



 **JS Global**  
JS Global Capital Limited

Quarterly Report  
September 30, 2008  
(Un-audited)

## Contents

Company Information	02
Directors' Report to the Members	03
Condensed Interim Balance Sheet	06
Condensed Interim Profit & Loss Account	08
Condensed Interim Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Statements	11

## Company Information

### Board of Directors

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

### Audit Committee

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

### Executive Committee

<b>Mr. G.M. Malkani</b>	Chairman
<b>Mr. Omar M. El-Quqa</b>	Member
<b>Mr. Adil Matcheswala</b>	Member

### CFO & Company Secretary

**Mr. Danish Zahoor**

### Auditors

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

### Internal Auditor

**Ford Rhodes Sidat Hyder & Co.**  
Chartered Accountants

### Bankers

**MCB Bank Ltd.**  
**Habib Bank Ltd.**  
**Habib Metropolitan Bank Ltd.**  
**NIB Bank Limited**  
**Bank Al-Falah Ltd.**  
**JS Bank Ltd.**  
**United Bank Limited**

### Legal Advisor

**Bawaney & Partners**

### Share Registrar

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

### Registered Office

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

## Director's Report to the Members

The directors are pleased to present to you the un-audited financial statements of JS Global Capital Limited (the "Company") for the three months period ended September 30, 2008 together with the comparative figures for the corresponding period of the last year.

### **ECONOMIC REVIEW**

Pakistan's economy is facing challenging times with concerns on most fronts, monetary, fiscal and external accounts. After registering an average growth rate of 6.8% during the last 5 years (FY03-07), the economy experienced sluggish growth of 5.8% in FY08, primarily due to a global economic slowdown, an international oil price hike and protracted domestic political uncertainty. FY09 has been no different so far, with pressure on external accounts mounting day by day. The widening trade deficit which rose by 53% to US\$5.5bn during 1QFY09 and lack of foreign inflows has put immense pressure on foreign exchange reserves which have fallen to a 6 year low of close to US\$8.3bn. Import cover as a result, has also fallen to 10 weeks. Moreover, excessively high inflation has led the central bank to continue with a tight monetary policy with a 100 basis points interest rate hike in July 2008. In addition to these negative developments, the services sector is also facing pressure with growth slowing down in both the banking and telecom sectors.

In an otherwise bleak scenario there are however two positive developments on the economic front. Tax revenues have continued to grow, increasing by 23% to Rs235bn in 1QFY09 from Rs205bn in 1QFY08. Home remittances have also grown in the first two months (Jul-Aug) of FY09 rising by 13% to US\$1.1bn from US\$985mn recorded in (Jul-Aug) FY08. However, these two positive developments are not enough to address the challenges being faced by the economy on either the fiscal or external account front. Much work needs to be done by the economic planners to address and cope with the issues facing Pakistan and we see challenging times ahead of us during the rest of the fiscal year.

### **THE STOCK MARKET REVIEW**

The worsening economic indicators, deteriorating law and order situation and the global and domestic credit crunch have all combined and led to a 25% decline in the KSE index during Jul-Sep 2008. In an attempt to prevent a further collapse in share values due to the afore mentioned factors which could have resulted in a systemic breakdown in the Capital Markets, the Board of Directors of the Stock Exchange with the assent of the Regulators imposed a price floor rule on Aug 27, 2008 thereby restricting prices to fall further. As a result average ready and futures volumes during Jul-Sep 2008 reduced drastically to 66mn shares and 9mn shares, down 74% and 84% against volumes during Jul-Sep 2007. Faced with a loss of investor confidence and trading volumes of less than one million shares per day on the Karachi Stock Exchange from the period following the imposition of the price floor, it is difficult to predict the full impact of this decision on the future of the Equity markets in Pakistan.

### **OPERATING PERFORMANCE**

Our Company has reported a profit before tax of Rs. 78.237 million and profit after tax of Rs. 68.732 million for the three months as compared to profit before tax of Rs. 127.636 million and profit after tax of Rs. 109.983 million for the same period last year showing a decrease of 38.70% & 37.51% respectively. Earnings per share for the three month period was Rs. 1.37 per share as compared to Rs. 2.20 per share for the same period last year (after impact of bonus shares).

