



Annual Report 2009

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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. Shahid Hameed*	Vice Chairman, Non-Executive Director
Mr. Aslam Khaliq	Non-Executive Director
Mrs. Maha K. Al Ghunaim	Non-Executive Director
Mr. Eyad N. Abu Huwajj	Non-Executive Director
Syed Nadir Shah	Non-Executive Director
Mr. Ahsen Ahmed	Non-Executive Director
Mr. G.M. Malkani	Chief Executive

Audit Committee

Mr. Adil Matcheswala	Chairman
Mr. Eyad N. Abu Huwajj	Member
Mr. Ahsen Ahmed	Member
Mr. Shahid Kamal	Secretary

Executive Committee

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

*Mr. Omar M. El-Quqa, Director has resigned from the office of the Director of the company and Mr. Shahid Hameed has been appointed as Director of the company in his place on August 27, 2009.

CFO & Company Secretary

Mr. Danish Zahoor

Auditors

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

Bankers

JS Bank Limited
MCB Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
NIB Bank Limited
Bank Alfalah Limited
United Bank Limited

Legal Advisers

Bawaney & Partners, 4th Floor, Beaumont Plaza Civil Lines, Karachi

Share Registrar

Technology Trade (Pvt) Limited, 241-C, Block-2, P.E.C.H.S., Karachi

Registered Office

6th Floor, Faysal House Main Shahra – e – Faisal , Karachi
 Telephone: 92-21-111574111 Fax: 92-21-2800163, 2800167

Notice of Annual General Meeting



Notice is hereby given that the Ninth Annual General Meeting of JS Global Capital Limited will be held at Regent Plaza Hotel & Convention centre, Shakra-e-Faisal, Karachi on Saturday, October 31, 2009 at 12:00 noon to transact the following business:

Ordinary Business

1. To confirm the minutes of the eighth Annual General Meeting held on September 27, 2008.
2. To receive and consider the audited financial statements of the Company for the year ended June 30, 2009 together with the Directors' and Auditors' report thereon.
3. To approve 100% cash dividend as recommended by the Board of Directors of the Company for the year ended June 30, 2009.
4. To appoint the auditors for the ensuing year and fix their remuneration. Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, have offered themselves for reappointment.
5. To transact any other ordinary business with the permission of the Chair.

Karachi: October 08, 2009

By order of the Board

Danish Zahoor
Company Secretary



NOTES

- (i) Share transfer books of the Company will remain closed from October 17, 2009 to October 23, 2009 (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 physical shares and the shares registered in the name of Central Depository Company of Pakistan (CDC) and / or their proxies are required to produce their original Computerised National Identity Cards (CNICs) or Passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the company within the time stipulated in para (iii) above, duly witnessed by two persons whose, names, addresses and CNIC numbers must be mentioned on the proxy form and attested photocopies of CNIC or the passport of the beneficial owner and the proxy must be submitted. In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee 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.

Financial Highlights

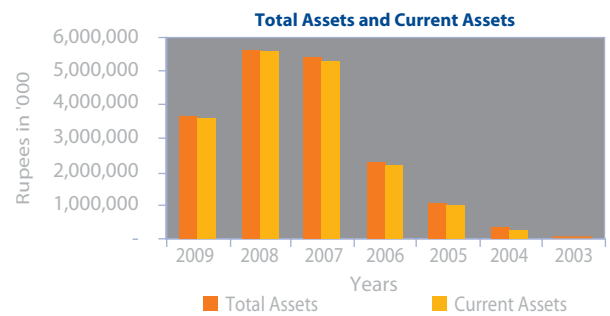
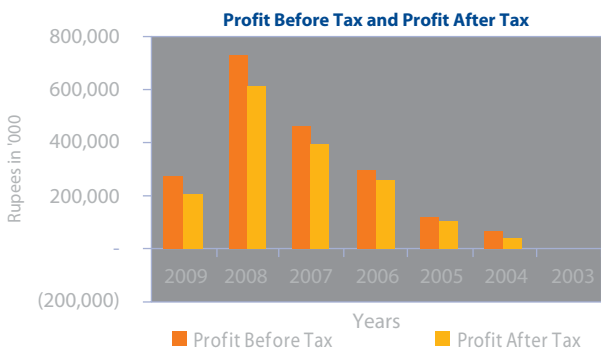
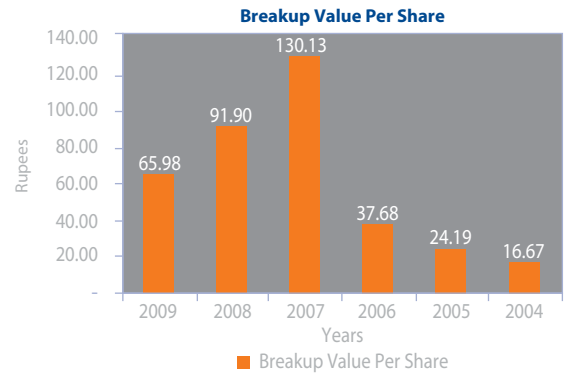
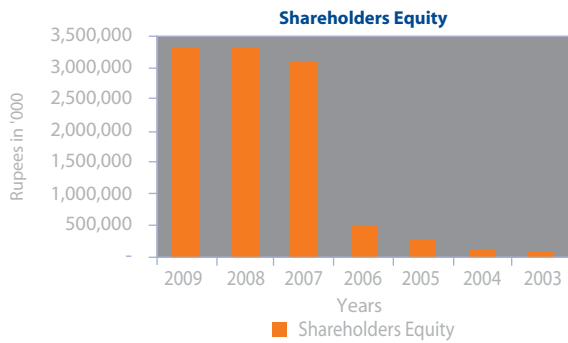
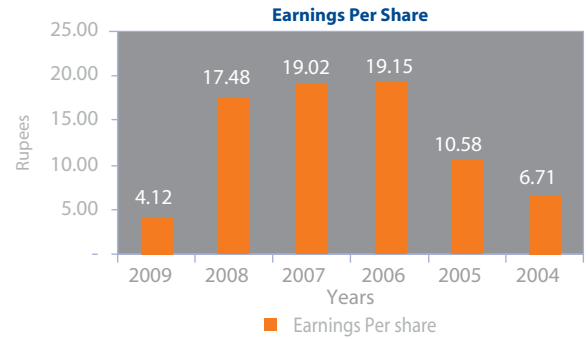
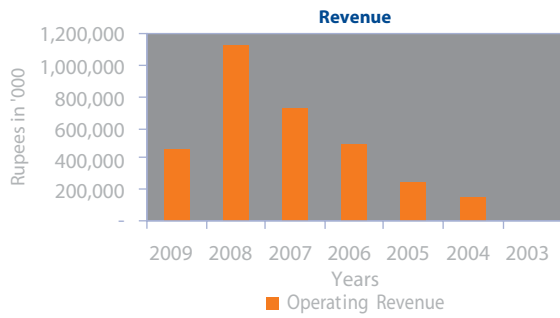


Financial Highlights

	2009	2008	2007	2006	2005	2004	2003
Operating Performance (Rupees in 000)							
Operating Revenue	459,243	1,132,510	734,404	495,754	252,301	143,260	485
Administrative, operating & other expenses	401,962	458,545	305,772	190,204	122,585	77,222	757
Finance cost	8,418	59,871	11,890	12,828	9,318	704	-
Other operating income	224,289	126,020	49,893	12,279	631	915	25
Profit before tax	273,152	740,114	466,635	305,001	121,029	66,249	(247)
Profit after tax	206,240	624,134	402,818	264,208	102,300	40,271	(247)
Per Ordinary Share (Rupees)							
Earnings per share	4.12	17.48	19.02	19.15	10.58	6.71	-
Breakup value per share	65.98	91.90	130.13	37.68	24.19	16.67	-
Dividends (Percentage)							
Cash	-	50.00 (I)	-	-	15.00(I)	-	-
	100.00 (F)	50.00 (F)	100.00 (F)	-	-	-	-
Bonus shares	-	39.998965 (F)	50.00 (F)	20.00 (I)	15.00 (F)	-	-
Assets & Liabilities (Rupees in 000)							
Total assets	3,704,570	5,677,974	5,417,810	2,238,756	1,062,461	332,337	60,389
Current assets	3,608,357	5,579,552	5,325,048	2,187,744	1,008,485	307,046	58,234
Current liabilities	405,418	2,394,318	2,317,805	1,417,425	819,931	232,128	654
Financial Position (Rupees in 000)							
Shareholders equity	3,299,152	3,282,215	3,098,437	520,040	241,933	100,007	59,735
Share capital	500,000	357,145	238,097	138,000	100,000	60,000	60,000
Reserves	2,799,152	2,925,070	2,860,340	382,040	141,933	-	-
Shares outstanding- (Numbers in 000)	50,000	35,714	23,810	13,800	10,000	6,000	6,000
Return on capital employed - (%)	6.25	19.02	22.26	50.81	42.28	40.27	(0.41)
Return on total assets - (%)	5.57	10.99	7.44	11.80	9.63	12.12	(0.41)
Current ratio-times	8.90	2.33	2.30	1.54	1.23	1.32	89.04
Interest cover ratio-times	24.50	10.42	33.88	20.60	10.98	57.20	-

(I) Interim

(F) Final



Chairman's Message

On behalf of the Board of Directors, I would like to present you with the 2009 Annual Report of JS Global Capital Limited, which highlights our results for the previous financial year.

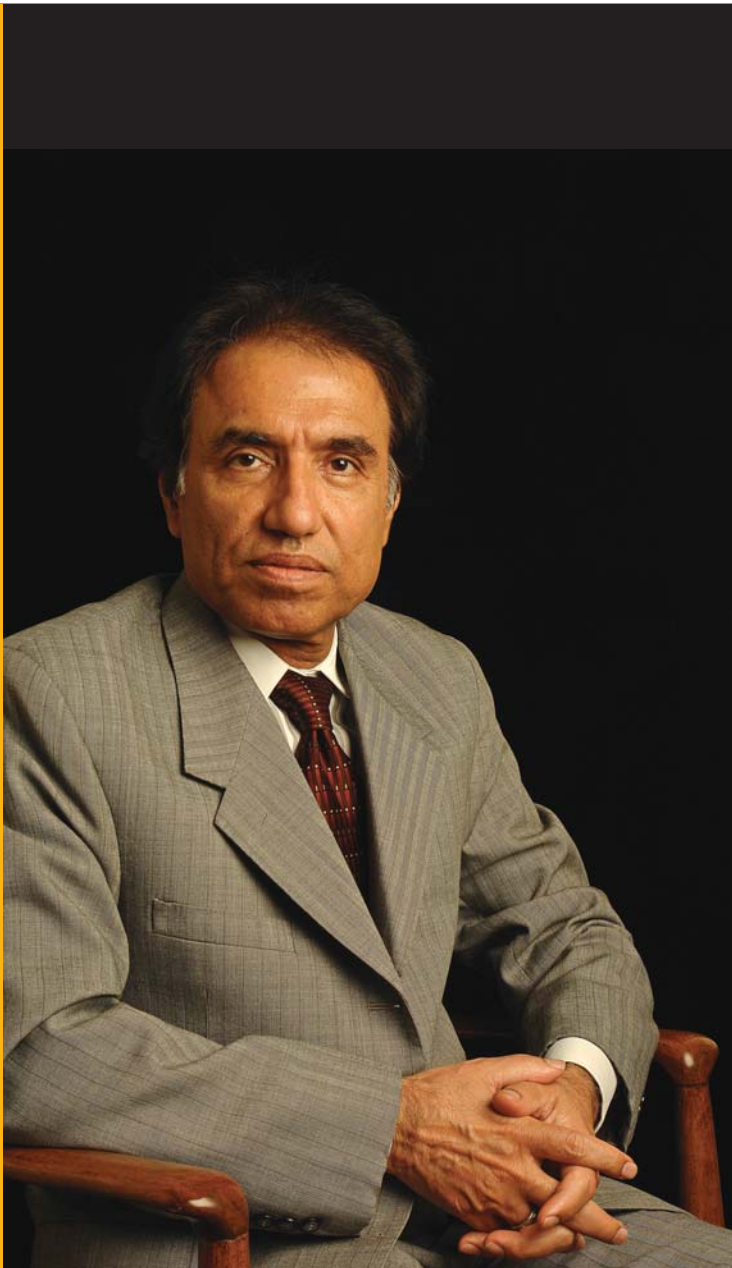
Our mission for the future remains the same: to continue to achieve steady growth year on year, be a market leader in all our core business segments and continuously strive to produce innovative financial solutions for our customers.

