Contents

Company Information 04

Notice of Annual General Meeting 05

Financial Highlights 08

Directors' Report 10

Board of Directors 15

Statement of Compliance with the Code of Corporate Governance 21

Review Report on Statement of Compliance 23

Auditors' Report to the Members 24

Balance Sheet 25

Profit and Loss Account 26

Statement of Comprehensive Income 27

Cash Flow Statement 28

Statement of Changes in Equity 29

Notes to the Financial Statements 30

Pattern of Shareholding 66

Form of Proxy

JS Global

Mission

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

JS Global

Vision

To be the leader in the Financial Service Sector.

JS Global

Company Information

Board of Directors	**Mr. Adil Matcheswala**	Chairman, Non-Executive Director
	Mr. Shahid Hameed	Vice Chairman, Non-Executive Director
	Mr. Yousef S FA Alebrahim	Non-Executive Director
	Mr. Naief Abdullatif S A Mohammad	Non-Executive Director
	Mr. Aslam Khaliq	Non-Executive Director
	Syed Nadir Shah	Non-Executive Director
	Mr. Ahsen Ahmed	Non-Executive Director
	Mr. Nadir Rahman	Chief Executive
Audit Committee	**Mr. Adil Matcheswala**	Chairman
	Mr. Shahid Hameed	Member
	Mr. Ahsen Ahmed	Member
	Mr. Shahid Kamal	Secretary
Executive Committee	**Mr. Nadir Rahman**	Chairman
	Mr. Shahid Hameed	Member
	Mr. Adil Matcheswala	Member
Compensation Committee	**Mr. Aslam Khaliq**	Chairman
	Mr. Nadir Rahman	Member
	Mr. Shahid Hameed	Member

CFO & Company Secretary
Mr. Danish Zahoor

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

Internal Auditor
Fords Rhodes Sidat Hyder & Co.
Chartered Accountants

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

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

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

Registered Office
6th Floor, Faysal House, Main Shahra – e – Faisal , Karachi
Telephone: 92-21-111574111, Fax: 92-21-32800163, 32800167

JS Global

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of JS Global Capital Limited will be held at Regent Plaza Hotel & Convention Centre, Shahra-e-Faisal, Karachi on Thursday, October 14, 2010 at 11:30 a.m. to transact the following businesses:

Ordinary Business

1. To confirm the minutes of the Ninth Annual General Meeting held on October 31, 2009.

2. To receive and consider the audited financial statements of the Company for the year ended June 30, 2010, together with the Directors' and Auditors' reports thereon.

3. To approve 50% dividend as recommended by the Board of Directors of the Company for the year ended June 30, 2010.

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 elect seven directors as fixed by the Board for a term of three years commencing from October 14, 2010. The names of the retiring directors are Mr. Adil Matcheswala, Mr. Shahid Hameed, Mr. Naief Abdullatif Sulaiman Ahmad Mohammad, Mr. Yousef S FA Alebrahim, Mr. Ahsen Ahmed, Mr. Aslam Khaliq and Syed Nadir Shah. All the retiring directors shall be eligible to offer themselves for election.

6. To transact any other ordinary business with the permission of the Chair.

Special Business

Alteration of the Company's Memorandum of Association:

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution, for alteration of the Memorandum of Association of the Company.

   RESOLVED that subject to the confirmation by the Securities & Exchange Commission of Pakistan ("the SECP"), the Memorandum of Association of the Company be and is hereby altered as follows:-

   (i) Alteration of existing Clause III.1-A

   Clause III.1-A be and is hereby amended as follows:

   "To become and act as member(s) of stock exchanges and commodity exchange(s), including National Commodity Exchange Limited (NCEL) and other recognized exchanges, associations and corporate bodies dealing in commodities and commodity contracts and commodity-backed securities in Pakistan and to carry on the business of brokers in stocks, shares, securities, derivatives commodities, commodities contracts, commodities-backed securities, commercial papers, modaraba certificates, bonds, obligations, debentures, debenture stocks, foreign currencies (including Foreign Exchange Bearer Certificates and/or similar certificates that may be issued in future), US Dollar Bearer Certificates, Treasury Bills, Federal Investment Bonds, Pakistan Investment Bonds and/or any financial instruments whether in Pakistan or abroad and to obtain registration as broker with the Securities & Exchange Commission of Pakistan and other regulatory agencies."

(ii) Incorporation of new Clauses:

The following new Clauses numbered as Clauses III.1-B and III.1-C be and are hereby incorporated as follows:-

III.1-B “To engage in ready and futures trading and contracts in relation to commodities such as gold, cotton, cotton yarn, wheat, rice, sugar and other commodities as permissible by the commodity exchanges and in particular, the NCEL.”