It is important to note that operating revenue for the three month period was only lower by 16.77% in spite of a technical shut down in the activities of our largest business unit i.e. Equity Brokerage. This was due to good performances shown by the Fixed Income and Corporate Finance departments as well as increased market share being captured by the Equity Brokerage 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 remaining constantly in search of innovative financial products and services.

For our customers our goal remains as always, to be a beacon of hope and a pillar of strength amidst all the volatility faced by the financial services community. For our investors our goal remains as always, to provide steady growth in earnings and a strong balance sheet which will weather the strongest of financial storms.

#### **FUTURE OUTLOOK**

In spite of the crisis facing the capital markets and the economy at present, we remain dedicated to the rebuilding process and the eventual return to a stable outlook for the economy. 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.

#### **ACKNOWLEDGEMENT**

The directors are grateful to the Company's clients and business partners for their faith and support, the employees for their dedication and hard work and the SECP and Karachi Stock Exchange for their efforts to strengthen the capital markets.

On behalf of the Board

**Karachi: October 22, 2008**

**Adil Matcheswala**  
Chairman

**Condensed Interim  
Financial Statements**

## Condensed Interim Balance Sheet As at 30 September 2008

	<i>Note</i>	<b>30 September 2008 (Un-audited)</b>	<b>30 June 2008 (Audited)</b>
------(Rupees)-----			
<b>CAPITAL AND RESERVES</b>			
Share capital Authorised 150,000,000 (2008: 1,500,000,000) ordinary shares of Rs. 10 each		<u><b>1,500,000,000</b></u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital	<i>5</i>	<b>500,000,000</b>	357,145,500
Share premium		<b>1,810,104,900</b>	1,952,959,400
Unappropriated profit		<b>885,956,347</b>	995,796,550
Unrealised loss on remeasurement of available-for-sale investment at fair value		<u><b>(18,204,096)</b></u>	<u>(23,686,148)</u>
		<b>3,177,857,151</b>	<b>3,282,215,302</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Deferred taxation		-	1,440,366
<b>Current liabilities</b>			
Running finance under mark-up arrangements-secured	<i>6</i>	-	-
Creditors, accrued expenses and other liabilities	<i>7</i>	<b>2,455,735,201</b>	2,264,113,388
Interest and Mark-up accrued	<i>8</i>	<b>275,928</b>	15,067,150
Provision for taxation		<b>127,250,861</b>	115,138,087
		<b>2,583,261,990</b>	<b>2,394,318,625</b>
<b>Commitments</b>	<i>9</i>		
		<u><b>5,761,119,141</b></u>	<u><b>5,677,974,293</b></u>

## Condensed Interim Balance Sheet As at 30 September 2008

	<i>Note</i>	<b>30 September 2008 (Un-audited)</b>	<b>30 June 2008 (Audited)</b>
----- (Rupees) -----			
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, plant and equipment	<i>10</i>	<b>68,738,758</b>	72,321,711
Intangible assets		<b>21,439,131</b>	21,573,291
Long term loans, advances and deposits		<b>4,832,890</b>	4,527,628
Deferred Taxation		<b>1,167,591</b>	-
		<b>96,178,370</b>	98,422,630
<b>Current assets</b>			
Short term investments	<i>11</i>	<b>1,824,528,167</b>	708,110,076
Trade debts - unsecured, considered good	<i>12</i>	<b>2,447,558,029</b>	1,982,717,833
Loans and Advances		<b>54,594,842</b>	925,854,154
Deposits and short term prepayments		<b>30,761,923</b>	1,031,745,763
Mark-up receivables		<b>3,250,274</b>	7,556,684
Other receivables		<b>50,339,199</b>	38,745,748
Advance tax		<b>162,220,052</b>	146,712,990
Receivable under reverse repurchase / Continuous Funding system transactions	<i>13</i>	<b>255,489,019</b>	530,106,289
Cash and bank balances	<i>14</i>	<b>836,199,266</b>	208,002,126
		<b>5,664,940,771</b>	5,579,551,663
		<b>5,761,119,141</b>	5,677,974,293

The annexed notes 1 to 17 form an integral part of these financial statements.