Thank you for your continued support and patronage.



Adil Matcheswala

Chief Executive's Message



Last year can be remembered as a tough year for capital markets and Pakistan's economy. Pakistan's foreign exchange reserves plunged to US\$5bn barely enough for 5 weeks of import, inflation touched 25% and SBP increased interest rate by 5% to 15% - highest in a decade. These imbalances triggered asset prices deflation and prompted investors risk aversion. Additionally, global financial meltdown has paralyzed Pakistan's capital inflows, which resulted into at least three Pakistan's sovereign rating downgrades. Moreover, these had deep implications on Pakistan's financial markets and resulted in mass foreign investment exodus. The stock market shed two-third of its capitalization and witnessed a broad based panic among investors. Investor's unease had prompted KSE management to shut bourse for 105 days. This had a huge implication on our brokerage business and resulted into opportunity losses. Despite the down fall, we never gave up and eagerly worked on our strengths to covert ongoing threat into opportunity by investing in the core business, human resources and technology. Our commitment to the business can be validated to the soft launch of "**JS GlobalOnline**", an online stock trading service. This new strategic venture is based on the internationally acclaimed software solution "Mubasher", jointly customized for the Pakistani market by JS Global Capital Limited and Saudi National Technology Group. Currently, we are providing online service to a select group of customers and intend to reach out to the mass retail market during next year through aggressive marketing. Our belief in ourselves and revival of Pakistan macro's have proved right and by the grace of Allah, market is witnessing huge investor interest both on-shore and off-shore. This can be reflected from stock market's performance up 90% since January with improved market volumes.

Our superior risk management, research and brokerage services are reflected from our last year's annual results, where JS Global Capital Limited (JSGCL) had posted a profit of Rs. 206.240 million or Rs. 4.12 EPS for the year ended June 30, 2009. The driving factors in stabilizing our financial performance were: increase in market share, exceptional performance by the money market and forex brokerage business, efficient utilization of company's funds, efficient cost management, continued investment in quality human resources, and support of our sponsors and stakeholders.

In conclusion, despite economic headwinds, I firmly believe in Pakistan's comparative advantage given its 170mn population, its key location and agricultural base. Additionally, reversal of global recessionary concerns and risk aversion will strengthen investor's interest in to equity market. This should help us grow our market share, brand and leadership.

G.M. Malkani



DIRECTORS' REPORT

The directors are pleased to present the audited financial statements of JS Global Capital Limited for the year ended June 30, 2009.

The Economy

The Fiscal Year 2009 has been recognized by many financial experts as one of the most difficult in Pakistan's history; in a nut shell it could be characterized by wide-scale asset destruction, increasing interest rates, tight monetary policy, soaring food, commodity and utility prices, the with-drawal of foreign investment from equity markets and a sharp increase in NPL's as well as administrative expenses which lead to a dismal performance by the banking sector. The GDP growth was recorded at 2.0% which was the lowest since FY01; investments remained subdued at 19.7% relative to GDP, while the Current Account and Fiscal Deficit increased to 5.1% and 4.9% of GDP respectively.

The trade-off between growth, inflation and the twin deficits left the economic planners with very hard choices to make. The Central bank opted for a tight monetary policy and the fiscal stance backed the Central banks tightening bias. This coupled with massive exchange rate adjustments supported inward remittances which partially made up for falling exports. However, the initial tightening, discouraged money creation and prompted massive asset price deflation, as cash remained the preferred asset class. This sparked higher unemployment and lower domestic consumption. The massive fall in domestic demand resulted in industrial output contraction and hence impacted tax revenue collection as well. The tax revenue drag reduced fiscal space and correspondingly led to reduced development expenditures. Furthermore, the reduced level of foreign aid, investments and grants also shifted the burden of financing entirely on domestic sources, which kept the benchmark Karachi Inter-Bank Offer Rate (KIBOR) at higher levels for the most part of FY09. This resulted in a massive decline in private sector credit.

On a positive note by the 3rd quarter of FY09, Pakistan had successfully negotiated its IMF loan and started seeing the first signs of financial stability as a result of structural reforms.

The key reforms proposed were as follows:

- The process of elimination of electricity and fuel subsidy.
- De-pegging of Rupee dollar parity through transfer of oil import payments to inter-bank from the central bank.
- Exchange rate liberalization.
- Introduction of tax reforms, higher tax coverage across sectors.
- Elimination of Government's reliance on Central Bank borrowing and encouraging more market based borrowing.

Looking forward, we expect that the government's successful implementation of reforms coupled with generous external support will enhance fiscal space and hence the ability to bridge the deficit caused by infrastructure spending. This should help ease growth concerns. Higher external financing will also reduce pressure on domestic borrowing and hence domestic interest rates. However, the Federal Board of Revenue's ability to enhance the tax net and therefore revenues will be a key challenge for next year.

Capital Markets Review

The Fiscal Year 2009 turned out to be the most difficult year in the last decade. The market capitalization reduced by 53% to US\$26bn from US\$55.2bn. The KSE-100 index was amongst the worst performing markets within its peers and recorded a decline of 42% versus regional markets, which on average fell by 6% last year.



The fundamental reasons for this fragile performance was weak economic growth, lack of liquidity and a deteriorating political and security situation in the country. Investor's confidence was shattered by the surprise imposition of a price floor for three and half months on the Karachi Stock Exchange which led to a mass exodus of foreign portfolio investments from the equity market when the floor was lifted as well as Pakistan's exclusion from the MSCI Emerging Market Index. Offshore funds withdrew US\$445 million during FY09. Against a historical 5 year (FY04-08) CAGR of 33%, market capitalization in FY09 succumbed to highest annual decline of 53%, with the KSE-100 Index down 42%. Foreign investors, who held shares worth US\$3.6 billion at the start of FY09, were estimated to have holdings of only US\$1.2bn on account of eroding share values and divestment of shares.

Debt Market

There were a total of 5 Term Finance Certificates (TFCs) offered in FY09. Through these 5 TFCs, a total of PKR 23.5 billion (US \$ 284.47 million) was raised in FY09 as against a total of PKR 28.1 billion (US \$ 413.2 million) that was raised in FY08. The recessionary trend and aversion to risk led made it very difficult and costly to raising finance through debt markets.

Foreign Exchange Market

FY09 started with the US Dollar spot rate at PKR 68.60 and closed with the rate at PKR 81.47. The lowest trade took place at PKR 68.60 in July 2008 and the highest at PKR 84.00 in October 2008. The Central Bank took some policy measures to stabilize the PKR and curtailing the outflow of foreign currency by imposing regulatory duties on the import of luxury items, disallowing foreign currency swaps, removing the facility of forward cover against imports and the application of 35-100% margins on imports. The lowest six month premium traded at 125 paisa during September 2008 and the highest six month premium traded at 530 paisa during November 2008. The lowest and highest Foreign Exchange reserves during FY09 were at the level of US Dollar 6.63 billion during November 2008 and US dollar 11.52 billion during May 2009 respectively.

Performance Review

The following key financial results of the Company are a clear reflection of the economic turmoil that prevailed and adversely affected Capital markets during the year:

	2008-09	2007-08
Rupees.....	
Operating revenue	316,377,931	886,845,595
Profit before tax	273,152,774	740,113,870
Profit after tax	206,239,993	624,134,125
Earnings per share - (Restated)	4.12	12.48

It is important to note that profit after tax has declined by 66.9% mainly due to the decrease in operating revenues by 64.33%. This was primarily due to a technical shut down in the activities of our largest business unit i.e. Equity Brokerage for almost three and a half months, very low market volumes during the year, the discontinuation of the Futures and CFS market by the apex regulator in the last quarter of FY09, reduced investment banking activity due to the depressed economic outlook and higher than normal provisions for doubtful debts on brokerage transactions. In spite of all these negative factors, the company's overall results have shown respectability due to increased market share being captured by the Equity Brokerage department, excellent performances shown by the Fixed Income and the Foreign Exchange Trading departments and prudent management of the company's liquidity by the Finance department. Despite the medium term negative outlook on the Economy and the Capital Markets our Company plans on maintaining its focus on institution building by further strengthening its core business units, increasing market share in all departments and constantly remaining in search of innovative financial products and services.

During the year JS Global Capital Limited was declared winner of the 26th Corporate Excellence Award in the Investment and Securities sector by Management Association of Pakistan.



Appropriation of Profits

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

	2008-09	2007-08
Rupees.....	
Profit after tax	206,239,993	624,134,125
Un-appropriated profit brought forward	995,796,550	788,332,175
Profit available for appropriation	1,202,036,543	1,412,466,300
Appropriations		
Final Bonus FY 2008: 39.998965% (2007: 50%)	142,854,500	119,048,500
Appropriation out of share premium	(142,854,500)	(119,048,500)
Final Dividend FY 2008: 50% (2007: 100%)	(178,572,750)	(238,097,000)
Interim Dividend - FY 2008 - 50%	-	(178,572,750)
Final Dividend - FY 2009 - *100%	-	-
Un-appropriated profit carried forward	1,023,463,793	995,796,550

Apart from interim dividend of 50%, the Company had declared a final bonus and dividend of 39.998965% and 50% respectively for the year ended 2008.

* The Board has recommended a final cash dividend of PKR 10/= per share. The appropriation is to be made out of the un-appropriated profits and will be accounted for in the ensuing year.

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 3.20 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 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 08 and 09.



- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2009 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, 2009 amounts to approximately Rs. 16.116 million (2008: Rs. 12.927 million audited). The audit activity for the year ended June 30, 2009 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 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

No change has occurred in the Board during the financial year 2008-09.

Board of Directors Meetings

During the year 2008-09, four meetings of the Board of directors were held. The attendance by the directors is shown hereunder:

Name of Directors	Appointed on	Resigned*/ Retired on	Eligibility	Meetings attended
Mr. Adil Matcheswala	June 28, 2000	-	4	4
Mr. Aslam Khaliq	October 14, 2004	-	4	3
Syed Nadir Shah	May 18, 2006	-	4	4
Mr. Ahsen Ahmed	May 18, 2006	-	4	4
Mrs. Maha K Al-Ghunaim	November 08, 2006	-	4	-
Mr. Omer M. El-Quqa	November 08, 2006	-	4	-
Mr. Eyad N. Abu-Huwaij	November 08, 2006	-	4	4

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 three 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. stand retired and offer themselves for reappointment.

Shareholding

The pattern of shareholding as on June 30, 2009 is appearing on page 65 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 maintained the long term rating at 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

Despite the challenges faced during FY09 we are confident of improving fundamentals during FY10 both for the global and regional markets as well as Pakistan's economic outlook. An easing monetary policy, reducing interest rate environment, stable commodity prices, improved foreign exchange inflows due to bilateral and multi-lateral support and greater focus on tax collection and export proceeds will all contribute to an improving investment climate and a better performing stock market. The Future's market has begun operating once again and we are hopeful that a leverage product for the stock market will soon be approved by the regulators. All these factors will improve volumes on the Karachi Stock Exchange and hopefully result in company's approaching the equity markets for capital, something which was missing during FY09. The important challenge for the economy remains on how the widening trade, current account and fiscal deficit arising mainly because of weaknesses in exports, tax revenues and the much needed infrastructure spending will be cushioned.