III.1-C “To engage in the futures or derivatives business of any commodity, including but not limited to cotton, cotton yarn, precious metals, base metals, agricultural products and derivatives of any kind subject to license/permission/ consent/NOC, if any, required under any law for the time being in force and as allowed by commodity exchanges, including the NCEL.”

RESOLVED that the Chief Executive Officer and the Company Secretary be and are hereby authorized to apply to the SECP for confirmation of the alteration of the Memorandum of Association, to represent the Company to the SECP and the Registrar of Companies for this purpose and to fulfill all legal, corporate and procedural formalities for accomplishing the alteration of the Company's Memorandum of Association.

Statement under section 160 (1) (b) of the Companies Ordinance, 1984 stating all the material facts concerning the special business to be transacted at the Annual General Meeting is annexed to this notice.

Karachi: September 22, 2010

By order of the Board

Danish Zahoor
Company Secretary

NOTES

(i) Share transfer books of the Company will remain closed from October 08, 2010 to October 14, 2010 (both days inclusive).

(ii) Physical transfer and deposit request under Central Depository System received at the close of business on October 07, 2010 by the Company’s registrar i.e. Technology Trade (Private) Limited, Dagia House, 241 – C, Block -2, P.E.C.H.S., Karachi will be treated as being in time for entitlement to attend the meeting.

(iii) 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.

(iv) Proxies must be received at the Head Office of the Company not later than 48 hours before the time of the meeting.

(v) Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and / or their proxies are required to produce their original Computerized National Identity Cards (CNICs) or Passports for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the 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.

(vi) Shareholders are requested to notify immediately of any change in their address.

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

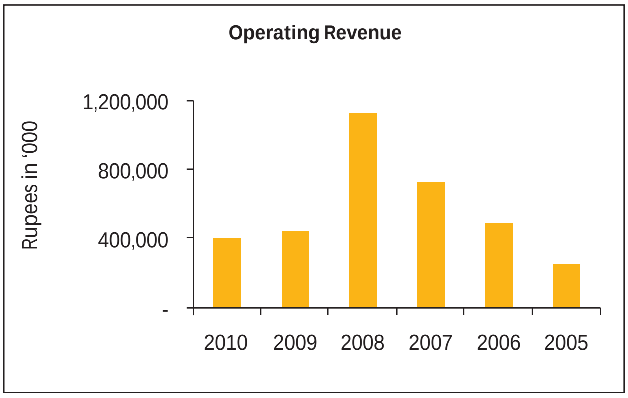
A). Alteration of the Memorandum of Association including addition of new clauses in Memorandum of Association of the Company. (Item 7 of the Agenda)

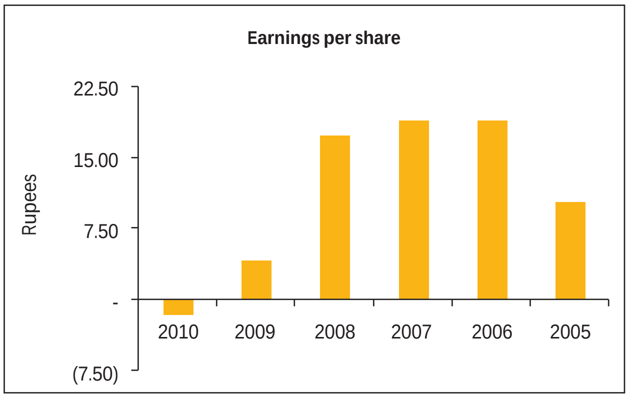
The existing clause only allows the Company to carry on business as a broker in commodities. Considering the amount of funds Company has and the growth the commodities market has shown in previous one year an ample opportunity exists for the Company to make investments in the commodities market i.e. to engage in ready and futures trading and contracts in relation to commodities. This would be in the best interest of the Company and its shareholders, whereas no prejudice will be caused to any shareholders. The interest of the directors and chief executive is only limited to the extent of their being directors and chief executive and ordinary shareholders of the Company.