**Adil Matcheswala**  
Chairman / Director

**G.M. Malkani**  
Chief Executive

 **JS Global**

## Condensed Interim Profit & Loss Account (Un-audited) For the quarter ended 30 September 2008

	Note	Three Months Ended	
		30 September 2008	30 September 2007
------(Rupees)-----			
Operating revenue		<b>120,310,566</b>	144,560,295
Income from reverse repurchase / continuous funding system transactions		<b>23,672,868</b>	45,337,835
Capital gain on sale of investments		<b>15,026,443</b>	16,829,298
Gain on revaluation of investments carried at fair value through profit or loss - net		<b>6,190,755</b>	2,958,402
		<b>165,200,632</b>	209,685,830
Administrative and operating expenses		<b>(121,816,867)</b>	(100,248,284)
		<b>43,383,765</b>	109,437,546
Other operating income		<b>38,101,914</b>	18,990,113
		<b>81,485,679</b>	128,427,659
Finance Cost		<b>(3,248,316)</b>	(790,780)
Profit before taxation		<b>78,237,363</b>	127,636,879
Taxation - current		<b>(12,112,773)</b>	(18,122,520)
- deferred		<b>2,607,957</b>	468,766
		<b>(9,504,816)</b>	(17,653,754)
Profit after taxation		<b>68,732,547</b>	109,983,125
			(Restated)
Earnings per share - basic and diluted	15	<b>1.37</b>	2.20

The annexed notes 1 to 17 form an integral part of these financial statements.

**Adil Matcheswala**  
Chairman / Director

**G.M. Malkani**  
Chief Executive

## Condensed Interim Cash Flow Statement (Un-audited)

### For the quarter ended 30 September 2008

<i>Note</i>	<b>30 September 2008</b>	<b>30 September 2007</b>
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>78,237,363</b>	127,636,879
Adjustments for:		
Depreciation	<b>5,105,012</b>	4,017,464
Gain on sale of fixed assets	<b>(1,324,416)</b>	(249,007)
Amortisation of intangible assets	<b>134,160</b>	124,998
Gain on revaluation of investments carried at fair value through profit or loss - net	<b>(6,190,754)</b>	(2,958,402)
Bad debts	<b>26,928,910</b>	-
Markup on running finance and Bank Charges	<b>3,248,316</b>	790,780
	<b>27,901,228</b>	1,725,833
Cash generated from operating activities before working capital changes	<b>106,138,591</b>	129,362,712
(Increase) / decrease in operating assets:		
Trade debts	<b>(464,840,196)</b>	672,080,421
Loans and Advances	<b>871,259,312</b>	195,635
Deposits and short term prepayments	<b>1,000,983,840</b>	242,962,476
Mark-up receivables	<b>4,306,410</b>	-
Other receivables	<b>(11,593,451)</b>	11,831,612
	<b>1,400,115,915</b>	927,070,144
Increase / (decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	<b>13,075,184</b>	(627,842,525)
Cash(used in)/ generated from operations	<b>1,519,329,690</b>	428,590,331
Mark-up paid	<b>(18,039,538)</b>	(1,151,495)
Taxes paid	<b>(15,507,062)</b>	(20,517,914)
Dividend paid	<b>(26,121)</b>	-
Net cash from operating activities	<b>1,485,756,969</b>	406,920,922
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	<b>(2,568,155)</b>	(7,267,376)
Proceeds from disposal of property plant and equipment	<b>2,370,510</b>	2,490,000
Long term loans, advances and deposits	<b>(305,262)</b>	(3,116,474)
Short Term Investments	<b>(1,131,674,192)</b>	683,575,762
Net cash (used in) / from investing activities	<b>(1,132,177,099)</b>	675,681,912
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receivable under reverse repurchase / Continuous Funding system transactions	<b>274,617,270</b>	(586,039,103)
Net cash flow / (used in) from financing activities	<b>274,617,270</b>	(586,039,103)
Increase in cash and cash equivalents	<b>628,197,140</b>	496,563,731
Cash and cash equivalents at beginning of the period	<b>208,002,126</b>	(140,356,424)
Cash and cash equivalents at end of the period	<b>836,199,266</b>	356,207,307

The annexed notes 1 to 17 form an integral part of these financial statements.