With the strength that our balance sheet and reserves have to offer and our constant desire to achieve organic and steady growth we will continue to strengthen and improve our services as well as create new financial products and services. We have successfully launched Online Equity Trading brokerage services at the end of FY09 and plan on offering Commodity Trading Brokerage services as well during FY10 thereby further adding to customer as well as shareholder value. In spite of what happens in the short term we are confident that the company will maintain its growth momentum in the long run and continue to build shareholder value as it always has in the past.

Acknowledgement

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

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

For and on behalf of the
Board of Directors

Adil Matcheswala
Chairman

Karachi: August 27, 2009



BOARD OF DIRECTORS

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 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.

Vice Chairman, Mr. Omar M. El-Quqa*

Mr. Omar M. El-Quqa is an Executive Vice President - Global Products and Business Head at Global Investment House. A Co-founder of the Company with 22 years of experience in the financial sector, primarily in asset management and corporate finance. Mr. El-Quqa is currently a Board Member of Al Manar Financing & Leasing Co., First Jordan Investment Company, Real Estate Investment Company, REEF, Syria Gulf Bank, Al Salam Bank, Shurooq Investments, Union Bank, Anwal Investment, Tameer Jordan, Palestine Real Estate Investment Company, FINACorp Group, Bank of Bahrain and Kuwait, Investment House (Qatar) and Jordan Trade Facilities Co. Previously, he worked with the National Bank of Kuwait Money Market Operations Department, and Kuwait Foreign Trade Contracting and Investment Company in the Portfolio Management Department. Mr. El-Quqa obtained the Chartered Financial Analyst certification in 1989 and an MBA from Sul Ross University in 1982.

Vice Chairman, Mr. Shahid Hameed*

Mr. Shahid Hameed is one of the leading investment professionals in the Middle East with fifteen years of experience in asset management and research with a focus on Middle Eastern equity markets. Mr. Shahid Hameed is currently the head of GCC asset management at Global Investment House which is one of the largest investment management firms in the Middle East. His team is responsible for managing over \$2 billion in assets which are primarily invested in equities listed on the Middle Eastern stock exchanges and partly in regional fixed income markets. Mr. Shahid has been in his current role since July 2007.

Prior to that, Mr. Shahid was at Unicorn Investment Bank in Bahrain as Senior Director and the Head of Equities from May 2006 till June 2007. Between 1999 and 2006, he worked at SICO Investment Bank in Bahrain where he was a key member of the senior management team. Mr. Shahid initially set up the research function at SICO and then went on to establish one of the most successful asset management businesses in the Middle East for the firm. He led the asset management business for several years and launched and managed one of the first regionally focused equity funds. Before that, Mr. Shahid spent around five years in Saudi Arabia and Pakistan working as an equity analyst. Mr. Shahid holds an MBA degree from the Institute of Business Administration, Karachi and was awarded the Chartered Financial Analyst (CFA) charter in 1998.

*Mr. Shahid Hameed has been appointed as Director of the company in place of Mr. Omar M. El-Quqa who resigned from the office of Director of the Company effective August 27, 2009.

Director, Mr. Aslam Khaliq

Mr. Aslam Khaliq was appointed as a director in JS Global Capital Limited in 2004. Mr. Aslam Khaliq joined Pakistan Tobacco Company in 1967 as an agronomist. During his service, he worked in various departments including Product Development & Corporate Planning. He was seconded to BAT, UK during 1988-89 and upon returning to Pakistan was appointed as GM-Leaf.

In 1996, he was appointed as Director Corporate & Regulatory Affairs and became Deputy Managing Director in 2001. On retirement in June 2004, he was invited to become the Chairman of the Board.

He is also a Director/Member of the boards of Lahore University of Management Sciences (LUMS), National Database Registration Authority (NADRA), Intellectual Property Organization of Pakistan (IPO-Pakistan), Indus Valley School of Arts and Architecture, Pakistan Atomic Energy Commission of Bio Sciences (Pvt.) Ltd., Islamabad Stock Exchange and Honorary Counsel of the Republic of Bulgaria. On retirement as Chairman PTC in August 2007, he was invited by Reckitt Benckiser Plc, to become Chairman of Reckitt Benckiser Pakistan Limited.

Director, Mrs. Maha K. Al-Ghunaim

Mrs. Maha K. Al-Ghunaim – Maha is Chairperson and Managing Director of Global Investment House. She, along with other distinguished members, founded Global in 1998 and has led the institution since then to make it the most successful financial services institution in the MENA region. Maha received her Bachelor of Science degree in Mathematics from San Francisco State University, California, USA in 1982. She joined the investment arm of Kuwait Investment Authority and in 1988 she became the AGM for Asset Management. She is the Chairperson of many companies and sits on the Board of numerous companies in the region one of which is Nasdaq/DIFX Board. She has received several regional and international recognitions, among them Forbes Magazine's annual listing of "the 100 Most Powerful Women in the World" for 2006 & 2007 and most influential Woman in the Arab World.

Director, Mr. Eyad N. Abu-Huwajj

Mr. Eyad is a senior investment manager of the private equity funds of Global Investment House since early 2006. He carry out due diligence exercises and valuating potential investment opportunities in the Middle East, North Africa and South Asia for the private equity funds. Mr. Eyad is a member of the Investment Committee for Global Buyout Fund and is a chairman of the audit committee of Al –Rayan Holding–Kuwait.

Prior to joining Global, Mr. Eyad was associated with KPMG-Kuwait and Grant Thornton-Kuwait. He participated in engagements related to due diligence reviews of both listed and unlisted companies and performed the audit of the financial statements for numerous companies in accordance with the International Financial Reporting Standards. He worked on various sectors including Banking & Finance, Oil & Gas, Trading and Contracting and the Automobile sectors. Mr. Eyad has over 9 years of work experience in the same field.

Mr. Eyad is a Certified Fraud Examiner and Certified Investments and Derivates Auditor. He holds a Bachelor of Business Administration from Jordan.

Director, Syed Nadir Shah

Mr. Nadir Shah was appointed as Director of JS Global Capital Limited in 2006. Mr. Nadir Shah acquired BA Economics from the University of Massachusetts, Amherst in 1991, with a major in Finance and Development Economics. Mr. Shah was a Director and Head of Equity Trading Pakistan for the Jardine Fleming Group. Also served as CEO of World Tel Meca which was amongst the four largest ISP's in Pakistan. Partner Meskay & Femtee Ltd. the second largest rice exporter in Pakistan. Vice President of Infinity Global Telecom, the first licensed VoIP Operator since November 2002. Currently provides consultancy services for infrastructure projects and funds.

Director, Mr. Ahsen Ahmed

Mr. Ahsen Ahmed was appointed as Director in 2006. Mr. Ahsen Ahmed acquired BA Economics from Denison University USA, with a major in Microeconomics and Finance. At present he is a Director of Abid Industries and Sindh Industries the operations of which evolves around manufacturing auxiliaries for Textile Companies.



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 of the Board of Directors

1. Audit Committee
2. Executive Committee

1. Audit Committee

The Audit Committee comprise of three 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-Huwajj	Member
Mr. Ahsen Ahmed	Member
Syed Nadir Shah*	Member
Mr. Shahid Kamal	Secretary of the Audit Committee

*Syed Nadir Shah resigned from the audit committee effective from April 22, 2009.

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	3
Mr. Ahsen Ahmed	4	4	4
Mr. Eyad N. Abu-Huwajj	4	4	4

*Syed Nadir Shah resigned from the audit committee effective from April 22, 2009.

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. Shahid Hameed*	Member
Mr. Adil Matcheswala	Member

*Pursuant to the resignation of Mr. Omar M. El-Quqa from the office of Director of the Company, Mr. Shahid Hameed has been appointed as a Director of the company as well as member of the Executive Committee effective August 27, 2009.

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 & Operational 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.

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.

During the year, the Company paid PKR 42.73 million to the National Exchequer in terms of taxes .



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance as contained in the 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.
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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year in the Board of Directors.
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 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 three 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 related party transactions have been placed before the audit committee and approved by the board of directors with necessary justifications for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
18. The Board has setup an internal audit function consisting of a full time internal auditor and taking appropriate measures to make it more effective.
19. 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.
20. 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.
21. The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with the best practices.
22. We confirm that all material principles contained in the Code have been complied with.

For and on behalf of the Board

Karachi: August 27, 2009

**Adil Matcheswala
Chairman**

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 ("the company") to comply with the Listing Regulations of Karachi and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the above 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further sub-regulation (xiii) of Listing Regulations No. 35 (previously Regulation no. 37) notified by the Karachi Stock Exchange (Guarantee) Limited vide circular no. KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transaction carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 as applicable to the Company for the year ended 30 June 2009.

KPMG Taseer Hadi & Co.
Chartered Accountants

Dated: August 27, 2009
Karachi



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of JS Global Capital Limited ("the Company") as at 30 June 2009 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 required 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 2009 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Dated: August 27, 2009
Karachi

**Balance Sheet** As at 30 June 2009

	Note	30 June 2009(Rupees)	30 June 2008		Note	30 June 2009(Rupees).....	30 June 2008
CAPITAL AND RESERVES				ASSETS			
Share capital				Non current assets			
Authorised 150,000,000 (30 June 2008: 150,000,000) ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000	Property and equipment	8	57,128,927	72,321,711
Issued, subscribed and paid-up capital	4	500,000,000	357,145,500	Intangible assets	9	21,036,651	21,573,291
Share premium		1,810,104,900	1,952,959,400	Long term loans, advances and deposits	10	3,892,294	4,527,628
Unappropriated profit		1,023,463,793	995,796,550	Deferred taxation -net	11	14,155,217	-
Unrealised loss on remeasurement of available-for-sale investments at fair value	12.6	(34,416,500)	(23,686,148)			96,213,089	98,422,630
		3,299,152,193	3,282,215,302	Current assets			
LIABILITIES				Short term investments	12	1,095,008,267	708,110,076
Non current liabilities				Trade debts - unsecured	13	1,542,861,489	1,982,717,833
Deferred taxation	11	-	1,440,366	Loans and advances	14	985,967	925,854,154
Current liabilities				Deposits and short term prepayments	15	8,510,581	1,031,745,763
Creditors, accrued expenses and other liabilities	5	328,816,078	2,264,113,388	Interest and mark-up accrued	16	14,957,132	7,556,684
Interest and mark-up accrued	6	-	15,067,150	Other receivables	17	63,487,913	38,745,748
Provision for taxation		76,601,451	115,138,087	Advance tax		68,395,460	146,712,990
		405,417,529	2,394,318,625	Receivable under reverse repurchase / continuous funding system transactions		-	530,106,289
Commitments				Cash and bank balances	18	814,149,824	208,002,126
	7					3,608,356,633	5,579,551,663
		3,704,569,722	5,677,974,293			3,704,569,722	5,677,974,293

The annexed notes 1 to 35 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive



Profit and Loss Account For the year ended 30 June 2009

	Note	30 June 2009	30 June 2008
		------(Rupees)-----	
Operating revenue	19	316,377,931	886,845,595
Income from reverse repurchase / continuous funding system transactions	20	45,207,460	157,055,883
Capital gain on sale of investments	21	89,519,070	92,281,828
Gain / (loss) on remeasurement of investments carried at fair value through profit or loss - net		<u>8,138,612</u>	(3,673,229)
		459,243,073	1,132,510,077
Administrative and operating expenses	22	(342,189,640)	(452,860,019)
Bad debts written off directly			
-trade debts	13	(8,859,797)	(1,660,253)
-other receivables	17	-	(383,218)
Provision for doubtful debts	13.1	(45,448,418)	(3,641,219)
		<u>62,745,218</u>	673,965,368
Other operating income	23	224,289,123	126,020,117
		287,034,341	799,985,485
Provision for Workers' Welfare Fund		(5,463,059)	-
Finance cost	24	(8,418,508)	(59,871,615)
Profit before taxation		<u>273,152,774</u>	740,113,870
Taxation - current		(76,601,451)	(115,138,087)
- prior		(5,906,913)	(968,577)
- deferred		15,595,583	126,919
	25	(66,912,781)	(115,979,745)
Profit after taxation		<u>206,239,993</u>	624,134,125
			(Restated)
Earnings per share - basic and diluted	26	<u>4.12</u>	12.48