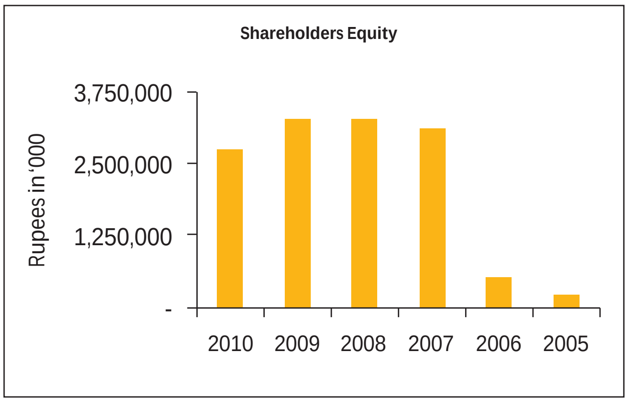
Financial Highlights

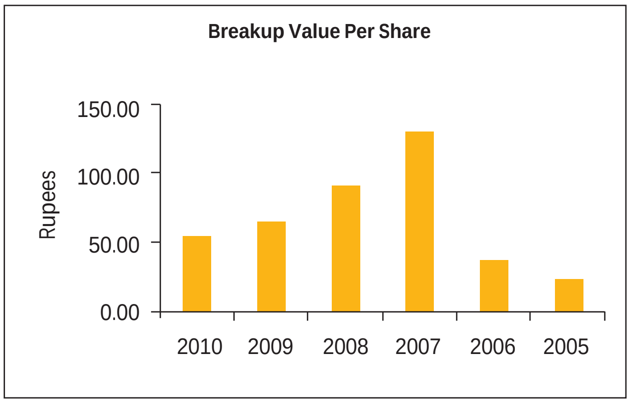
	2010	2009	2008	2007	2006	2005	2004	2003
Operating Performance (Rupees in 000)								
Revenue	**402,732**	452,651	1,132,510	734,404	495,754	252,301	143,260	485
Operating expenses	**815,216**	401,962	458,545	305,772	190,204	122,585	77,222	757
Financial expenses	**4,208**	8,418	59,871	11,890	12,828	9,318	704	-
Other income	**357,675**	230,881	126,020	49,893	12,279	631	915	25
Profit before tax	**(59,017)**	273,152	740,114	466,635	305,001	121,029	66,249	(247)
Profit after tax	**(77,356)**	206,240	624,134	402,818	264,208	102,300	40,271	(247)
Per Ordinary Share (Rupees)								
Earnings per share	**(1.55)**	4.12	17.48	19.02	19.15	10.58	6.71	-
Breakup value per share	**55.20**	65.98	91.90	130.13	37.68	24.19	16.67	-
Dividends (Percentage)								
Cash	**-**	-	50.00 (I)	-	-	15.00 (I)	-	-
	50.00 (F)	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	**3,078,232**	3,704,570	5,677,974	5,417,810	2,238,756	1,062,461	332,337	60,389
Current assets	**2,891,588**	3,608,357	5,579,552	5,325,048	2,187,744	1,008,485	307,046	58,234
Current liabilities	**317,919**	405,418	2,394,318	2,317,805	1,417,425	819,931	232,128	654
Financial Position (Rupees in 000)								
Shareholders equity	**2,760,312**	3,299,152	3,282,215	3,098,437	520,040	241,933	100,007	59,735
Share capital	**500,000**	500,000	357,145	238,097	138,000	100,000	60,000	60,000
Reserves	**2,260,312**	2,833,569	2,925,070	2,860,340	382,040	141,933	-	-
Shares outstanding- (Numbers in 000)	**50,000**	50,000	35,714	23,810	13,800	10,000	6,000	6,000
Return on capital employed - (%)	**(2.80)**	6.25	19.02	22.26	50.81	42.28	40.27	(0.41)
Return on total assets - (%)	**(2.51)**	5.57	10.99	7.44	11.80	9.63	12.12	(0.41)
Current ratio-times	**9.10**	8.90	2.33	2.30	1.54	1.23	1.32	89.04

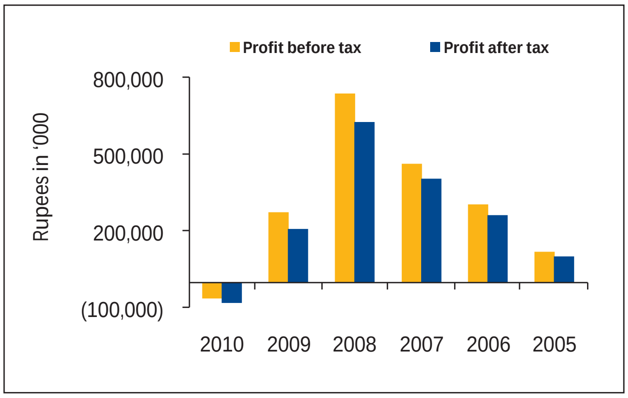
(I) Interim
(F) Final

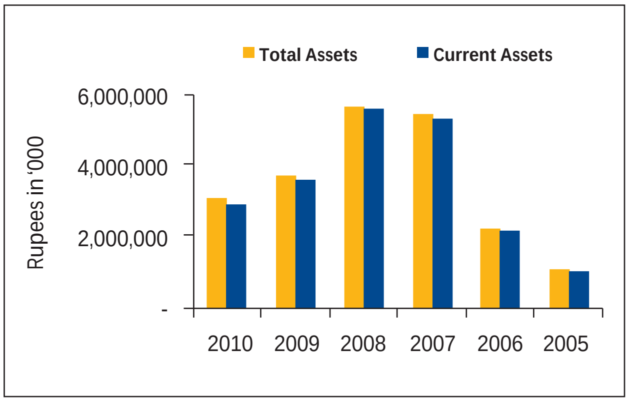

Operating Revenue
Rupees in '000
1,200,000
800,000
400,000
-
2010
2009
2008
2007
2006
2005


