8,906,193	11,806,011 (2,121,628)	18,590,576	59,470,487

	2006							
	C O S T			Rate %	DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2005	Additions/ (disposal) (Rupees)	As at June 30, 2006		As at July 1, 2005	For the year/ (disposal) (Rupees)	As at June 30, 2006	As at June 30, 2006
Office equipments	11,478,362	3,747,630 (42,500)	15,183,492	25	886,827	3,291,426 (5,313)	4,172,940	11,010,552
Office furniture	719,700	20,000	739,700	10	17,903	72,639	90,542	649,158
Motor vehicles	10,425,183	9,329,560 (618,500)	19,136,243	20	1,559,526	3,259,761 (176,576)	4,642,711	14,493,532
	22,623,245	13,097,190 (661,000)	35,059,435		2,464,256	6,623,826 (181,889)	8,906,193	26,153,242

9.2 Disposal of operating fixed assets

The following is a statement of assets disposed off during the year with written down value exceeding Rs. 50,000:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/ (loss)	Particular of Buyer's	Mode of disposal
	----- (Rupees)						
Motor Vehicle:							
Honda Civic	1,042,000	(191,033)	850,967	1,000,000	149,033	EFU General Insurance Limited	Insurance claim
Suzuki Khyber	325,000	(151,667)	173,333	325,000	151,667	Ex-Employee - Faraz Farooq	Negotiation
Suzuki Cultus	425,000	(233,746)	191,254	290,000	98,746	Asad-ullah-Shaikh	Negotiation
Honda City	415,000	(13,833)	401,167	435,000	33,833	Mr.M.Saleem	Negotiation
Honda City	835,000	(361,833)	473,167	768,000	294,833	Security Leasing Corporation Limited	Negotiation
Equipment:							
Office equipment - UPS	1,074,300	(669,890)	404,410	300,000	(104,410)	IVY Interface - PECHS, Karachi	Trade in
Office equipment - UPS	198,000	(115,500)	82,500	82,500	-	JS Private Equity Limited	Negotiation
Wireless Bridges	185,000	(111,771)	73,229	73,229	-	JS Private Equity Limited	Negotiation
Toshiba Laptop	160,000	(36,667)	123,333	123,333	-	JS Private Equity Limited	Negotiation
Toshiba Laptop	82,000	(6,833)	75,167	75,167	-	JS Private Equity Limited	Negotiation
Items having book value upto Rs. 50,000	695,993	(228,855)	467,138	585,310	118,172		
	5,437,293	(2,121,628)	3,315,665	4,057,539	741,874		

9.3 This mainly represents advance for refurbishment of office premises.

10. INTANGIBLE ASSETS

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Membership card	10.1	21,000,000	21,000,000
Computer software	10.2	1,000,001	1,933,335
		<u>22,000,001</u>	<u>22,933,335</u>

10.1 This represents cost of membership card of the Karachi Stock Exchange (Guarantee) Limited with indefinite useful life.

10.2 This represents a software which provides an integrated equities broking solution.

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Opening balance - cost		5,800,000	5,800,000
Additions during the year		1,500,000	-
		<u>7,300,000</u>	<u>5,800,000</u>
Accumulated amortization at beginning of the year		3,866,665	1,933,333
Amortization for the year	20	2,433,334	1,933,332
		<u>6,299,999</u>	<u>3,866,665</u>
		<u>1,000,001</u>	<u>1,933,335</u>

11. LONG TERM LOANS, ADVANCES AND DEPOSITS

Long term loans - secured			
- Executives	11.1, 11.2 & 11.3	345,670	564,469
- Employees		775,650	517,575
		<u>1,121,320</u>	<u>1,082,044</u>
Current maturity	14	(769,397)	(557,739)
		<u>351,923</u>	<u>524,305</u>
Advances for expenses to contractors and suppliers for cars		592,980	434,000
Security deposits	11.4	1,740,213	967,000
		<u>2,685,116</u>	<u>1,925,305</u>

11.1 Reconciliation of carrying amount of loans to executives:

Balance at beginning of the year		564,469	712,322
Disbursements		54,180	285,000
Repayments		(272,979)	(432,853)
Balance at end of the year		<u>345,670</u>	<u>564,469</u>



- 11.2 Loan to executives and employees are given for purchase of home appliances at an interest rate of 8% to 12% per annum in accordance with the Company's policy and terms of employment. The loans are repayable over a period of two to five years and is secured against provident fund balance of the executives / employees.
- 11.3 Maximum amount due from executives calculated with reference to the month-end balance was Rs. 0.489 million (2006: Rs. 0.712 million).
- 11.4 This represents amounts deposited with Karachi Stock Exchange (Guarantee) Limited, National Clearing Company of Pakistan and Central Depository Company of Pakistan Limited.