The annexed notes 1 to 35 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Cash Flow Statement For the year ended 30 June 2009

	Note	30 June 2009	30 June 2008
------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		273,152,774	740,113,870
Adjustments for:			
Depreciation		20,886,675	17,180,642
Gain on sale of property and equipment		(2,690,085)	(823,880)
Amortisation of intangible assets		536,640	536,631
(Gain) / loss on remeasurement of investments carried at fair value through profit or loss - net		(8,138,612)	3,673,229
Provision for doubtful debts		45,448,418	5,684,690
Provision for Workers' Welfare Fund		5,463,059	-
Mark-up on term finance certificates		-	30,951,307
Financial charges		8,418,508	28,920,308
		69,924,603	86,122,927
Cash generated from operating activities before working capital changes		343,077,377	826,236,797
(Increase) / decrease in current assets:			
Trade debts		394,407,926	(73,824,736)
Loans and advances		924,868,187	(924,610,721)
Deposits and short term prepayments		1,023,235,182	(443,647,925)
Mark-up receivable		(7,400,448)	(1,688,861)
Other receivables		(24,742,165)	(20,794,792)
		2,310,368,682	(1,464,567,035)
Increase / (decrease) in current liabilities			
Creditors, accrued expenses and other liabilities		(1,940,964,282)	262,304,014
Cash generated from / (used in) operations		712,481,777	(376,026,224)
Financial charges paid		(23,485,658)	(45,345,182)
Taxes paid		(42,727,470)	(138,179,277)
Dividend paid		(178,368,837)	(415,984,267)
Net cash generated from / (used in) operating activities		467,899,812	(975,534,950)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(9,742,287)	(27,625,123)
Purchase of software		-	(109,921)
Proceeds from disposal of property and equipment		6,738,481	7,023,137
Long term loans, advances and deposits		635,334	(1,842,512)
Short term investments		(389,489,931)	302,664,184
Net cash (used in) / generated from investing activities		(391,858,403)	280,109,765
CASH FLOWS FROM FINANCING ACTIVITIES			
Receivable under reverse repurchase / continuous funding system transactions		530,106,289	1,043,783,735
Net cash generated from financing activities		530,106,289	1,043,783,735
Increase in cash and cash equivalents during the year		606,147,698	348,358,550
Cash and cash equivalents at the beginning of the year		208,002,126	(140,356,424)
Cash and cash equivalents at the end of the year	27	814,149,824	208,002,126

The annexed notes 1 to 35 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive



Statement of Changes in Equity For the year ended 30 June, 2009

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Issue of bonus shares	Share premium	Unrealised loss on remeasurement of available for sale investments at fair value (Rupees)	Unappropriated profit	
Balance as at 01 July 2007	238,097,000	-	2,072,007,900	-	788,332,175	3,098,437,075
Reserve for issue of bonus shares 2006-2007	-	119,048,500	(119,048,500)	-	-	-
Issue of bonus shares for the year ended 30 June 2007	119,048,500	(119,048,500)	-	-	-	-
Final dividend for the year ended 30 June 2007 @ Rs. 10 per share	-	-	-	-	(238,097,000)	(238,097,000)
Interim dividend for the half year ended 31 December 2007 @ Rs. 5 per share	-	-	-	-	(178,572,750)	(178,572,750)
Profit for the year	-	-	-	-	624,134,125	624,134,125
Effect of remeasurement of available for sale investments at fair value	-	-	-	(23,686,148)	-	(23,686,148)
Total recognized income and expense for the year ended 30 June 2008	-	-	-	(23,686,148)	624,134,125	600,447,977
Balance as at 30 June 2008	357,145,500	-	1,952,959,400	(23,686,148)	995,796,550	3,282,215,302
Reserve for issue of bonus shares 2007-2008	-	142,854,500	(142,854,500)	-	-	-
Issue of bonus shares for the year ended 30 June 2008	142,854,500	(142,854,500)	-	-	-	-
Final dividend for the year ended 30 June 2008 @ Rs. 5 per ordinary share	-	-	-	-	(178,572,750)	(178,572,750)
Profit for the year	-	-	-	-	206,239,993	206,239,993
Effect of remeasurement of available for sale investments at fair value	-	-	-	(10,730,352)	-	(10,730,352)
Total recognized income and expense for the year ended 30 June 2009	-	-	-	(10,730,352)	206,239,993	195,509,641
Balance as at 30 June 2009	500,000,000	-	1,810,104,900	(34,416,500)	1,023,463,793	3,299,152,193

The annexed notes 1 to 35 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive



Notes To The Financial Statements For The Year Ended 30 June, 2009

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 and 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 2006-07 the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on 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 at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments and derivative financial instruments 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 recognized 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 recognized in the financial statements are described in note 32.

2.5 Initial application of a standard or an interpretation

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than increase in disclosures.
- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard did not affect the Company's financial statements.
- IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not affect the Company's financial statements.
- IFRIC 14 – IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset. The application of IFRIC 14 did not affect the Company's financial statements.

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

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after 1 July 2009:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.
- Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize

borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Company's financial statements.

- Amendments to IAS 32 - Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Company's financial statements.
- Amendment to IFRS 2 - Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have any effect on the Company's financial statements.
- Revised IFRS 3 - Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognized in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard will not effect the Company's separate financial statements.
- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of this standard is not likely to have an effect on the Company's financial statements.
- IFRS 8 - Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently, the Company presents segment information in respect of its business segments. This standard will have no effect on the Company's reported total profit or loss or equity.
- IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Company's operations.
- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and



only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant to the Company's operations.

The International Accounting Standards Board made certain amendments to existing standards as part of its annual improvement project.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Company's financial statements.
- IAS 27 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The amendment is not likely to have an effect on Company's financial statements.
- IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Company does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Company's financial statements.
- IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009). This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). The interpretation is not relevant to the Company's operations.
- IFRS 4 - Insurance Contracts (effective for annual periods beginning on or after 1 January 2009). The IFRS makes limited improvements to accounting for insurance contracts until the Board completes the second phase of its project on insurance contracts. The standard also requires that an entity issuing insurance contracts (an insurer) to disclose information about those contracts. The standard is not applicable to the Company's operations.
- Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009). These amendments have been made to bring the disclosure requirements of IFRS 7 more closely in line with US standards. The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. The amendment is not likely to have an effect on Company's financial statements.
- Amendments to IAS 39 and IFRIC 9 - Embedded derivatives (effective for annual periods beginning on or after 1 January 2009). Amendments require entities to assess whether they need to separate an embedded derivative from a hybrid (combined) financial instrument when financial assets are reclassified out of the fair value. The amendments are not likely to have an effect on Company's financial statements.



The International Accounting Standards Board made certain amendments to existing standards as part of its Second annual improvements project.

- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010). Currently effective IFRSs requires attribution of group share-based payment transactions only if they are equity-settled. The amendments resolve diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual financial statements.

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 and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. 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 available for 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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each balance sheet date. Capital work-in-progress is stated at cost less impairment loss, if any.

Gains and losses on disposal of assets, if any, are taken to profit and loss account.



3.3 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

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 the estimated recoverable amount, it is written down to its estimated recoverable amount.

Software

Costs directly associated with identifiable software products that will have probable economic benefits exceeding costs beyond one year are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized on straight line basis over its estimated useful life (three years).

3.4 Investments

All investments are initially recognized 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+2' purchases and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

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 accumulated 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 of debt securities is amortized 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 future 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 (unrealized gains) are included in assets and derivatives with negative market values (unrealized 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 (IAS) 39: 'Financial Instruments: Recognition and Measurement' 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-repo) 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 (repo) 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 debts and other receivables

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

3.8 Revenue recognition

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



Income from reverse repurchase transactions, continuous funding system transactions, debt securities and bank deposits is recognized 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 mark 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.

Unrealised gains / (losses) arising from mark to market of investments classified as 'available for sale' are taken directly to equity.

Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or below equity, in which case it is recognised in equity or below equity respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised 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. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the balance sheet date.

The Company recognizes a deferred tax asset only to the extent that it is probable that future taxable profits for the foreseeable future 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 for cash flow purposes include cash in hand, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.



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 profit and loss account.

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

A provision is recognised in the balance sheet when the Company has a 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 of obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.15 Trade and other payables

Trade and other payables are recognised 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 recognised 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.

3.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only 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 realize 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.

3.20 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. The Company's primary format of reporting is based on business segments.

Business segments

Brokerage

It consists of equity brokerage, forex brokerage, money market brokerage and online trading brokerage. The brokerage activities includes services provided in respect of share brokerage, brokerage on continuous funding system, money market brokerage and share subscription commission.

Investment and treasury

It consists of capital market, money market investment and treasury functions. The activities includes profit on bank deposit, term deposit receipts, capital gains on equity and debt securities, mark-up income on term finance certificates and sukuks and dividend income.

Other operations

It consists of advisory and consultancy function and all other function not included in other segments.

Geographical segments

The Company only operates in Pakistan.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

30 June 2009 (Number of shares)	30 June 2008		30 June 2009 ------(Rupees)-----	30 June 2008
20,009,700	20,009,700	Ordinary shares of Rs.10/- each fully paid in cash	200,097,000	200,097,000
29,990,300	15,704,850	Ordinary shares of Rs.10/- issued as fully paid bonus shares	299,903,000	157,048,500
<u>50,000,000</u>	<u>35,714,550</u>		<u>500,000,000</u>	<u>357,145,500</u>



- 4.1 The Shareholders of the Company in their Eighth Annual General Meeting held on 27 September 2008 approved 39.998965% bonus issue i.e. 0.39998965 new ordinary share for every 1 ordinary share held and cash dividend 50% held by those ordinary shareholders of the Company who were registered in the books of the Company and the entitlement list provided by the Central Depository Company of Pakistan Limited at the close of business on 19 September 2008.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	30 June 2009	30 June 2008
------(Rupees)-----			
Creditors for sale of shares on behalf of clients	5.1	287,702,347	2,163,967,370
Accrued expenses		19,119,507	27,633,072
Provision for staff bonus		-	30,803,928
Unclaimed dividend		1,116,644	912,731
Retention money		1,078,721	804,031
Unrealized loss on derivatives		-	8,145,387
Advance fee from client		6,789,538	21,193,936
Provision for Workers' Welfare Fund		5,463,059	-
Payable for software		2,032,500	-
Others	5.2	5,513,762	10,652,933
		328,816,078	2,264,113,388

- 5.1 This includes payable to following related parties:

JS Bank Limited	73,093	1,562,595
Directors of the Company	5,717	-
Executives of the Company	14,986	-
JS Global Capital Limited Staff Provident Fund	-	994,892
EFU General Insurance Limited	*63,371,641	-
EFU Life Assurance Limited	191,140	-
JS Infocom Limited	-	*27,273,020
Jahangir Siddiqui & Sons Limited	-	144,585
JS Aggressive Income Fund	-	*80,094,400
Global Investment House	476,282	476,282
UTP Islamic Fund	11,642	-
Unit Trust of Pakistan	67,721	255,068
BankIslami Pakistan Limited	8,525	8,525
JS Investment Limited	-	721,980
Jahangir Siddiqui & Company Limited	*21,781,269	*35,858,761
Mahvish & Jahangir Siddiqui Foundation	2,644	*11,427,273
DCD Factors (Private) Limited	-	2,511,933
JS Income Fund	99,529	*422,537,050

* These amounts were subsequently settled through T+2 settlement system.

- 5.2 This includes commission payable on bank guarantee amounting to Rs. 800,000 (30 June 2008: Rs. Nil) to JS Bank Limited - related party.



6. INTEREST AND MARK-UP ACCRUED

	Note	30 June 2009	30 June 2008
		------(Rupees)-----	
Accrued mark-up on running finance	6.1	-	15,067,150
6.1	This represents mark-up on running finance payable to JS Bank Limited amounting to Rs. nil (2008: Rs. 10.658 million)		

7. COMMITMENTS

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

- 16,918,521

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

- 409,725,810

Commitment for purchase of online software

- 1,695,500

Bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from JS Bank Limited. The guarantee expires on 6 August 2009 and is secured against term deposit receipts of Rs 300 million.