Earnings per share
Rupees
22.50
15.00
7.50
-
(7.50)
2010
2009
2008
2007
2006
2005


Shareholders Equity
Rupees in '000
3,750,000
2,500,000
1,250,000
-
2010
2009
2008
2007
2006
2005


Breakup Value Per Share
Rupees
150.00
100.00
50.00
0.00
2010
2009
2008
2007
2006
2005


Profit before tax
Profit after tax
Rupees in '000
800,000
500,000
200,000
(100,000)
2010
2009
2008
2007
2006
2005


Total Assets
Current Assets
Rupees in '000
6,000,000
4,000,000
2,000,000
-
2010
2009
2008
2007
2006
2005

DIRECTORS' REPORT

The Directors are pleased to present the audited financial statements of JS Global Capital Limited for the year ended June 30, 2010. Summarized results are set out below:

	2009-10	2008-09
	............Rupees............	
(Loss) / Profit before tax	(59,016,770)	273,152,774
(Loss) / Profit after tax	(77,356,587)	206,239,993
(Loss) / Earnings per share	(1.55)	4.12

The Directors are pleased to announce a cash dividend of Rs.5/= per share, subject to shareholder's approval.

The Economy

Pakistan's economy moved towards recovery in fiscal year 2010, after enduring one of the most challenging periods the year before. This was confirmed via improvement in major macro fundamentals, particularly inflation and external account. Headline inflation came down to 11.7% in FY10, compared to 20.8% in FY09, leading SBP to ease its stance on the interest rate by reducing the Discount Rate by a cumulative 150bps to 12.5% in FY10.

Current Account improved, as the deficit dropped by 62%YoY to US$3.5bn in FY10, helped by rising exports and strong remittance flows. A pick up in industrial activity was evident from the 4.8%YoY growth in Large Scale Manufacturing during the period, which was complemented by an encouraging rise in offtake to the private sector, especially in the second half of the fiscal year.

Pakistan continued with its US$11.2bn Stand By Arrangement program with IMF through FY10, with much success and has received US$7.6bn thus far, albeit with some delays. The country managed to meet most of the IMF conditionalties, but failed to meet the revised annual fiscal deficit target of 5.1%, resolution of inter-corporate circular debt, replacing GST with VAT and complete elimination of power subsidy.

Looking ahead, we consider the massive floods which have adversely impacted a fifth of the country, leaving behind damaged crops, property and infrastructure, as a sizeable hurdle in economic progression. Although it is still early to assess the extent of the damage caused, the country is set to face massive infrastructure losses, crop damage plus extensive relocation and rebuilding costs. As a result of this, many of the budgeted targets are expected to be revised downwards. Rising inflationary pressure has already led the central bank to raise the Discount Rate by 50bps to 13% in its July policy.

FY 2011, at this time, does not appear encouraging.

Equity Capital Market

The KSE-100 Index in FY10 stood amongst the best performing markets in the region as it rose by 36%, compared to regional markets which, on average, posted gains of 18%. This performance in FY10 becomes more noteworthy, when compared to FY09, when the benchmark Index lost 42%, as both the economic and political scenarios improved during the period. Market capitalization increased by 29% to US$32bn (Rs2.7trn) in FY10 from US$26bn (Rs2.1trn) last year.

Foreign institutional investors made their way back to the market as they bought shares worth US$566mn in comparison to an outflow of US$455mn in FY09, primarily a result of attractive valuations and increased confidence. As a result, foreigners now own equities worth US$2.5bn, which is 7.4% of the total market capitalization or 30% of the total free float.

The mainstay of any financial market is its domestic base, and we are hopeful that the coming year will see more participation from domestic investors.

Debt Capital Market

There were a total of 6 Term Finance Certificates ("TFCs") offered in FY10. Through these 6 TFCs, a total of PKR 15 billion (US $ 175.438 million) was raised in FY10 as against a total of PKR 23.5 billion (US $ 284.47 million) that was raised in FY09. Strong borrowers had easy access to the bank loan market, and hence did not see the need to raise funding from the debt capital markets.

Foreign Exchange Market

FY10 started with the US Dollar spot rate at PKR 81.43 and closed with the rate at PKR 85.50. The lowest trade took place at PKR 81.40 in July 2009 and the highest at PKR 85.53 in June 2010. The lowest six month forward premium traded at 379 paisa during July 2009 and the highest six month premium traded at 490 paisa during March 2010. Record workers remittances and a low current account deficit prevented high US$ volatility. During FY10, Pakistan improved its foreign exchange reserves from $12.27bn in July 2009 to the highest level of $ 16.01bn in May 2010.

Company Performance Review

The Company demonstrated a strong performance in its core operating revenue (fees and commissions) as well as better management of its investments. Total revenue stood at Rs. 760mn, versus Rs. 683mn last year. By and large, market share across all businesses was improved or maintained.