**Adil Matcheswala**  
Chairman / Director

**G.M. Malkani**  
Chief Executive

 **JS Global**

## Condensed Interim Statement of Changes in Equity (Un-audited) For the quarter ended 30 September 2008

	Issued, subscribed and paid up capital	Capital Reserves		Revenue Reserves		Total
		Issue of bonus shares	Shares Premium	Unrealized loss on remeasurement of available for sale investment at fair value	Unappropriated profit	
(Rupees)						
<b>Balance as on 01 July 2007</b>	<b>238,097,000</b>	-	<b>2,072,007,900</b>	-	788,332,175	3,098,437,075
Appropriations for the year ended June 30, 2007						
-Issue of bonus share of 50%	119,048,500	-	(119,048,500)	-	-	-
-Dividend Rs. 10 per ordinary shares	-	-	-	-	(238,097,000)	(238,097,000)
Profit for the quarter ended 30 September, 2007	-	-	-	-	109,983,125	109,983,125
Effect of remeasurement of available for sale investments at fair value	-	-	-	(7,296,786)	-	(7,296,786)
<b>Balance as on 30 September, 2007</b>	<b>357,145,500</b>	-	<b>1,952,959,400</b>	<b>(7,296,786)</b>	<b>660,218,300</b>	<b>2,963,026,414</b>
Appropriations for half year ended December 31, 2007						
-Dividend Rs. 5 per ordinary shares	-	-	-	-	(178,572,750)	(178,572,750)
Profit for nine months period ended 30 June, 2008	-	-	-	-	514,151,000	514,151,000
Effect of remeasurement of available for sale investments at fair value	-	-	-	(16,389,362)	-	(16,389,362)
<b>Balance as on 30 June, 2008</b>	<b>357,145,500</b>	-	<b>1,952,959,400</b>	<b>(23,686,148)</b>	<b>995,796,550</b>	<b>3,282,215,302</b>
Appropriations for the year ended June 30, 2008						
-Issue of bonus share of 39.998965%	142,854,500	-	(142,854,500)	-	-	-
-Dividend of Rs. 5 per ordinary shares	-	-	-	-	(178,572,750)	(178,572,750)
Profit for the quarter ended 30 September 2008	-	-	-	-	68,732,547	68,732,547
Effect of remeasurement of available for sale investments at fair value	-	-	-	5,482,052	-	5,482,052
<b>Balance as on 30 September 2008</b>	<b>500,000,000</b>	-	<b>1,810,104,900</b>	<b>(18,204,096)</b>	<b>885,956,347</b>	<b>3,177,857,151</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

**Adil Matcheswala**  
Chairman / Director

**G.M. Malkani**  
Chief Executive



## Notes to the Condensed Interim Financial Statements (Un-audited) For the quarter ended 30 September 2008

### 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 in Karachi, Sindh.

### 2 BASIS OF PREPARATION

These financial statements have been presented in condensed form in accordance with the requirements of International Accounting Standard (IAS)-34 " Interim Financial Reporting " as applicable in Pakistan. These condensed interim financial statements do not include all of the information required of full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2008.

The comparative balance sheet presented in these financial statements has been extracted from the audited financial statements of the company for the year ended June 30, 2008, whereas the comparative profit and loss account, cash flow statement and statement of changes in equity are stated from the un-audited condensed interim financial statements for the three months period ended September 30, 2007.

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984, and the listing regulations of Karachi and Islamabad Stock Exchange. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest rupee.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2008.

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that effect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June, 2008.

#### 5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

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

The Shareholders of the Company in their Eighth Annual General Meeting held on September 27, 2008 approved 39.998965% bonus issue i.e. 0.39998965 share for every one share 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 at the close of business on September 19, 2008.