12. SHORT TERM INVESTMENTS

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Investments in marketable securities 'at fair value through profit or loss - held for trading'			
Quoted equity securities	12.1	820,128,230	-
484,187.8767 Units of MCB Dynamic cash Fund		<u>50,043,577</u>	-
		870,171,807	-
Held-to-maturity investments			
Unquoted term finance certificates of related party	12.2	98,468,630	-
Available for sale			
Quoted - preference shares	12.3	<u>69,493,200</u>	<u>66,018,540</u>
		<u>1,038,133,637</u>	<u>66,018,540</u>

12.1 Quoted equity securities

Number of shares		Name of company		
30 June 2007	30 June 2006			
338,000	-	Askari Bank Limited	35,684,850	-
830,500	-	Bank Alfalah Limited	54,036,050	-
113,000	-	The Bank of Punjab	13,187,900	-
230,500	-	D.G. Khan Cement Limited	26,881,125	-
1,147,000	-	National Bank of Pakistan Limited	301,024,750	-
500	-	Nishat Mills Limited	65,200	-
10,500	-	Pakistan Industrial Credit and Investment Corporation	857,430	-
676,500	-	Pakistan Oil Fields Limited	215,083,500	-
628,500	-	Pakistan Petroleum Limited	164,726,575	-
22,000	-	Pakistan State Oil Company Limited	8,580,850	-
<u>3,997,000</u>	<u>-</u>		<u>820,128,230</u>	<u>-</u>

These securities were purchased in the ready "T+3" market and sold in the future market.

12.2 Unquoted term finance certificates of related party

Number of certificates	Markup rate (%)	Name of Company	Maturity date	Cost
1	16.50	JS Finance Limited	25 July 2007	15,250,000
1	16.50	JS Finance Limited	16 August 2007	83,218,630
				<u>98,468,630</u>

As at 30 June 2007, the carrying value of the Term Finance Certificates approximate their fair value.

12.3 Quoted - Preference shares

Number of shares		Name of Company	30 June 2007		30 June 2006
30 June 2007 (Number of shares)	30 June 2006		Average cost ------(Rupees)-----	Fair value	Fair value (Rupees)
6,949,320	6,949,320	Pakistan International Containers Terminal Limited	69,493,200	69,493,200	69,493,200
		Unrealised loss on remeasurement at fair value	-	-	(3,474,660)
<u>6,949,320</u>	<u>6,949,320</u>		<u>69,493,200</u>	<u>69,493,200</u>	<u>66,018,540</u>

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.

13. TRADE DEBTS -unsecured, considered good

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Trade Debts for purchase of shares on behalf of clients	131	1,901,409,676	1,060,948,294
Trade Debts for advisory services		3,396,403	20,872,340
Forex and fixed income commission receivable		9,771,708	5,821,278
		<u>1,914,577,787</u>	<u>1,087,641,912</u>

13.1 Amount due from related parties at the year end was as follows:

JS Bank Limited	* 2,210,797	* 28,202,804
Jahangir Siddiqui & Company Limited	* 643,305,965	* 5,806,305
Director of Jahangir Siddiqui & Company Limited	-	* 2,429,228
JS Abamco Limited	* 1,039,782	-
Directors of the Company	* 67,351	-
Global Investment House	* 5,790,717	-
JSCM Staff Retirement Fund	* 29,330	-
JS Finance Limited	-	1,500,000

* These amounts were subsequently settled through T+3 settlement system.



14. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 June 2007	30 June 2006
		------(Rupees)-----	
Current maturity of long term loans	11	769,397	557,739
Advances - Staff		474,036	70,121
Deposits	14.1	580,000,000	-
Prepayments		8,097,838	621,337
Other receivables:			
Out of pocket expenses		400,329	543,755
Profit receivable on bank deposits		2,480,313	844,748
Dividend receivable		6,949,320	7,531,070
Income receivable on reverse repo transactions		3,682,339	1,238,451
Accrued mark-up on TFCs		2,185,484	-
Unrealized gain on derivatives		3,226,115	-
Other receivables	14.2	4,894,879	251,861
		<u>23,818,779</u>	<u>10,409,885</u>
		<u>613,160,050</u>	<u>11,659,082</u>

14.1 This represents deposits with Karachi Stock Exchange (Guarantee) Limited against ready and future exposure.

14.2 This includes Rs. 255,713 (30 June 2006: 245,066), Rs. 9,584 (30 June 2006: 6,473) and Rs. 592,200 (30 June 2006: nil) receivable from Jahangir Siddiqui & Company Limited, DCD JS Factors (Private) Limited and JS Abamco Limited respectively for various expenses incurred on behalf of each other, etc.

15. RECEIVABLE UNDER REVERSE REPURCHASE / CONTINUOUS FUNDING SYSTEM TRANSACTIONS

	30 June 2007	30 June 2006
	------(Rupees)-----	
Listed equity securities purchased under resale obligations	<u>1,573,890,024</u>	<u>664,420,075</u>

15.1 The market value of securities held in respect of these aggregates to Rs.1,612.656 million (30 June 2006: Rs. 731.982 million). These have rates of return ranging from 11.50% to 16% per annum (30 June 2006: 16% to 18% per annum) with maturities ranging from overnight to 22 trading days.

16. CASH AND BANK BALANCES

	30 June 2007	30 June 2006
	------(Rupees)-----	
Cash with banks:		
- Current accounts	92,576,374	8,941,208
- PLS / deposit accounts	10,366,236	7,691,885
- Foreign currency deposit accounts	3,090,044	300,499,400
	<u>106,032,654</u>	<u>317,132,493</u>
Cash in hand	84,000	53,391
	<u>106,116,654</u>	<u>317,185,884</u>

16.1 PLS / deposits accounts carry profit rate of 0.3% - 9.5% (2006: 0.75% - 8.5%).

17. OPERATING REVENUE

	30 June 2007	30 June 2006
Note	----- (Rupees) -----	
Brokerage and Operating Income	470,117,530	346,573,920
Advisory and Consultancy Fee	<u>21,359,814</u>	<u>77,726,840</u>
	<u>491,477,344</u>	<u>424,300,760</u>

18. INCOME FROM REVERSE REPURCHASE / CONTINUOUS FUNDING SYSTEM TRANSACTIONS

Income from reverse repurchase transactions in listed equity securities	178,420,842	62,537,506
Dividend income on reverse repurchase transactions	<u>8,298,000</u>	<u>8,915,589</u>
	<u>186,718,842</u>	<u>71,453,095</u>

19. CAPITAL GAIN ON SALE OF INVESTMENTS

Profit on sale of investment in open ended mutual funds	20,159,531	-
Capital gain on sale of shares - Ready Buy Future Sale	<u>36,221,222</u>	-
	<u>56,380,753</u>	-

20. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and benefits		118,459,679	85,722,930
Contribution to provident fund		1,925,657	1,139,120
Fee for Directors / Committee meetings	<i>28.2</i>	890,000	890,000
Printing and stationery		8,142,731	1,873,086
Telephone, fax, telegram and postage		6,866,905	3,861,471
Contract charges		5,860,065	5,759,356
Amortization of intangible assets	<i>10.2</i>	2,433,334	1,933,332
Rent, rates and taxes		33,862,748	11,842,594
Vehicle running expenses		4,316,152	2,967,403
Electricity, gas etc.		2,896,903	2,813,537
Legal and professional charges		1,603,404	1,130,518
Insurance		4,883,998	4,060,598
Newspaper and periodicals		984,627	374,856
Entertainment		504,098	416,208
Advertisement & business promotion		10,399,002	2,943,875
Office supplies		832,291	693,141
Depreciation expense	<i>9.1</i>	11,806,011	6,623,826
Auditors' remuneration	<i>20.1</i>	396,640	326,385
Fees and subscription		7,549,562	3,474,329
Conveyance and traveling		4,953,732	2,557,279
Repairs and maintenance		7,425,736	1,412,662
Computer expenses		9,641,846	5,320,315
KSE Clearing House and CDC Charges		55,477,061	33,467,472
Royalty	<i>20.2</i>	2,500,000	2,500,000
Donation	<i>20.3</i>	1,159,745	6,100,015
		<u>305,771,927</u>	<u>190,204,308</u>