400,000,000 -

8. PROPERTY AND EQUIPMENT

Property and equipment	8.1	57,128,927	72,321,711
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8.1 Property and equipment

	COST			Rate (%)	DEPRECIATION			Written down value as at 30 June 2009
	As at 1 July 2008	Additions / (disposal)	As at 30 June 2009		As at 1 July 2008	For the year / (disposal)	As at 30 June 2009	
	------(Rupees)-----				------(Rupees)-----			
Office equipment	45,697,359	5,181,540	50,878,899	25	18,327,793	11,880,002	30,207,795	20,671,104
Office furniture	25,172,966	374,194	25,547,160	10	1,762,263	2,522,199	4,284,462	21,262,698
Motor vehicles	34,722,390	4,186,553 (8,787,445)	30,121,498	20	13,180,948	6,484,474 (4,739,049)	14,926,373	15,195,125
	105,592,715	9,742,287 (8,787,445)	106,547,557		33,271,004	20,886,675 (4,739,049)	49,418,630	57,128,927
	COST			Rate (%)	DEPRECIATION			Written down value as at 30 June 2008
	As at 1 July 2007	Additions / (disposal)	As at 30 June 2008		As at 1 July 2007	For the year / (disposal)	As at 30 June 2008	
	------(Rupees)-----				------(Rupees)-----			
Office equipment	32,765,526	13,018,833 (87,000)	45,697,359	25	8,988,661	9,364,507 (25,375)	18,327,793	27,369,566
Office furniture	9,739,265	15,433,701	25,172,966	10	510,925	1,251,338	1,762,263	23,410,703
Motor vehicles	35,556,272	7,778,589 (8,612,471)	34,722,390	20	9,090,990	6,564,797 (2,474,839)	13,180,948	21,541,442
	78,061,063	36,231,123 (8,699,471)	105,592,715		18,590,576	17,180,642 (2,500,214)	33,271,004	72,321,711

8.2 Disposal of operating fixed assets

The following is a statement of assets disposed off during the year:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Particulars of buyers	Mode of disposal
	----- (Rupees) -----						
Motor Vehicle:							
Suzuki Cultus	525,000	(428,750)	96,250	300,000	203,750	Riasat Khan - ex employee	Negotiation
Corolla SE Saloon	1,198,030	(1,096,743)	101,287	730,000	628,713	Al-Imran	Negotiation
Suzuki Cultus	525,000	(428,750)	96,250	325,000	228,750	Sameer Siddiqui-ex employee	Negotiation
Honda City	1,147,500	(650,250)	497,250	817,000	319,750	Shahzad Hussain	Negotiation
Honda City	750,000	(587,500)	162,500	425,000	262,500	Mir Khatam Khan	Negotiation
Honda City	600,000	(470,000)	130,000	425,000	295,000	Mir Khatam Khan	Negotiation
Suzuki Cultus	577,195	(230,878)	346,317	400,000	53,683	Cedar Capital (Private) Limited	Negotiation
Suzuki Cultus	560,000	(224,000)	336,000	450,000	114,000	Riasat Khan - ex employee	Negotiation
Toyota Mark II	2,301,570	(345,237)	1,956,333	2,300,000	343,667	M Sohail-ex employee	Negotiation
	8,184,295	(4,462,108)	3,722,187	6,172,000	2,449,813		
Motor Cycle:							
Honda CD-70	54,000	(27,000)	27,000	45,000	18,000	Kashif Saleem-ex employee	Negotiation
Honda CD-70	54,000	(21,600)	32,400	45,000	12,600	Shahid Haji-ex employee	Negotiation
Honda CD-70	31,980	(8,528)	23,452	31,376	7,924	M Yousuf-ex employee	Negotiation
Honda CD-70	50,490	(13,467)	37,023	47,132	10,109	Saleem John-ex employee	Negotiation
Honda CD-70	54,000	(21,600)	32,400	45,000	12,600	EFU General Insurance Limited-related party	Insurance Claim
Honda CD-70	65,000	(15,167)	49,833	62,083	12,250	Ali Asghar-ex employee	Negotiation
Unique CD-70	36,790	(7,357)	29,433	34,000	4,567	EFU General Insurance Limited-related party	Insurance Claim
Honda CD-70	56,390	(1,880)	54,510	56,390	1,880	Mr. Munir-ex employee	Negotiation
Honda CD-70	58,500	(58,500)	-	58,500	58,500	M Amin on loan basis	Negotiation
Honda CD-70	45,000	(42,750)	2,250	45,000	42,750	M Fayyaz on loan basis	Negotiation
Honda CD-70	58,500	(54,600)	3,900	58,500	54,600	M A Rauf on loan basis	Negotiation
Unique CD-70	38,500	(4,492)	34,008	38,500	4,492	EFU General Insurance Limited-related party	Insurance Claim
	603,150	(276,941)	326,209	566,481	240,272		
	8,787,445	(4,739,049)	4,048,396	6,738,481	2,690,085		

9. INTANGIBLE ASSETS

	Note	30 June 2009	30 June 2008
		----- (Rupees) -----	
Membership card	9.1	21,000,000	21,000,000
Computer software	9.2	36,651	573,291
		21,036,651	21,573,291

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

9.2 This represents a software which provides an integrated equity brokerage solution.

Opening balance - cost		7,409,921	7,300,000
Additions during the year		-	109,921
		7,409,921	7,409,921
Accumulated amortization at the beginning of the year		6,836,630	6,299,999
Amortization for the year @ 33.33% p.a.	22	536,640	536,631
		7,373,270	6,836,630
		36,651	573,291



10. LONG TERM LOANS, ADVANCES AND DEPOSITS

	<i>Note</i>	30 June 2009	30 June 2008
		----- (Rupees) -----	
Long term loans - secured, considered good			
- Executives	10.1 & 10.2	176,406	121,197
- Employees		912,701	482,232
	10.3	1,089,107	603,429
Current maturity	14	(660,026)	(369,095)
		429,081	234,334
Advance for expenses to contractors and suppliers for cars		-	116,831
Security deposits	10.4	3,463,213	4,176,463
		3,892,294	4,527,628

10.1 Reconciliation of carrying amount of loans to executives:

Balance at the beginning of the year	121,197	345,670
Disbursements	185,000	188,583
Repayments	(129,791)	(413,056)
Balance at the end of the year	176,406	121,197

10.2 Maximum amount due from executives calculated with reference to the month-end balance was Rs. 0.176 million (30 June 2008: Rs. 0.534 million).

10.3 Loan to executives and employees are given for purchase of home appliances at an interest rate ranging from 10% to 15% (30 June 2008: 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 are secured against provident fund balance of the executives / employees.

10.4 This includes Rs. 1.525 million (30 June 2008: Rs. 1.425 million) deposited with Karachi Stock Exchange (Guarantee) Limited, National Clearing Company of Pakistan and Central Depository Company of Pakistan Limited.

**11. DEFERRED TAXATION - net**

	2009		
	Opening	(Rupees) (Charge) / reversal	Closing
Taxable temporary difference			
Accelerated depreciation for tax purposes	(1,768,055)	(1,391,112)	(3,159,167)
Deductible temporary difference			
Difference in accounting and tax base of intangible assets	48,907	84,104	133,011
Provision for doubtful debts	278,782	16,902,591	17,181,373
	<u>(1,440,366)</u>	<u>15,595,583</u>	<u>14,155,217</u>
	Opening	(Rupees) (Charge) / reversal	Closing
Taxable temporary difference			
Accelerated depreciation for tax purposes	(1,766,380)	(1,675)	(1,768,055)
Deductible temporary difference			
Difference in accounting and tax base of intangible assets	199,095	(150,188)	48,907
Provision for doubtful debts	-	278,782	278,782
	<u>(1,567,285)</u>	<u>126,919</u>	<u>(1,440,366)</u>

12. SHORT TERM INVESTMENTS

	Note	30 June 2009	30 June 2008
		------(Rupees)-----	
Investments in marketable securities 'at fair value through profit or loss - held for trading'			
Quoted equity securities	12.1	-	402,427,200
Units of mutual funds	12.2	264,735,600	-
Term finance certificates	12.3	147,974,825	-
Government securities	12.4	330,262,000	-
		<u>742,972,425</u>	402,427,200
Available for sale			
Unlisted term finance certificates	12.5	126,000,000	70,000,000
Quoted preference shares of related parties	12.6	226,035,842	235,682,876
		<u>1,095,008,267</u>	<u>708,110,076</u>



12.1 Quoted equity securities

Number of shares		Name of company	30 June	30 June
30 June	30 June		2009	2008
2009	2008		-----Fair value ----- ------(Rupees)-----	
-	30,000	Adamjee Insurance Company Limited	-	8,121,600
-	10,000	Arif Habib Securities Limited	-	1,614,800
-	115,500	Attock Refinery Limited	-	28,861,140
-	80	Bank Alfalah Limited	-	3,285
-	100,000	D.G. Khan Cement Limited	-	6,714,000
-	150,000	Lucky Cement Limited	-	14,689,500
-	544,500	MCB Bank Limited	-	177,713,910
-	622,000	National Bank of Pakistan Limited	-	91,745,000
-	2,000	National Refinery Limited	-	594,940
-	79,500	Pakistan Petroleum Limited	-	19,556,205
-	110,000	Pakistan State Oil Company Limited	-	45,896,400
-	67,500	United Bank Limited	-	5,743,575
-	41,768	Engro Polymer and Chemicals Limited	-	1,172,845
			-	<u>*402,427,200</u>

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

12.2 Units of mutual funds

(Number of units)		Name of Fund	30 June 2009		30 June 2008
30 June	30 June		Average	Fair	Fair
2009	2008		cost	value	value
			------(Rupees)-----		
2,406,133	-	JS Income Fund	250,000,000	252,330,452	-
122,038	-	Crossby Phoenix Fund	11,322,536	12,405,148	-
			<u>261,322,536</u>	<u>264,735,600</u>	<u>-</u>
		Unrealised gain on remeasurement at fair value	3,413,064		
			<u>264,735,600</u>		

**12.3 Term finance certificates**

(Number of units)		Name of Term finance certificates		30 June 2009		30 June 2008
30 June 2009	30 June 2008			Average cost	Fair value	Fair value
				----- (Rupees) -----		
		Listed	Note			
2,000	-	Askari Bank Limited I	12.3.1	9,834,240	9,601,732	-
2,000	-	Askari Bank Limited II	12.3.2	9,734,400	9,541,270	-
15,000	-	United Bank Limited	12.3.3	68,972,400	68,962,429	-
1,000	-	Pak Arab Fertilizers Limited	12.3.4	4,780,587	4,766,548	-
		Unlisted				
9,200	-	Pakistan Mobile Communication Limited	12.3.5	40,240,000	40,102,846	-
3,000	-	Bank Al-Habib Limited	12.3.6	15,000,000	15,000,000	-
				148,561,627	147,974,825	-
Unrealised loss on remeasurement at fair value				(586,802)		
				147,974,825		

12.3.1 These unsecured subordinated term finance certificates carry an interest rate of six months KIBOR plus 1.5% with maturity on 4 February 2013.

12.3.2 These unsecured subordinated term finance certificates carry an interest rate of six months KIBOR plus 1.5% with maturity on 31 October 2013.

12.3.3 These unsecured subordinated term finance certificates carry an interest rate of six months KIBOR plus 0.85% for the first five years and 6 months KIBOR plus 1.35% for the next five years with maturity on 14 February 2018.

12.3.4 These secured term finance certificates carry an interest rate of 6 months KIBOR plus 1.5% with maturity on 28 February 2013.

12.3.5 These unsecured subordinated term finance certificates carry an interest rate of 6 months KIBOR plus 1.3% with maturity on 1 October 2010.

12.3.6 These unsecured subordinated term finance certificates carry an fixed interest rate of 15.50% with maturity on 15 June 2017.