#### 6 RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - SECURED

	30 September 2008 (Un-audited)	30 June 2008 (Audited)
	------(Rupees)-----	
Running finance utilised under mark-up arrangements	-	-

The company has aggregate running finance facilities from various banks of Rs. 2,750 million (30 June, 2008: 2,750 million) under mark-up arrangements. Mark-up rate varies from Karachi Inter Bank Offer Rate (KIBOR) plus 1% to KIBOR plus 2.5% per annum (30 June, 2008: KIBOR plus 1% to KIBOR plus 2.50% per annum), with a floor ranging from 10% to 12.50% per annum (30 June, 2008: 10% to 12.50% per annum). These arrangements would remain valid for varying periods up to 30 April 2009 and are secured against pledge of listed securities.

	Note	30 September 2008 (Un-audited)	30 June 2008 (Audited)
<b>7 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES</b>		----- (Rupees) -----	
Creditors for sale of shares on behalf of clients		2,222,879,610	2,163,967,370
Tax deducted at source		547,759	-
Accrued expenses		26,887,624	27,633,072
Provision for staff bonus		8,476,708	30,803,928
Unclaimed dividend		886,610	912,731
Dividend Payable	11.1	178,572,750	-
Retention money		799,151	804,031
Unrealised loss on derivatives		-	8,145,387
Advance fee from Client		-	21,193,936
Others		16,684,989	10,652,933
		<u>2,455,735,201</u>	<u>2,264,113,388</u>

7.1 Represent dividend payable amounting to Rs. 178.572 million to the Ordinary Shareholders of the Company at the rate of Rs. 5 per Ordinary share as approved by the Shareholders of the Company in their Annual General Meeting held on September 27, 2008. The same has been presented in the Statement of Changes in Equity for the period ended September 30, 2008 as appropriations from the unappropriated profits of the Company.

		30 September 2008 (Un-audited)	30 June 2008 (Audited)
<b>8 INTEREST AND MARK UP ACCRUED</b>		----- (Rupees) -----	
Accrued mark-up on running finance		<u>275,928</u>	<u>15,067,150</u>
<b>9 COMMITMENTS</b>			
Continuous Funding System (including transactions to be rolled over) entered into by the Company in respect of which the purchase transactions has not been settled as at 30 September, 2008		<u>(27,843,912)</u>	<u>16,918,521</u>
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 September, 2008		<u>-</u>	<u>409,725,810</u>
Commitment for purchase of online software		<u>1,941,750</u>	<u>1,695,500</u>
Bank Guarantee		<u>550,000,000</u>	<u>-</u>

#### 10 PROPERTY, PLANT AND EQUIPMENT

Following is the cost of property, plant and equipment that have been added / disposed off during the three months period ended 30 September 2008 :

	30 September 2008 (Un-audited)	30 June 2008 (Audited)
<b>Additions:</b>		
	----- (Rupees) -----	
Office Equipments	833,697	13,018,833
Office Furniture	-	15,433,701
Motor Vehicles	1,734,458	7,778,589
	<u>2,568,155</u>	<u>36,231,123</u>
<b>Deletions:</b>		
Office Equipments	-	87,000
Motor Vehicles	3,629,970	8,612,471
	<u>3,629,970</u>	<u>8,699,471</u>

#### 11 SHORT TERM INVESTMENTS

	Note	30 September 2008 (Un-audited)	30 June 2008 (Audited)
<b>Financial assets at fair value through profit or loss</b>			
<b>Held for trading</b>			
		----- (Rupees) -----	
Quoted equity securities		799,857	402,427,200
Units of JS Income Fund		353,061,916	-
Units of MCB Dynamic Fund		352,733,068	-
Units of NAFA Cash Fund		50,768,398	-
Term Deposit with Banks		700,000,000	-
		<u>1,457,363,239</u>	<u>402,427,200</u>
<b>Available for sale</b>			
Unquoted term finance certificates		126,000,000	70,000,000
Quoted - preference shares	11.1	241,164,928	235,682,876
		<u>1,824,528,167</u>	<u>708,110,076</u>