Cost management was reasonable, with an overall increase of just about 4%.

The principal reason for this year's loss before and after tax, is provisioning and impairment. Rs.366mn has been booked against doubtful trade receivables, while Rs.88mn has been booked as impairment in investments.

Necessary efforts are underway to mitigate this setback, through restructuring and various other means. Your Board will work closely with the Company's management on this front.

Appropriation of Profits

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

	2009-10	2008-09
	............Rupees............	
Profit after tax	(77,356,587)	206,239,993
Un-appropriated profit brought forward	1,023,463,793	995,796,550
Profit available for appropriation	946,107,206	1,202,036,543
Appropriations		
Final Bonus FY 2009: Nil (2008: 39.998965%)	-	142,854,500
Appropriation out of share premium	-	(142,854,500)
Final Dividend FY 2009: 100% (2008: 50%)	(500,000,000)	(178,572,750)
Final Dividend – FY 2010 – *50%	-	-
Un-appropriated profit carried forward	**446,107,206**	**1,023,463,793**

* The Board has recommended a final cash dividend of PKR 5/= per share. The appropriation is to be made out of the un-appropriated profits and will be accounted for in the ensuing year.

Corporate Governance

The Directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan's ("SECP") 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 3.21 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, 2010 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, 2010 amounts to approximately Rs. 14.833 million (2009: Rs. 16.116 million audited). The audit activity for the year ended June 30, 2010 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 comprises of seven non-executive directors and the CEO. The positions of the Chairman and CEO are separate in line with best governance practices. The Board has Audit, Executive and Compensation Committees, which assist the Board in the performance of its functions. The members of these committees are stated in the company information pages.

Changes in the Board

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

Mr. Omar M. El-Quqa and Mr. Eyad N. Abu-Huwaij were appointed as directors on November 08, 2006. These directors resigned from the Board on August 27, 2009 and April 26, 2010 respectively. Moreover, subsequent to June 30, 2010, another director Mrs. Maha K. Al-Ghunaim who was also appointed on November 08, 2006, resigned on July 20, 2010. We express our appreciation for the valuable contributions made by Mr. Omar, Mr. Eyad and Mrs. Maha during their tenure on the Board.

Casual Vacancies created by the resignation of afore-mentioned directors were filled in accordance with the applicable regulations. Mr. Shahid Hameed (Vice Chairman), Mr. Naief Abdullatif Sulaiman Ahmad Mohammad and Mr. Yousef S FA Alebrahim have been appointed as the new directors on August 27, 2009, May 17, 2010 and July 20, 2010 respectively. The Board welcomes the new directors. No directors of the company had any interest in their appointment.

Change in Management

Mr. G.M. Malkani resigned as the Company's CEO w.e.f May 01, 2010. The Board places on record its appreciation for the services rendered by Mr. Malkani during his 5 year tenure.

Mr. Nadir Rahman has been appointed as the new CEO, with effect from May 03, 2010, for a period of 3 years. Mr. Rahman is a well known financial markets professional, with over 20 years of diversified experience in Pakistan and abroad. The Board welcomes Mr. Rahman.

Board of Directors Meetings

During the year 2009-10, four meetings of the Board of directors were held. The attendance by the directors is shown hereunder:

Name of Director	Appointed on	Resigned*/ Retired on	Eligibility	Meetings attended
Mr. Adil Matcheswala	June 28, 2000	-	4	4
Mr. Shahid Hameed	August 27, 2009	-	4	3
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	* July 20, 2010	4	-
Mr. Eyad N. Abu-Huwaij	November 08, 2006	*April 26, 2010	4	3
G.M. Malkani (CEO)	July 01, 2005	*May 01, 2010	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, 2010 is appearing on page 66 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 Pakistan Credit Rating Agency (PACRA), maintained both our long term and short term ratings at AA (Double A) and A1+ (A one plus), respectively, for FY09. These ratings denote a very low expectation of credit risk emanating from very strong capacity for timely payments of financial commitments. Rating for the current year is under process.

Future Outlook

With the strength that our balance sheet and reserves have to offer and our constant desire to achieve steady growth we will continue to strengthen and improve our services as well as create new financial products and services. In-spite of the numerous challenges being faced by the country and the economy we are confident that the Company will maintain its growth momentum in the long run and continue to build shareholder value, as it has in the past.

An exciting addition to the services on offer is commodities sales and trading. Your company is a member of the National Commodity Exchange Limited ("NCEL"). NCEL is the 2nd largest exchange in the country, in terms of value traded. We have launched our brokerage services which are demonstrating high growth, as investors have a new avenue for investment.

The recent announcement of a leverage based product for equities also holds promise for enhanced operations. Hopefully, this will go a long way in restoring higher volumes at the Karachi Stock Exchange, where last 12 months daily turnover averaged at 167mn shares, compared to a 5 year moving average of 292mn shares.