12.4 Government securities

	Note	30 June 2009		30 June 2008
		Average cost	Fair value	Fair value
		------(Rupees)-----		
Treasury Bills	12.4.1	177,943,000	179,827,000	-
Pakistan Investment Bonds	12.4.2	147,006,650	150,435,000	-
		324,949,650	330,262,000	-
Unrealised gain on remeasurement at fair value		5,312,350		
		330,262,000		

12.4.1 These treasury bills have a tenor of one year with maturity on 4 June 2010. They carry an effective yield of 12.15%.

12.4.2 These Pakistan Investment Bonds have a tenor of ten years with maturity on 30 August 2018. They carry an effective yield of 11.94%.

12.5 Unlisted term finance certificates - unsecured

2009				
Number of certificates	Markup rate (%)	Name of Company	Maturity Date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	Trakker (Private) Limited	31 October 2009	44,600,000
1	6 month KIBOR Plus 3.50%	Trakker (Private) Limited	31 October 2009	81,400,000
				126,000,000
2008				
Number of certificates	Markup rate (%)	Name of Company	Maturity Date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	Trakker (Private) Limited	17 July 2008	70,000,000

12.5.1 As at 30 June 2009, the carrying value of the term finance certificates approximate their fair value.

12.6 Quoted preference shares of related parties

Number of shares		Name of Company	Note	30 June 2009		30 June 2008
30 June 2009	30 June 2008			Average cost	Fair value	Fair value
6,949,320	6,949,320	Pakistan International Containers Terminal Limited	12.6.1	69,493,200	55,594,560	66,018,540
21,331,825	21,208,042	Azgard Nine Limited	12.6.2	190,959,142	170,441,282	169,664,336
				260,452,342	226,035,842	<u>235,682,876</u>
		Unrealised loss on remeasurement at fair value		(34,416,500)		
				226,035,842		

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

12.6.2 These are non-convertible preference shares having issue price of Rs.10 each and carrying dividend @ 8.95% per annum payable annually in arrears on the issue price with a term of 6 years from the issue date on 24 September 2004.

13. TRADE DEBTS -unsecured

	Note	30 June 2009	30 June 2008
		------(Rupees)-----	
Considered good			
-Purchase of shares on behalf of clients	13.2	1,528,438,775	1,968,329,120
-Advisory services		986,150	1,786,150
-Forex and fixed income commission		13,436,564	12,602,563
		1,542,861,489	<u>1,982,717,833</u>
Considered doubtful or bad		57,949,434	5,301,472
		1,600,810,923	<u>1,988,019,305</u>
Bad debts written off directly		(8,859,797)	(1,660,253)
Provision for doubtful debts	13.1	(49,089,637)	(3,641,219)
		1,542,861,489	<u>1,982,717,833</u>
13.1 Provision for doubtful debts			
Opening balance as at 1 July		3,641,219	-
Charged during the year		580,668,173	3,641,219
Reversed during the year	13.1.1	(535,219,755)	-
		45,448,418	3,641,219
Closing balance as at 30 June		49,089,637	<u>3,641,219</u>

13.1.1 Reversals of provisions were made due to subsequent recovery / adjustments from provided debtors after the balance sheet date.



13.2 Amounts due from related parties at the year end were as follows:

	Note	30 June 2009	30 June 2008
------(Rupees)-----			
Azgard Nine Limited		919,576	*21,455,341
JS Bank Limited		69,097	2,452,472
Jahangir Siddiqui & Company Limited		-	*129,869,265
JS Investments Limited		49,259	8,316
Directors / executives and their spouses		38,304,876	6,130,314
JS Global Staff Provident Fund		5,706	67,287
EFU Life Assurance Limited		-	*2,477,094
JS Income Fund		-	43,780
Bank Islami Pakistan Limited		178,631	30,833
Unit Trust of Pakistan		-	2,877
JS Value Fund		85,839	-
ABAMCO Provident Fund		1,331	-
JS Large Capital Fund		46,823	-
JS Aggressive Income Fund		44,396	-
JS Growth Fund		320,263	-
Pakistan International Containers Terminal Limited		4,616	-
JS Fund of Funds		844	-
JS Infocom Limited		2,206	-

* These amounts were subsequently settled through T+2 settlement system.

14. LOANS AND ADVANCES

Considered good

Current maturity of long term loans - secured	10	660,026	369,095
Advances to staff		325,941	485,059
Advance against subscription and offer for sale of shares		-	900,000,000
Advance against purchase of units - NAMCO Income Fund		-	25,000,000
		985,967	925,854,154

15. DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits	15.1	-	1,020,502,119
Prepayments		4,448,653	9,214,216
Advance payment for software	15.2	4,061,928	2,029,428
		8,510,581	1,031,745,763

15.1 This represents deposits with Karachi Stock Exchange (Guarantee) Limited and National Clearing Company of Pakistan Limited against ready and future exposure. According to circular KSE/N-3932 of KSE, bank guarantees of 'A' or above rated banks are acceptable as margin eligible security for deposit by members. The Company has withdrawn its deposit and replaced it with a bank guarantee.

15.2 This represents amount paid to National Technology Group, Saudi Arabia for Online Broking Solution, in terms of agreement dated 9 April 2008.

16. INTEREST AND MARK-UP ACCRUED

	<i>Note</i>	30 June 2009	30 June 2008
----- (Rupees) -----			
Income receivable on reverse repurchase transactions		-	3,402,136
Accrued mark-up on Pakistan Investment Bonds		6,016,439	-
Accrued mark-up on term finance certificates		8,940,693	4,154,548
		<u>14,957,132</u>	<u>7,556,684</u>

17. OTHER RECEIVABLES

Profit receivable on bank deposits	17.1	4,615,301	15,813,803
Dividend receivable from related parties		21,510,240	21,510,240
Receivable against sale of term finance certificates		34,034,093	-
Mark-up receivable on term deposit receipts	17.2	2,989,726	-
		63,149,360	37,324,043
Other receivables	17.3	338,553	1,804,923
Bad debts directly written off		-	(383,218)
		<u>63,487,913</u>	<u>38,745,748</u>

17.1 It includes profit receivable from related parties amounting to Rs. 2,027,820 (30 June 2008: Nil)

17.2 It represents mark-up receivable from JS Bank Limited.

17.3 This includes Rs. 236,250 (30 June 2008: Rs. 259,592) from Jahangir Siddiqui & Co. and Rs. 97,404 (30 June 2008: Rs. 187,939) from JS Bank Limited on account of various expenses incurred on behalf of each other.

18. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts		13,066,786	4,802,756
- Profit and loss / deposit accounts	18.1	293,849,705	193,461,740
-Term deposit receipts	18.2	500,000,000	-
- Foreign currency deposit accounts		7,139,333	9,623,630
		<u>814,055,824</u>	<u>207,888,126</u>
Cash in hand		94,000	114,000
		<u>814,149,824</u>	<u>208,002,126</u>



- 18.1** PLS / deposits accounts carry profit ranging from 5% to 12.5% per annum (30 June 2008: 1% to 11% per annum).
- 18.2** It includes term deposit receipts from JS Bank Limited amounting to Rs. 200 million and Rs. 300 million (30 June 2008: Nil) at rates of 14.25% and 12.65% per annum (30 June 2008: Nil) with maturity on 9 July 2009 and 7 August 2009. A bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited is secured against the term deposit receipt of Rs. 300 million.

19. OPERATING REVENUE

	30 June 2009	30 June 2008
	------(Rupees)-----	
Brokerage and Operating Income	300,215,254	798,331,653
Advisory and Consultancy Fee	16,162,677	88,513,942
	<u>316,377,931</u>	<u>886,845,595</u>

20. INCOME FROM REVERSE REPURCHASE / CONTINUOUS FUNDING SYSTEM TRANSACTIONS

Income from reverse repurchase transactions	4,996,018	-
Income from continuous funding system transactions	40,211,442	157,055,883
	<u>45,207,460</u>	<u>157,055,883</u>

21. CAPITAL GAIN ON SALE OF INVESTMENTS

Gain on sale of investment in open ended mutual funds	14,176,591	15,225,154
Capital gain on sale of shares	14,359,515	77,056,674
Gain on sale of investments - term finance certificates and government securities	60,982,964	-
	<u>89,519,070</u>	<u>92,281,828</u>

22. ADMINISTRATIVE AND OPERATING EXPENSES

	<i>Note</i>	30 June 2009	30 June 2008
		----- (Rupees) -----	
Salaries and benefits		158,708,171	205,053,368
Contribution to provident fund		3,025,032	2,079,074
Fee for Directors / Committee meetings	28.2	890,000	890,000
Printing and stationery		2,281,943	3,004,364
Telephone, fax, telegram and postage		7,256,319	7,186,763
Amortisation of intangible assets	9.2	536,640	536,631
Rent, rates and taxes		41,610,663	38,854,120
Vehicle running expenses		5,049,089	4,521,008
Electricity, gas etc.		4,022,257	3,207,325
Legal and professional charges		4,302,537	1,896,398
Insurance		6,060,774	5,478,139
Newspaper and periodicals		194,432	209,091
Entertainment		263,092	426,731
Advertisement and business promotion		4,480,383	19,175,487
Office supplies		1,171,910	1,026,884
Depreciation expense	8.1	20,886,675	17,180,642
Auditor's remuneration	22.1	579,430	447,405
Fees and subscription		9,511,570	26,243,144
Conveyance and traveling		4,864,395	6,293,623
Repairs and maintenance		14,904,410	11,627,172
Computer expenses		10,799,578	12,307,071
KSE Clearing House and CDC Charges		30,790,340	82,090,579
Royalty	22.2	10,000,000	3,125,000
		<u>342,189,640</u>	<u>452,860,019</u>
22.1 Auditor's remuneration			
Audit fee		250,000	225,000
Certification including half year review		290,000	185,000
Out of pocket expenses		39,430	37,405
		<u>579,430</u>	<u>447,405</u>

22.2 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 in which the Company agreed to pay Rs. 2.5 million per annum. However, as per the revised agreement dated 7 February 2007 the Company agreed to pay Rs. 10 million per annum effective from 1 June 2008.



23. OTHER OPERATING INCOME

	Note	30 June 2009	30 June 2008
----- (Rupees) -----			
Income from financial assets			
Mark-up on Pre - IPO investments and management fee		758,178	259,738
Dividend income on preference shares from related parties		26,063,303	34,196,240
Profit on term finance certificates		35,384,785	5,274,273
Profit on term deposit receipts		72,581,239	-
Return on cash margin on future contracts		8,730	27,270,848
Exchange gain on foreign currency deposit accounts		1,147,864	1,140,224
Late payment charges		32,580,271	37,963,342
Profit on PLS accounts		51,259,546	19,023,030
		<u>219,783,916</u>	<u>125,127,695</u>
Income from non-financial assets			
Gain on sale of property and equipment	8.2	<u>2,690,085</u>	<u>823,880</u>
Other income		<u>1,815,122</u>	<u>68,542</u>
		<u>4,505,207</u>	<u>892,422</u>
		<u>224,289,123</u>	<u>126,020,117</u>

24. FINANCE COST

Mark-up on running finance	24.1	2,476,166	27,761,272
Mark-up on term finance certificates		-	30,951,307
Bank and other charges		5,942,342	1,159,036
		<u>8,418,508</u>	<u>59,871,615</u>

24.1 The Company has aggregate running finance facilities from various banks of Rs. 2,650 million (30 June 2008: 2,750 million) under mark-up arrangements. Mark-up rate varies from KIBOR plus 2% to KIBOR plus 4.5% per annum (30 June 2008: KIBOR plus 1% to KIBOR plus 3.5% per annum), with no floor and cap (30 June 2008: 10% to 13 % per annum). These arrangements would remain valid for varying periods up to 30 April 2010 and are secured against trade debts and pledge of listed securities. At the year end, no amount was due by the Company under the above arrangement.