##### 11.1 Quoted Preference Shares

Number of shares		Name of Company	30 September 2008		30 June 2008
30 September 2008	30 June 2008		Average Cost (Un-audited)	Fair Value (Un-audited)	Fair Value (Audited)
(Number of shares)			----- (Rupees) -----		
6,949,320	6,949,320	Pakistan International Containers Terminal Limited 11.1.1	69,493,200	55,594,560	66,018,540
21,208,042	21,208,042	Azgard Nine Limited 11.1.2	189,875,824	185,570,368	169,664,336
			<u>259,369,024</u>	<u>241,164,928</u>	<u>235,682,876</u>
		Un realised loss on remeasurement at fair value	(18,204,096)	-	
<u>28,157,362</u>	<u>28,157,362</u>		<u>241,164,928</u>	<u>241,164,928</u>	

**11.1.1** 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.

**11.1.2** 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.

<b>12 TRADE DEBTS -unsecured</b>	<b>30 September 2008 (Un-audited)</b>	<b>30 June 2008 (Audited)</b>
	----- <b>(Rupees)</b> -----	
Trade Debts for purchase of shares on behalf of clients		
Considered good	<b>2,434,621,896</b>	1,968,329,120
Considered doubtful	<b>25,942,760</b>	3,641,219
	<b>2,460,564,656</b>	1,971,970,339
Provision for doubtful debts	<b>(25,942,760)</b>	(3,641,219)
	<b>2,434,621,896</b>	1,968,329,120
Trade Debts for advisory services - Considered doubtful	<b>986,150</b>	3,446,403
Less: Provision for doubtful debts / bad debts written off	<b>(986,150)</b>	(1,660,253)
	-	1,786,150
Forex and fixed income commission receivable	<b>12,936,133</b>	12,602,563
	<b>2,447,558,029</b>	1,982,717,833

**13 RECIEVABLE UNDER REVERSE REPURCHASE/  
CONTINUOUS FUNDING SYSTEM TRANSACTIONS**

These securities have rates of return ranging from 14% to 20% per annum (June 30, 2008: 13.91% to 28.97% per annum) with maturities ranging from overnight to 22 trading days.

<b>14 CASH AND BANK BALANCES</b>	<b>30 September 2008 (Un-audited)</b>	<b>30 June 2008 (Audited)</b>
	----- <b>(Rupees)</b> -----	
<b>Cash with banks:</b>		
- Current accounts	<b>181,544,453</b>	4,802,756
- PLS / deposit accounts	<b>647,463,761</b>	193,461,740
- Foreign currency deposit accounts	<b>7,077,052</b>	9,623,630
	<b>836,085,266</b>	207,888,126
Cash in Hand	<b>114,000</b>	114,000
	<b>836,199,266</b>	208,002,126

<b>15 EARNINGS PER SHARE -basic and diluted</b>	<b>30 September 2008 (Un-audited)</b>	<b>30 September 2007 (Un-audited)</b>
	----- <b>(Rupees)</b> -----	
Profit after taxation	<b>68,732,547</b>	109,983,125
Weighted average number of shares	<b>50,000,000</b>	50,000,000
Earnings per share -basic and diluted	<b>1.37</b>	2.20

## 16 RELATED PARTY TRANSACTIONS

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

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

	(Un-audited)	
	30 September 2008	30 September 2007
	----- (Rupees) -----	
Cash deposit	<u>7,626,203</u>	<u>-</u>
Brokerage and advisory income earned from:		
-Directors	<u>27,075</u>	<u>19,593</u>
-Associated companies & related parties	<u>8,658,664</u>	<u>8,527,552</u>
Contributions to staff retirement fund	<u>778,144</u>	<u>565,632</u>
Payment on account of expenses	<u>7,344,482</u>	<u>7,214,516</u>
Royalty	<u>2,500,000</u>	<u>-</u>
Key management compensation	<u>6,213,435</u>	<u>-</u>
Dividend income on preference shares	<u>6,842,629</u>	<u>-</u>
Profit on PLS account	<u>6,465,323</u>	<u>-</u>
Mark-up on running finance	<u>241,132</u>	<u>-</u>
Purchase of units of JS Income Fund	<u>350,000,000</u>	<u>-</u>
Term deposit receipts	<u>700,000,000</u>	<u>-</u>

## 17 DATE OF AUTHORIZATION

These financial statements were authorised for issue by the Board of directors on October 22, 2008.

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**Adil Matcheswala**  
 Chairman / Director

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**G.M. Malkani**  
 Chief Executive



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