20.1 Auditors' remuneration

	30 June 2007	30 June 2006
	------(Rupees)-----	
Audit fee	200,000	200,000
Certification including half year review	175,000	115,000
Out of pocket expenses	21,640	11,385
	<u>396,640</u>	<u>326,385</u>

20.2 This represents the royalty payable to Mr. Jahangir Siddiqui on account of use of part of company's name under an initial agreement dated 29 June 2004 revised on 7 February 2007.

20.3 This represents donation to Siddiqui Foundation in which associated company's directors Mr. Ali Jahangir Siddiqui and Mr. Munaf Ibrahim are directors.

21. OTHER OPERATING INCOME

	30 June 2007	30 June 2006
	------(Rupees)-----	
Income from financial assets		
Mark-up on PRE - IPO investments	494,400	-
Dividend income on preference shares	6,949,320	6,949,320
Mark-up/Income on TFCs	10,281,332	-
Return on cash margin on future contracts	4,825,170	-
Profit on PLS accounts	21,307,957	1,363,253
	<u>43,858,179</u>	<u>8,312,573</u>
Income from non-financial assets		
Profit on sale of property, plant and equipment	741,874	163,697
Other income	5,292,459	3,802,575
	<u>6,034,333</u>	<u>3,966,272</u>
	<u>49,892,512</u>	<u>12,278,845</u>

22. FINANCIAL CHARGES

Mark-up on running finance	11,229,936	12,177,080
Bank and other charges	660,299	650,582
	<u>11,890,235</u>	<u>12,827,662</u>

23. TAXATION

23.1 Income tax assessments of the Company have been finalized upto and including tax year 2006, under section 120 of the Income Tax Ordinance, 2001 unless amended. The Commissioner of Income Tax Companies - 1 Karachi vide his letter dated 11 June 2007 has informed the Company that he has selected tax year 2005 for audit under section 177 of the Income Tax Ordinance 2001. However audit proceedings have not started to date.

23.2 Reconciliation of tax charge for the year

	30 June 2007	30 June 2006
Note	------(Rupees)-----	
Profit before taxation	<u>466,634,618</u>	<u>305,000,730</u>
Tax at the applicable tax rate of 35% (2006: 35%)	163,322,116	106,750,256
Tax effect of expenses that are deductible in determining taxable profit	(176,230,663)	(131,180,432)
Tax effect of expenses that are not deductible in determining taxable profit	51,107,943	41,532,929
Effect of income exempt from tax	(19,733,264)	-
Tax effect of rebates and tax credits	(405,911)	(2,135,005)
Tax effect under presumptive tax regime	51,607,417	27,787,356
Tax effect of amount relating to prior year	(6,626,343)	(2,156,879)
Tax effect of deferred tax liability	775,482	194,351
Current year tax charge	<u>63,816,777</u>	<u>40,792,576</u>

24. EARNINGS PER SHARE - basic and diluted

Profit for the year after taxation	<u>402,817,841</u>	<u>264,208,154</u>
	------(Number)-----	
Weighted average number of shares	<u>21,177,012</u>	<u>13,800,000</u>
	------(Rupees)-----	
Earnings per share - basic and diluted	<u>19.02</u>	<u>19.15</u>

25. CASH AND CASH EQUIVALENTS

Cash and bank balances	<i>16</i>	106,116,654	317,185,884
Short term running finance under mark-up arrangements	<i>6</i>	<u>(246,473,078)</u>	<u>(176,890,535)</u>
		<u>(140,356,424)</u>	<u>140,295,349</u>

26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company primarily invests in a portfolio of money market investments such as spread transactions, continuous funding system transactions and investments in marketable securities and short term debt securities. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to:



26.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies.

26.2 Concentration of credit risk and credit exposure of the financial instruments

The Company attempts to control credit risk by applying and monitoring approved limits of credit exposure to any one counter party, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties.