25. TAXATION

25.1 Income tax assessments of the Company have been finalised upto and including tax year 2008, 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. Audit proceeding has been concluded by the Income Tax Officer. The case has been transferred from RTO to LTU vide an order dated 24 February 2009.

**25.2 Reconciliation of tax charge for the year**

	Note	30 June 2009	30 June 2008
		------(Rupees)-----	
Profit before taxation		<u>273,152,774</u>	<u>740,113,870</u>
Tax at the applicable tax rate of 35% (2008: 35%)		<u>95,603,471</u>	259,039,854
Tax effect of expenses that are deductible in determining taxable profit		<u>(60,435,934)</u>	(298,155,837)
Tax effect of expenses that are not deductible in determining taxable profit		<u>38,123,598</u>	80,554,460
Effect of income exempt from tax		<u>(21,653,482)</u>	(31,013,010)
Tax effect of income tax at lower rate		<u>2,606,330</u>	2,641,826
Tax effect under final tax regime		<u>6,794,223</u>	101,809,749
Tax effect of amount relating to prior year		<u>5,906,913</u>	968,577
Others		<u>(32,338)</u>	134,126
Current year tax charge		<u>66,912,781</u>	<u>115,979,745</u>

26. EARNINGS PER SHARE - basic and diluted

Profit for the year after taxation		<u>206,239,993</u>	<u>624,134,125</u>
		------(Number)-----	
			(Restated)
Weighted average number of shares	26.1	<u>50,000,000</u>	<u>50,000,000</u>
		------(Rupees)-----	
Earnings per share - basic and diluted		<u>4.12</u>	<u>12.48</u>
			(Restated)

26.1 The weighted average number of shares for 30 June 2008 have been adjusted for the effect of bonus shares issued during the year.

27. CASH AND CASH EQUIVALENTS

Cash and bank balances		<u>814,149,824</u>	<u>208,002,126</u>
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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		Directors		Executives	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	------(Rupees)-----		------(Rupees)-----		------(Rupees)-----	
Managerial remuneration	<u>6,000,000</u>	2,000,000	-	-	<u>15,034,236</u>	12,856,437
House rent allowance	<u>2,400,000</u>	800,000	-	-	<u>6,013,694</u>	5,142,575
Utilities allowance	<u>600,000</u>	200,000	-	-	<u>1,503,424</u>	1,285,644
Performance bonus	-	7,000,000	-	-	-	12,650,000
Staff Retirement Benefits	<u>600,000</u>	200,000	-	-	<u>1,069,893</u>	696,332
Medical	<u>86,572</u>	83,754	-	-	<u>219,604</u>	54,743
	<u>9,686,572</u>	<u>10,283,754</u>	-	-	<u>23,840,851</u>	<u>32,685,731</u>
Number of persons	<u>1</u>	<u>1</u>	-	-	<u>15</u>	<u>15</u>



- 28.1** The Company provides the chief executive and certain executives with Company maintained cars as per their terms of employment.
- 28.2** The Company has also paid Rs. 0.890 million to 2 non-executive directors (2008: Rs. 0.890 million to 2 non-executive directors) as fee for directors / committee meetings.

29. RELATED PARTY TRANSACTIONS

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

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

	30 June 2009	30 June 2008
	----- (Rupees) -----	
Brokerage and advisory income earned from:		
- Directors	<u>264,205</u>	<u>3,267,839</u>
- Associated companies	<u>12,154,804</u>	<u>51,064,710</u>
- Related parties	<u>24,092,348</u>	<u>82,767,633</u>
Contribution to staff retirement fund	<u>3,025,032</u>	<u>2,079,074</u>
Payment on account of expenses to associated companies	<u>34,304,485</u>	<u>38,486,448</u>
Royalty expense	<u>10,000,000</u>	<u>3,125,000</u>
Key management compensation	<u>33,527,423</u>	<u>42,969,485</u>
Loans to executives	<u>176,406</u>	<u>121,197</u>
Dividend income on preference shares	<u>26,063,303</u>	<u>34,196,240</u>
Capital gain on sale of units of JS Income Fund	<u>4,912,052</u>	<u>-</u>
Profit on PLS accounts and term deposit receipts	<u>66,845,822</u>	<u>14,285,968</u>
Mark-up / guarantee charges on running finance	<u>4,527,327</u>	<u>15,966,326</u>
Income from term finance certificates	<u>-</u>	<u>1,119,725</u>
Other income	<u>-</u>	<u>8,352,476</u>
Exchange gain on foreign currency deposit accounts	<u>188,064</u>	<u>29,750</u>
Investment made in preference shares	<u>1,083,318</u>	<u>189,875,824</u>
Rent received from related parties	<u>7,700,896</u>	<u>7,693,500</u>
Cash at bank	<u>675,407,569</u>	<u>115,716,148</u>
Purchase of property and equipment	<u>-</u>	<u>325,000</u>
Sale of property and equipment - cost	<u>-</u>	<u>1,139,580</u>
Purchase of units of JS Income Fund	<u>600,000,000</u>	<u>-</u>
Sale of units of JS Income Fund	<u>354,912,052</u>	<u>-</u>

30. SEGMENT REPORTING

	2009				
	Brokerage	Investment and Treasury	Other operations	Eliminations	Total
	------(Rupees)-----				
External revenues	300,215,254	328,912,197	54,404,745	-	683,532,196
Intersegment revenues	-	-	-	-	-
Total segment revenues	<u>300,215,254</u>	<u>328,912,197</u>	<u>54,404,745</u>	-	683,532,196
Segment results	<u>32,286,559</u>	<u>294,450,145</u>	<u>(45,165,422)</u>	-	281,571,282
Unallocated expenses	-	-	-	-	-
Results from operating activities					281,571,282
Finance cost	-	-	-	-	(8,418,508)
Taxation	-	-	-	-	(66,912,781)
Profit after tax					206,239,993
Segment assets	1,637,826,622	1,927,661,125	139,081,975	-	3,704,569,722
Unallocated assets	-	-	-	-	-
Total assets					3,704,569,722
Segment liabilities	327,934,278	881,805	76,601,446	-	405,417,529
Unallocated liabilities	-	-	-	-	-
Total liabilities					405,417,529
Capital expenditure	<u>5,056,874</u>	<u>131,842</u>	<u>4,553,571</u>	-	9,742,287
Depreciation	<u>12,458,722</u>	<u>448,380</u>	<u>7,979,573</u>	-	20,886,675
Amortisation of intangible assets	<u>536,640</u>	-	-	-	536,640
	2008				
	Brokerage	Investment and Treasury	Other operations	Eliminations	Total
	------(Rupees)-----				
External revenues	798,331,653	305,139,955	155,058,586	-	1,258,530,194
Intersegment revenues	-	-	-	-	-
Total segment revenues	<u>798,331,653</u>	<u>305,139,955</u>	<u>155,058,586</u>	-	1,258,530,194
Segment results	<u>498,815,015</u>	<u>290,955,907</u>	<u>10,214,563</u>	-	799,985,485
Unallocated expenses	-	-	-	-	-
Results from operating activities	498,815,015	290,955,907	10,214,563	-	799,985,485
Finance cost	-	-	-	-	(59,871,615)
Taxation	-	-	-	-	(115,979,745)
Profit after tax					624,134,125
Segment assets	3,066,442,324	1,454,709,722	1,156,822,247	-	5,677,974,293
Unallocated assets	-	-	-	-	-
Total assets					5,677,974,293
Segment liabilities	2,264,113,388	15,067,150	116,578,453	-	2,395,758,991
Unallocated liabilities	-	-	-	-	-
Total liabilities					2,395,758,991
Capital expenditure	<u>26,286,293</u>	<u>143,240</u>	<u>9,801,590</u>	-	36,231,123
Depreciation	<u>9,152,041</u>	<u>440,157</u>	<u>7,588,444</u>	-	17,180,642
Amortisation of intangible assets	<u>536,631</u>	-	-	-	536,631



31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Company primarily invests in a portfolio of money market investments, continuous funding system transactions and investments in marketable securities and short term debt securities. Such investments are subject to varying degrees of risk.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. Except for provision made against the trade debts amounting to Rs. 49.089 million, the Company does not expect to incur material credit losses on its financial assets.



The maximum exposure to credit risk at the reporting date is as follows:

	30 June 2009	30 June 2008
	----- (Rupees) -----	
Long term loans, advances and deposits	3,892,294	4,410,797
Short term investments	764,746,267	305,682,876
Trade debts - unsecured	1,600,810,923	1,988,019,305
Loans and advances	985,967	925,854,154
Deposits	-	1,020,502,119
Interest and mark-up accrued	14,957,132	7,556,684
Other receivables	63,487,913	38,745,748
Receivable under reverse repurchase transactions	-	530,106,289
Cash and bank balances	814,055,824	207,888,126
	<u>3,262,936,320</u>	<u>5,028,766,098</u>

31.1.1 The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Local Clients	1,597,501,630	1,984,107,563
Foreign Clients	3,309,293	3,911,742
	<u>1,600,810,923</u>	<u>1,988,019,305</u>

	2009		2008	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Past due 1-30 days	287,668,158	-	1,865,433,643	-
Past due 31 days -180 days	104,054,282	289,488	113,189,863	-
Past due 181 days -1 year	1,180,607,656	34,647,490	9,395,799	5,301,472
More than one year	28,480,827	23,012,456	-	-
Total	<u>1,600,810,923</u>	<u>57,949,434</u>	<u>1,988,019,305</u>	<u>5,301,472</u>

Except for the impairment disclosed above, no impairment has been recognised in respect of these debts as the security against the same is adequate.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.



31.1.2 Term Finance Certificates

Exposure of the Company in term finance certificates according to credit ratings is as follows:

Credit rating	Amount (Rupees)	Percentage
AA-	59,245,848	21.62%
AA	83,962,429	30.65%
A+	4,766,548	1.74%
A	126,000,000	45.99%
	<u>273,974,825</u>	<u>100.00%</u>

31.1.3 Impairment losses

The amount of impairment losses booked by the Company against trade debts and other receivables is as follows:

	30 June 2009	30 June 2008
	----- (Rupees) -----	
Trade debtors - Equity transactions	53,322,065	3,641,219
Trade debtors - Advisory receivables	986,150	1,660,253
Other receivables	-	383,218
Total	<u>54,308,215</u>	<u>5,684,690</u>

The Company is doing its utmost to recover the amount from the clients and is confident that majority of the amount would be recovered based on the past experience and the recovery efforts being carried out by the Company. None of the financial assets were considered to be impaired, other than as disclosed above.

31.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. 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. The following are the contractual maturities of financial liabilities:

	2009				
	Carrying amount	Less than one month	One month to three months	Three months to one year	One year to five years
	------(Rupees)-----				
Financial liabilities					
Creditors, accrued expenses and other liabilities	328,816,078	309,795,232	6,482,712	12,538,139	-
	<u>328,816,078</u>	<u>309,795,232</u>	<u>6,482,712</u>	<u>12,538,139</u>	<u>-</u>

	2008				
	Carrying amount	Less than one month	One month to three months	Three months to one year	One year to five years
	------(Rupees)-----				
Financial liabilities					
Creditors, accrued expenses and other liabilities	2,255,968,001	2,222,404,370	-	33,563,631	-
Interest and mark-up accrued	15,067,150	15,067,150	-	-	-
	<u>2,271,035,151</u>	<u>2,237,471,520</u>	<u>-</u>	<u>33,563,631</u>	<u>-</u>

On the balance sheet date, the Company has cash and bank balances of Rs. 814,149,824 (30 June 2008: Rs. 208,002,126) as mentioned in note 18 and unutilised credit lines of Rs. 2,650 Million (30 June 2008: Rs. 2,750 million) as mentioned in note 24.

31.3 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 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 and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the Company's foreign exchange risk exposure is restricted to bank balances in foreign currency. As such the Company does not regularly deal in foreign currency transactions except for maintenance of foreign currency bank accounts which currently are denominated in US Dollars. The management believes that the Company's exposure emanating from any fluctuations in the foreign currencies does not require to be hedged.