Irrespective of the challenges being faced, your Company plans on maintaining its focus on institution building by continuously strengthening its core business units, increasing market share in all departments and constantly remaining in search of innovative financial products and services.

Acknowledgement

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence.

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

For and on behalf of the
Board of Directors

Adil Matcheswala
Chairman

Karachi: September 16, 2010

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. 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 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.

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, 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.

Director, Mr. Naief Abdullatif Al-Ahmad

Mr. Naief has an overall experience of more than 12 years with a focus on finance and investment in the last 6 years. In June 2008 Mr. Naief joined Global's Investment Banking Group where he has worked on M&A advisory assignments along with several other tasks of valuation, due diligence, investment analysis in various sectors such as Telecommunications, Services, Real Estate and Finance. Mr. Naief has also been involved in several assignments related to Global's proprietary investments. Mr. Naief was part of GCC Investment team as a Manager for the business development unit before joining the IB group, where he was responsible for the planning and the development of the various activities of the GCC Investment Department which included the introduction of new investment funds.

Before joining Global, Mr. Naief was an Assistant Manager in the Investment Department of the Commercial Real Estate Company. He was involved in the daily management of the firm's proprietary investment portfolio along with handling and assessment of new investment opportunities in Kuwait and the GCC region in the real estate sector, health sector, finance, and others. Mr. Naief's previous experience was in the legal and engineering fields where he worked in the Experts Departments of the Ministry of Justice and prior to that in the Military Engineering Projects Department.

Mr. Naief holds an MBA from Kuwait University and a Bachelors of Science in Architectural Engineering from Kansas State University

Director, Mr. Yousef S FA Alebrahim

With over 12 years experience in the investment, accounting, client relations and marketing fields, Yousef Al Ebrahim joined Global Investment House in December 2009 as Head of Equity Sales. Prior to that, Mr. Al Ebrahim was with Gulf Investment Corporation (GIC) and later with Kuwait Finance and Investment Company in the capacity of Head of Business Development. Mr. Al Ebrahim lead a dedicated sales team covering the GCC region, to raise the profile of KFIC amongst HNWI's and institutional investors; identifying and entering previously untapped markets across various industries; establishing strategic alliances and partnerships that focused on long-term relationships whilst capitalizing on the strong personal network to further grow the business.

Prior to that, Mr. Al Ebrahim joined Kuwait Financial Centre "Markaz" as Client Relations Manager, where he was responsible for promoting the company's investment offering regionally amongst HNWI's and Institutional Clients. This involved leading a high caliber sales team with the ability to identify investment opportunities and develop custom-tailored investment strategies, continuously liaising with Product Development, Marketing and other support functions to ensure customer satisfaction while providing a solid foundation for future business growth and customer retention.

In 1998 Mr. Al Ebrahim joined The Boeing Company in Seattle, Washington in the Finance Organization of the Customer Services Division after which he joined the Boeing Commercial Airplane Group as a Marketing Strategy Specialist, where the focus was on promoting sales across Europe and Asia Pacific. Mr. Al Ebrahim holds a Bachelors degree in Finance from Seattle University, Washington.

Chief Executive Officer, Mr. Nadir Rahman

Mr. Nadir Rahman joined JS Global as its Chief Executive in May 2010. He has over 20 years of international and Pakistan specific experience, covering corporate and investment banking, primary capital markets, sales and trading, principal investing, and real estate. He has worked for leading global companies in the financial services sector, including Citigroup, ABN AMRO Rothschild, and Standard Chartered and was instrumental in setting up Fauji Foundation's first venture in equities and investment banking. In the past, he has served as a director on the board's of leading listed companies, including Fauji Fertilizer, Fauji Bin Qasim, Fauji Cement, Pak Maroc Phosphore, Union Bank, Evolvence Capital, and KASB & Co, in addition to being a member of the Central Board of Directors of Fauji Foundation. Mr. Rahman is widely traveled, and has done business in over 20 countries.

Mr. Rahman holds degrees from the Wharton School and the College of Arts and Sciences of the University of Pennsylvania, where he self financed over 90% of his college education.

Details of Different Committees of the Board of Directors

1. Audit Committee
2. Executive Committee
3. Compensation 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. Shahid Hameed	Member
Mr. Ahsen Ahmed	Member
Mr. Shahid Kamal	Secretary of the Audit Committee

Terms of Reference of Audit Committee

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

- Considerations 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.

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. Nadir Rahman	Chairman
Mr. Shahid Hameed	Member
Mr. Adil Matcheswala	Member

Terms of Reference of Executive Committee

- The Committee is appointed by the Board of Directors. There must be atleast three members, of whom one must be the Chief Executive Officer (CEO). In the event of any casual vacany, 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.