As at 30 June 2007 the company is subject to credit risk amounting to Rs. 4.191 billion (30 June 2006: Rs. 1.765 billion).

26.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet its obligations and commitments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

26.4 Interest rate risk exposure

In respect of income earning financial assets and interest bearing financial liabilities, the following tables indicate their average effective interest rate at the reporting date and the period in which they mature or, if earlier, reprice.

	Effective rate of mark-up/ return (%)	30 June 2007					Non Interest bearing	Total
		Interest bearing						
		Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
(Rupees)								
Financial assets								
Long term loans, advances and deposits	8 to 12	-	-	-	351,923	-	2,333,193	2,685,116
Short term investments	10 to 16.5	-	98,468,630	-	69,493,200	-	870,171,807	1,038,133,637
Trade debts	-	-	-	-	-	-	1,914,577,787	1,914,577,787
Loans, advances and other receivables	8 to 12	280,000,000	-	769,397	-	-	324,292,815	605,062,212
Receivable under reverse repurchase/ continuous funding system transactions	11.50 to 16	1,573,890,024	-	-	-	-	-	1,573,890,024
Cash and bank balances	0.3 - 9.5	13,456,280	-	-	-	-	92,660,374	106,116,654
		1,867,346,304	98,468,630	769,397	69,845,123	-	3,204,035,976	5,240,465,430
Financial liabilities								
Short term running finances	12.50 to 13.50	246,473,078	-	-	-	-	-	246,473,078
Creditors, accrued expenses and other liabilities	-	-	-	-	-	-	2,001,664,608	2,001,664,608
		246,473,078	-	-	-	-	2,001,664,608	2,248,137,686
<i>On-balance sheet gap</i>		1,620,873,226	98,468,630	769,397	69,845,123	-	1,202,371,368	2,992,327,744
Off Balance Sheet								
Commitments in respect of reverse repo transactions	11.5	361,768,780	-	-	-	-	-	361,768,780
Cumulative gap		1,982,642,006	98,468,630	769,397	69,845,123	-	1,202,371,368	3,354,096,524
(Rupees)								
30 June 2006								
(Rupees)								
Financial assets								
Long term loans, advances and deposits	8 to 12	-	-	-	524,305	-	1,401,000	1,925,305
Short term investments	-	-	-	-	-	-	66,018,540	66,018,540
Trade debts	-	-	-	-	-	-	1,087,641,912	1,087,641,912
Loans, advances and other receivables	8 to 12	-	-	557,739	-	-	10,480,006	11,037,745
Receivable under reverse repurchase/ continuous funding system transactions	16 to 18	664,420,075	-	-	-	-	-	664,420,075
Cash and bank balances	0.75 - 8.5	7,691,885	-	-	-	-	8,941,208	16,633,093
		672,111,960	-	557,739	524,305	-	1,174,482,666	1,847,676,670
Financial liabilities								
Short term running finances	11	176,890,535	-	-	-	-	-	176,890,535
Creditors, accrued expenses and other liabilities	-	-	-	-	-	-	1,197,779,507	1,197,779,507
		176,890,535	-	-	-	-	1,197,779,507	1,374,670,042
<i>On-balance sheet gap</i>		495,221,425	-	557,739	524,305	-	(23,296,841)	473,006,628
Off Balance Sheet								
Commitments in respect of reverse repo transactions	17	(416,654,735)	-	-	-	-	-	(416,654,735)
Cumulative gap		78,566,690	-	557,739	524,305	-	(23,296,841)	56,351,893

26.5 Fair value of financial instruments

The fair value of investments categorised as 'financial assets at fair value through profit and loss - held for trading' and 'available for sale' is based on the closing market prices ruling at the day-end. The management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values.

27. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other in making financial or operational decisions and includes major shareholders, group companies, associated companies, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Transactions with related parties are entered into at rates negotiated with them.