Financial assets and liabilities exposed to foreign exchange rate risk amounts to Rs.7.139 million (2008: Rs.9.624 million) at the year end.



Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company manages fair value risk by investing primarily in variable rate Term Finance Certificates, preferably with no cap and floor which insulates the Company from fair value interest rate risk, as coupon rates correspond with current market interest rate. Company also invests in fixed rated Government Securities such as Treasury Bills and Pakistan Investment Bonds.

As at 30 June 2009, investments in Term Finance Certificates exposed to interest rate risk are detailed in Note 12.3 to the financial statements. Cash and cash equivalents are not subject to cash flow and fair value interest rate risk.

a) Sensitivity analysis for variable rate instruments

Presently, the company holds KIBOR based interest bearing Term Finance Certificates that expose the company to cash flow interest rate risk. The company's investment in variable rate instruments amount to Rs. 132.435 million. In case of 100 basis points increase / decrease in KIBOR on 30 June 2009, the net profit of the company would have been higher / lower by Rs. 4.511 million.

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2009, the company holds Term finance certificates, Treasury Bills and Pakistan Investment Bonds which are classified as at fair value through profit or loss exposing the company to fair value interest rate risk. The company's investment in fixed rate instrument amounts to Rs. 345.262 million. In case of 100 basis points increase in interest rates on 30 June 2009, the profit for the year would be lower by Rs 10.065 million while in case of 100 basis points decrease in interest rates on 30 June 2009, the profit for the year would be higher by Rs.10.759 million.

The composition of the company's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2009 is not necessarily indicative of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The company's market rate of return sensitivity related to financial assets and financial liabilities as at 30 June 2009 can be determined from the following:

On-balance sheet financial instruments	Effective rate of mark-up / return (%)	30 June 2009			Not exposed to interest rate risk	Total
		Exposed to interest rate risk				
		Upto three months	More than three months	More than one year and upto one year		
----- (Rupees in '000) -----						
Financial assets						
Long term loans advances and deposits	10 to 15	-	-	429,081	3,463,213	3,892,294
Short term investments	8.95 to 17.95	604,237,174	226,035,842	-	264,735,600	1,095,008,616
Trade debts - unsecured		-	-	-	1,542,861,489	1,542,861,489
Loans and advances	10 to 15	-	660,026	-	325,941	985,967
Deposits and short term prepayments		-	-	-	-	-
Interest and mark-up accrued		-	-	-	14,957,132	14,957,132
Other receivables		-	-	-	63,487,913	63,487,913
Cash and bank balances		-	-	-	814,055,824	814,055,824
		604,237,174	226,695,868	429,081	2,703,887,112	3,535,249,235
Financial liabilities						
Creditors, accrued expenses and other liabilities		-	-	-	328,816,078	328,816,078
		-	-	-	328,816,078	328,816,078
On-balance sheet gap 2009		604,237,174	226,695,868	429,081	2,375,071,034	3,206,433,157
Off balance sheet						
Bank guarantee		-	-	-	(400,000,000)	(400,000,000)
		-	-	-	(400,000,000)	(400,000,000)
Cumulative gap		604,237,174	830,933,042	831,362,123	2,806,433,157	2,806,433,157
----- (Rupees in '000) -----						
30 June 2008						
On-balance sheet financial instruments	Effective rate of mark-up / return (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months	More than one year and upto one year		
		----- (Rupees in '000) -----				
Financial assets						
Long term loans, advances and deposits	8 to 12	-	-	234,334	4,293,294	4,527,628
Short term investments	8.95 to 13.06	70,000,000	235,682,876	-	402,427,200	708,110,076
Trade debts - unsecured		-	-	-	1,982,717,833	1,982,717,833
Loans and advances	8 to 12	-	369,095	-	925,485,059	925,854,154
Deposits and short term prepayments	8	950,000,000	-	-	70,502,119	1,020,502,119
Interest and mark-up accrued		-	-	-	7,556,684	7,556,684
Other receivables		-	-	-	38,745,748	38,745,748
Receivable under reverse repurchase / continuous funding system transactions	13.91 to 28.91	530,106,289	-	-	-	530,106,289
Cash and bank balances		-	-	-	208,002,126	208,002,126
		1,550,106,289	236,051,971	234,334	3,639,730,063	5,426,122,657
Financial liabilities						
Creditors, accrued expenses and other liabilities		-	-	-	2,264,113,388	2,264,113,388
Interest and mark-up accrued		-	-	-	15,067,150	15,067,150
		-	-	-	2,279,180,538	2,279,180,538
On-balance sheet gap		1,550,106,289	236,051,971	234,334	1,360,549,525	3,146,942,119
Off Balance Sheet						
Commitments in respect of reverse repo transactions	13.91% to 29.97	(16,918,521)	-	-	-	(16,918,521)
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		-	-	-	(409,725,810)	(409,725,810)
Commitment for capital expenditure		-	-	-	-	-
Commitment for purchase of online software		-	-	-	(1,695,500)	(1,695,500)
		(16,918,521)	-	-	(411,421,310)	(428,339,831)
Cumulative gap		1,533,187,768	1,769,239,739	1,769,474,073	2,718,602,288	2,718,602,288

The Company does not account preference shares at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.



Other price risk

Price Risk is the risk that all the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than arising from interest rate risk and currency risk) whether these changes are caused by factors specific to the financial instruments or its issuer or factors affecting similar financial instruments traded in financial markets.

31.4 Fair value of financial assets and liabilities

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.

31.5 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

32. 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 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 and equipment 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. Provisions are made after adjustment of liquid securities available.

33. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have approved cash dividend of 100% (2008: 50%) amounting to Rs. 500 Million (2008: Rs. 178.573 million) and bonus of Nil (2008: 39.998965%) in their meeting held on August 27, 2009. This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 30 June 2008 do not include the effect of the appropriation which will be accounted for in the period in which it is declared.

34. GENERAL

Corresponding figures have been rearranged and reclassified, whenever necessary, for better presentation and disclosure.

Reclassification from	Reclassification to	30 June 2008 (Rupees)
Administrative and operating expenses - Bad debts expenses	Profit and loss account - Bad debts written off directly - Provision for doubtful debts	2,043,471 3,641,219
Administrative and operating expenses - Contract charges	Administrative and operating expenses - Salaries and benefits	10,509,863

35. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on August 27, 2009.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive



PATTERN OF SHARE HOLDING FORM "34" SHAREHOLDER'S STATISTICS

AS AT JUNE 30, 2009

Number of Shareholders		From	To	Total Shares Held
228	Shareholding from	1	100	10,453
384	Shareholding from	101	500	98,960
117	Shareholding from	501	1000	91,220
229	Shareholding from	1001	5000	420,850
27	Shareholding from	5001	10000	194,302
8	Shareholding from	10001	15000	96,607
1	Shareholding from	15001	20000	19,000
3	Shareholding from	20001	25000	67,679
1	Shareholding from	30001	35000	33,000
1	Shareholding from	40001	45000	42,499
1	Shareholding from	55001	60000	55,999
1	Shareholding from	60001	65000	64,100
1	Shareholding from	80001	85000	83,999
1	Shareholding from	90001	95000	92,259
1	Shareholding from	95001	100000	95,633
1	Shareholding from	115001	120000	117,179
1	Shareholding from	135001	140000	139,900
1	Shareholding from	215001	220000	218,797
1	Shareholding from	310001	315000	310,198
1	Shareholding from	315001	320000	316,257
1	Shareholding from	355001	360000	359,097
1	Shareholding from	570001	575000	573,274
1	Shareholding from	630001	635000	630,975
1	Shareholding from	695001	700000	699,853
1	Shareholding from	1695001	1700000	1,698,263
2	Shareholding from	21730001	21735000	43,469,647
1016				50,000,000

S.No.	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
1	Individuals	956	4,183,003	8.37%
2	Investment Companies	45	44,024,554	88.05%
3	Banks	1	428	0.00%
4	Insurance Companies	4	949,851	1.90%
5	Joint Stock Companies	4	117,683	0.24%
6	Mudarabas and Mutual Funds	4	136,718	0.27%
7	Foreign Investor	0	-	0.00%
8	Other(s)			
	Trustee - Siddiqui Foundation	573,274		
	Kaymo Trading (FZE)	14,489		
		2	587,763	1.18%
		1016	50,000,000	100.00%

* Includes 934 CDC Beneficial Owner as per list appear on CDS.

**DISCLOSURE TO PATTERN OF SHAREHOLDING** As at June 30, 2009

<u>Serial No.</u>	<u>Description</u>	<u>No. of Share Holders</u>	<u>No. of Shares Held</u>
1	Associated Companies, Undertakings and Related Parties		
	M/s Jahangir Siddiqui & Company Limited	1	21,734,815
	M/s Global Investment House	1	21,734,832
	M/s Jahangir Siddiqui Securities Services Limited	1	359,097
			<u>43,828,744</u>
2	NIT and ICP	Nil	Nil
3	List of Directors, CEO and their spouses and minor children		
	Mr. Adil Matcheswala	1	7,070
	Mr. Aslam Khaliq	1	8,694
	Mr. Ahsen Ahmed	1	1
	Syed Nadir Shah	1	1
	Mr. Omer M. El-Quqa	1	4
	Mr. Eyad N. Abu Huwajj	1	4
	Mrs. Maha K. Al-Ghunaim	1	4
			<u>15,778</u>
4	List of Executives	Nil	Nil
5	Public Sector Companies and Corporations	Nil	Nil
6	Banks Development Financial Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds	9	<u>1,086,997</u>
7	Joint Stock Companies & Others	48	<u>901,256</u>
8	Individuals	949	<u>4,167,225</u>



DETAILS OF SHARE HOLDING 10% MORE

1.	M/s Jahangir Siddiqui & Company Limited	1	21,734,815
2.	M/s Global Investment House K.S.C.C	1	21,734,832
			<u>43,469,647</u>

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their Spouses and minor children during the period from July 01, 2008 to June 30, 2009

S.No	Name	Designation	Shares Bought	Shares Sold
1	Mr. Adil Matcheswala	Chairman	-	-
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. Danish Zahoor	Company Secretary	-	-
10	Minor Family Members/Spouses		-	-





FORM OF PROXY

9th Annual General Meeting

The Company Secretary
JS Global Capital Limited
6th Floor, Faysal House, Main Shahrah-e- Faisal,
Karachi

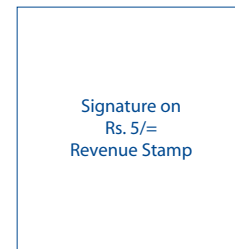
I/We _____
of _____
being member(s) of JS Global Capital Limited holding _____
ordinary shares as per Registered Folio No. /CDC A/c. No. (for members who have shares in CDS) _____
hereby appoint Mr. / Mrs. / Miss _____
of (full address) _____ or failing him/her
Mr. / Mrs. / Miss _____ of (full address) _____
_____ 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 October 31, 2009 and / or any Adjournment thereof.
As witness my / our hand / seal this _____ day of 2009.
Signed by _____
In the presence of _____

Witness:

1. Name _____
Signature _____
Address _____

CNIC or _____
Passport No. _____
2. Name _____
Signature _____
Address _____

CNIC or _____
Passport No. _____



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, Shahrah-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 and 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
6th Floor, Faysal House,
Main Shahra-e-Faisal
Karachi.

AFFIX
CORRECT
POSTAGE



JS Global Capital Ltd.

Head Office

6th Floor, Faysal House, Main Shahra-e-Faisal
Karachi- Pakistan.

UAN: +92 21 111 574 111

Fax: +92 21 3280 0163
+92 21 3280 0167

Islamabad Office

Executive Heights
Basement No. 6, 65-West
Fazal-e-Haq Road, Blue Area
Islamabad, Pakistan

UAN: +92 51 111 574 111

Lahore Office

Ground Floor
307-Upper Mall
Lahore-54000
Pakistan

UAN: +92 42 111 574 111

Hyderabad Office

Property No. 41/97
Ground floor Saddar
Cantt Hyderabad
Pakistan

UAN: +92 22 111 574 111