3. Compensation Committee

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

The members of committee are as follows:

Mr. Aslam Khaliq	Chairman
Mr. Shahid Hameed	Member
Mr. Nadir Rahman	Member

Terms of Reference of Compensation 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 vacany, 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 a year

- The Compensation Committee shall review and approve the Company's compensation and benefits policies generally including reviewing and approving any incentive-compensation plans of the Company. Reviewing compensation policies and guidelines relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs. In reviewing such compensation and benefits policies, the Compensation Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Company and any other factors that it deems appropriate.

- Monitor and evaluate matters relating to the compensation and benefits structure of the Company as the Compensation Committee deems appropriate, including providing guidance to management on significant issues affecting compensation philosophy or policy and review and approve compensation policies regarding CFO, Company Secretary, Internal Auditors and other senior executive officer compensation.

- The Compensation Committee shall, in consultation with the CEO, review the CEO's assessment of senior executives (including CFO, Company Secretary & Internal Auditor), oversee an evaluation of the performance of the Company's senior executive officers and approve the annual compensation, including salary, bonus, incentive and equity compensation, for the executive officers. Review the structure and competitiveness of the Company's executive officer compensation programs considering the following factors:

  (i) the attraction and retention of executive officers;
  (ii) the motivation of executive officers to achieve the Company's business objectives; and
  (iii) the alignment of the interests of executive officers with the long-term interests of the Company's shareholders.

- The Compensation Committee shall periodically review the Company's management organization structure and the CEO's proposals for changes to that structure and report any significant organizational changes, along with the CompCo recommendations, to the Board.

- The Compensation Committee shall annually review the Company's succession plans. The CompCo shall monitor the progress and development of executives in accordance with the succession plans and annually review the adequacy of the succession candidates to foster timely and effective executive continuity.

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 116.931 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 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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancies occuring in the board were duly filled up by the 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 company has outsourced the internal audit function to M/s Ford Rhodes Sidat Hyder & Co. Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and their representatives are involved in the internal audit function on a full time basis.

18. 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 prevails in the arms' length transactions only if such terms can be substantiated.

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

Adil Matcheswala
Chairman

Karachi: September 16, 2010

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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and effectiveness of such internal controls.

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 2010.

KPMG Taseer Hadi & Co.
Chartered Accountants

Dated: September 16, 2010
Karachi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **JS Global Capital Limited** ("the Company") as at 30 June 2010 and the related profit and loss account, statement of comprehensive income, 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 except for the changes as described in note 3.1 with which we concur;

   (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, statement of comprehensive income, cash flow statement, statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information require by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the loss, its cash flows and changes in equity for the year then ended;

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Dated: September 16, 2010
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Balance Sheet As at 30 June 2010

	Note	30 June 2010	30 June 2009
		................(Rupees)	
CAPITAL AND RESERVES			
Share capital			
Authorised: 150,000,000 (30 June 2009: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up share capital	4	**500,000,000**	500,000,000
Share premium		**1,810,104,900**	1,810,104,900
Unappropriated profit		**446,107,206**	1,023,463,793
Unrealised gain / (loss) on remeasurement of available for sale investments at fair value	11.6.3	**4,100,099**	(34,416,500)
		2,760,312,205	3,299,152,193
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	**196,529,065**	328,816,078
Provision for taxation		**121,390,337**	76,601,451
		317,919,402	405,417,529
Contingencies and Commitments	6		
		3,078,231,607	3,704,569,722

	Note	30 June 2010	30 June 2009
		................(Rupees)	
ASSETS			
Non current assets			
Property and equipment	7	**43,436,658**	57,128,927
Intangible assets	8	**23,500,000**	21,036,651
Long term loans, advances and deposits	9	**5,369,026**	3,892,294
Deferred taxation - net	10	**114,337,587**	14,155,217
		186,643,271	96,213,089
Current assets			
Short term investments	11	**1,759,574,556**	1,095,008,267
Trade debts - unsecured, considered good	12	**351,209,537**	1,542,861,489
Loans and advances - considered good	13	**7,855,218**	985,967
Deposits and short term prepayments	14	**58,465,001**	8,510,581
Interest and markup accrued	15	**6,163,159**	22,562,159
Other receivables	16	**33,769,492**	55,882,886
Advance tax		**111,592,889**	68,395,460
Cash and bank balances	17	**562,958,484**	814,149,824
		2,891,588,336	3,608,356,633
		3,078,231,607	3,704,569,722