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

	30 June 2007	30 June 2006
	------(Rupees)-----	
Brokerage and advisory income earned from:		
- Directors	<u>343,426</u>	<u>1,125,498</u>
- Holding company	<u>-</u>	<u>18,606,729</u>
- Associated companies	<u>34,019,148</u>	<u>28,037,636</u>
Payments to staff retirement fund	<u>1,925,656</u>	<u>2,267,452</u>
Payment on account of expenses to:		
- Holding company	<u>-</u>	<u>7,101,500</u>
- Associated companies	<u>31,684,032</u>	<u>7,338,492</u>
Royalty	<u>2,500,000</u>	<u>2,500,000</u>
Key management compensation	<u>37,011,298</u>	<u>23,873,477</u>
Sale of units of UTP Income Fund	<u>694,417,437</u>	<u>-</u>
Purchase of units of UTP Income Fund	<u>675,000,000</u>	<u>-</u>
Capital gain on sale of units of UTP Income Fund	<u>19,417,437</u>	<u>-</u>
Purchase of Term Finance Certificates`	<u>233,460,000</u>	<u>-</u>
Income on Term Finance Certificates	<u>10,281,332</u>	<u>-</u>
Purchase of vehicle	<u>415,000</u>	<u>-</u>
Sales of fixed assets - cost	<u>625,000</u>	<u>-</u>
Proceeds from issue of shares to Global Investment House	<u>1,871,605,500</u>	<u>-</u>
Donation	<u>1,159,745</u>	<u>6,100,015</u>

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Director		Executives	
	30 June 2007	30 June 2006	30 June 2007	30 June 2006	30 June 2007	30 June 2006
	----- (Rupees) -----		----- (Rupees) -----		----- (Rupees) -----	
Managerial remuneration	2,000,000	2,000,000	-	-	10,515,439	5,260,695
House rent allowance	800,000	800,000	-	-	4,206,175	2,104,278
Utilities allowance	200,000	200,000	-	-	1,051,544	526,069
Performance bonus	2,000,000	2,000,000	-	-	625,000	1,795,000
Medical	113,598	81,483	-	-	79,777	30,565
	<u>5,113,598</u>	<u>5,081,483</u>	<u>-</u>	<u>-</u>	<u>16,477,935</u>	<u>9,716,607</u>
Number of persons	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>3</u>

28.1 The Company provides the chief executive and certain executives with Company maintained cars.

28.2 The Company has also paid Rs. 0.890 million to 2 non-executive directors (June 30, 2006: Rs. 0.890 million to 2 non-executive directors) as fee for directors/ committee meetings.

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Property, plant and equipment

The Company reviews the rate of depreciation / useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

Investments stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgements (e.g. valuation, interest rates, etc.) and therefore, can not be determined with precision.



Trade debts

The Company reviews its debtors portfolio regularly to assess amount of any provision required against such trade debtors.

30. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of 100% (2006: Nil) and bonus of 50% (2006: 20%) for the year ended 30 June 2007, amounting to Rs. 238.097 million (2006: Nil) and Rs. 119.049 million (2006: Rs. 23 million) respectively in their meeting held on 25 August 2007.

31. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on 25 August 2007.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

**PATTERN OF SHARE HOLDING FORM "34"
SHAREHOLDER'S STATISTICS
AS AT JUNE 30, 2007**

Number of Shareholders	Share Holding		Total Shares Held
	From	To	
237	1	100	15,448
121	101	500	33,491
166	501	1000	115,962
55	1001	5000	131,560
8	5001	10000	64,752
1	10001	15000	10,210
1	20001	25000	22,231
1	25001	30000	29,080
1	45001	50000	45,540
1	55001	60000	55,800
1	100001	105000	104,190
1	130001	135000	132,380
1	145001	150000	150,000
1	150001	155000	150,600
1	185001	190000	188,677
1	235001	240000	238,400
2	255001	260000	514,990
1	495001	500000	497,300
1	605001	610000	609,103
2	10345001	10350000	20,699,986
604			23,809,700

S.No.	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
1	Individuals	574	2,228,181	9.36%
2	Investment Companies	22	20,898,409	87.77%
3	Insurance Companies	3	373,380	1.57%
4	Joint Stock Companies	2	45,840	0.19%
5	Other(s)			
	Trustee - Siddiqui Foundation	255,990		
	Kaymo Trading (FZE)	6,900		
	(S1) MC of Khoja (Pirhai) S.IA Jamat	1,000		
		3	263,890	1.11%
		604	23,809,700	100.00%

* Includes 498 CDC Beneficial Owner as per list appear on CDS.



DISCLOSURE TO PATTERN OF SHAREHOLDING

As at June 30, 2007

Serial No.	Description	No. of Share Holders	No. of Shares Held
1	Associated Companies, Undertakings and Related Parties		
	M/s Jahangir Siddiqui & Company Limited	1	10,349,989
	Global Investment House, K. S. C.C	1	10,350,000
	M/s Jahangir Siddiqui Securities Services Limited	1	188,677
			<u>20,888,666</u>
2	NIT and ICP	Nil	Nil
3	List of Directors, CEO and their spouses and minor children		
	Mr. Adil Matcheswala	1	5,901
	Mr. Aslam Khaliq	1	4,141
	Mr. Ahsen Ahmed	1	1
	Syed Nadir Shah	1	1
	Mr. Omar M. El-Quqa	1	1
	Mr. Eyad N. Abu-Huwajj	1	1
	Mrs. Maha K. Al-Ghunaim	1	1
			<u>10,047</u>
4	List of Executives	Nil	Nil
5	Public Sector Companies and Corporations	Nil	Nil
6	Banks Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds	3	<u>373,380</u>
7	Joint Stock Companies & Others	24	<u>319,473</u>
8	Individuals	567	<u>2,218,134</u>

DETAILS OF SHARE HOLDING 10% MORE

1.	M/s Jahangir Siddiqui & Company Limited	<u>10,349,989</u>
2.	M/s Global Investment House, K.S.C.C	<u>10,350,000</u>

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their Spouses and minor children during the period from July 01, 2006 to June 30, 2007

S.No	Name	Designation	Shares Bought	Shares Sold
1	Mr. Adil Matcheswala	Chairman	-	1,000
2	Mr. G.M. Malkani	Chief Executive Officer	-	-
3	Mr. Aslam Khaliq	Director	-	-
4	Mr. Ahsen Ahmed	Director	-	-
5	Syed Nadir Shah	Director	-	-
6	Mr. Omar M. El-Quqa	Director	-	-
7	Mr. Eyad N. Abu-Huwajj	Director	-	-
8	Mrs. Maha K. Al-Ghunaim	Director	-	-
9	Mr. Tariq Usman Bhatti	Director	-	-
10	Mr. Zulfiqar Hyder Khan	Director	-	-
11	Mr. Kamran Ansari	Company Secretary	-	-
12	Minor Family Members/Spouses		-	117,450

FORM OF PROXY
7th Annual General Meeting

The Company Secretary
JS Global Capital Limited
(Formerly Jahangir Siddiqui Capital Markets Limited)
6th Floor, Faysal House, Main Shahrah-e- Faisal,
Karachi

I/We-----
of-----
being member(s) of JS Global Capital Limited (Formerly Jahangir Siddiqui Capital Markets Ltd.) holding-----
ordinary shares as per Registered Folio No. /CDC A/c. No. (for members who have shares in CDS)-----
hereby appoint Mr. / Mrs. / Miss-----
of (full address)-----or failing him/her
Mr. / Mrs. / Miss-----of (full address)-----
----- being member of the Company, as my / our proxy to attend, act and vote for me / us and on my / our behalf
at the Annual General Meeting of the Company to be held on September 29, 2007 and / or any Adjournment thereof.

As witness my / our hand / seal this----- day of 2007.

Signed by-----

In the presence of-----

Witness:

1. Name-----

Signature-----

Address-----

CNIC or-----

Passport No.-----

2. Name-----

Signature-----

Address-----

CNIC or-----

Passport No.-----

Signature on
Rs. 5/=
Revenue Stamp

The Signature should
agree with the
specimen registered
with the Company.

Important:

1. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 6th Floor, Faysal House, Main Shahr-e-Faisal, Karachi, not later than 48 hours before the time of holding meeting.
2. No Person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If member appoints more than one proxies and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity Card with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.

The Company Secretary
JS Global Capital Limited
(Formerly Jahangir Siddiqui Capital Markets Limited)
6th Floor, Faysal House,
Main Shakra-e-Faisal
Karachi.

AFFIX
CORRECT
POSTAGE



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(Formerly Jahangir Siddiqui Capital Markets Limited)

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