The annexed notes 1 to 32 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

JS Global

Profit and Loss Account For the year ended 30 June 2010

	Note	30 June 2010	30 June 2009
		................(Rupees)	....
Operating revenue	18	328,639,731	316,377,931
Income from reverse repurchase / continuous funding system transactions		-	45,207,460
Capital gain on sale of investments	19	57,333,309	82,927,396
Gain on remeasurement of investments at fair value through profit or loss - net		16,758,547	8,138,612
		402,731,587	452,651,399
Administrative and operating expenses	20	(354,438,733)	(342,189,640)
Bad debts written off directly - trade debts		-	(8,859,797)
Provision for doubtful debts	12.1	(365,895,568)	(45,448,418)
Impairment of investment in preference shares	11.6	(87,745,197)	-
		(405,347,911)	56,153,544
Other operating income	21	357,675,457	230,880,797
		(47,672,454)	287,034,341
Provision for Workers' Welfare Fund		(7,136,029)	(5,463,059)
Finance cost	22	(4,208,287)	(8,418,508)
(Loss) / profit before taxation		(59,016,770)	273,152,774
Taxation - current year		(121,390,337)	(76,601,451)
- prior year		2,868,150	(5,906,913)
- deferred		100,182,370	15,595,583
	23	(18,339,817)	(66,912,781)
(Loss) / profit after taxation		(77,356,587)	206,239,993
(Loss) / Earnings per share - basic and diluted	24	(1.55)	4.12

The annexed notes 1 to 32 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

JS Global

Statement of Comprehensive Income For the year ended 30 June 2010

	30 June 2010	30 June 2009
	.................(Rupees)	**.................**
Net (loss) / income for the year	**(77,356,587)**	206,239,993
Other comprehensive income:		
Unrealised gain / (loss) on remeasurement of available for sale investments at fair value	**38,516,599**	(10,730,352)
Total comprehensive (loss) / income for the year	**(38,839,988)**	195,509,641

The annexed notes 1 to 32 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

Cash Flow Statement For the year ended 30 June 2010

	Note	30 June 2010	30 June 2009
		................(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(59,016,770)**	273,152,774
Adjustments for:			
Depreciation		**18,000,341**	20,886,675
Loss / (gain) on sale of property and equipment		**197,921**	(2,690,085)
Amortisation of intangible assets		**36,651**	536,640
Gain on remeasurement of investments carried at fair value through profit or loss - net		**(16,758,547)**	(8,138,612)
Provision for doubtful debts		**365,895,568**	45,448,418
Provision for Workers' Welfare Fund		**7,136,029**	5,463,059
Impairment of investment in preference shares		**87,745,197**	-
Finance cost		**4,208,287**	8,418,508
		466,461,447	69,924,603
Cash generated from operating activities before working capital changes		**407,444,677**	343,077,377
(Increase) / decrease in current assets:			
Trade debts		**825,756,384**	394,407,926
Loans and advances		**(6,869,251)**	924,868,187
Deposits and short term prepayments		**(49,954,420)**	1,023,235,182
Interest and markup accrued		**16,399,000**	(7,400,448)
Other receivables		**22,113,395**	(24,742,165)
		807,445,108	2,310,368,682
Increase / (decrease) in current liabilities:			
Creditors, accrued expenses and other liabilities		**(135,079,500)**	(1,940,964,282)
Cash generated from operations		**1,079,810,285**	712,481,777
Finance cost paid		**(4,208,287)**	(23,485,658)
Taxes paid		**(116,930,730)**	(42,727,470)
Payment to Workers' Welfare Fund		**(5,463,059)**	-
Net cash generated from operating activities		**953,208,209**	646,268,649
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(11,296,609)**	(9,742,287)
Purchase of membership card of National Commodity Exchange Limited		**(2,500,000)**	-
Proceeds from disposal of property and equipment		**6,790,617**	6,738,481
Long term loans, advances and deposits		**(1,476,732)**	635,334
Short term investments		**(697,036,339)**	(389,489,931)
Net cash used in investing activities		**(705,519,063)**	(391,858,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receivable under reverse repurchase / continuous funding system transactions		**-**	530,106,289
Dividend paid		**(498,880,486)**	(178,368,837)
Net cash (used in) / from financing activities		**(498,880,486)**	351,737,452
(Decrease) / increase in cash and cash equivalents during the year		**(251,191,340)**	606,147,698
Cash and cash equivalents at the beginning of the year		**814,149,824**	208,002,126
Cash and cash equivalents at the end of the year	25	**562,958,484**	814,149,824

The annexed notes 1 to 32 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

JS Global

Statement of Changes in Equity For the year ended 30 June 2010

	Issued, subscribed and paid up share capital	Capital reserves: Reserve for issue of bonus shares	Capital reserves: Share premium	Revenue reserves: Unrealized gain / (loss) on remeasurement of available for sale investment at fair value	Revenue reserves: Unappropriated profit	Total
	-----------------------	-----------------------	--------------(Rupees)	--------------	-----------------------	-----------------------
Balance as at 01 July 2008	357,145,500	-	1,952,959,400	(23,686,148)	995,796,550	3,282,215,302
Total comprehensive income for the year						
Profit for the year ended 30 June 2009	-	-	-	-	206,239,993	206,239,993
Other comprehensive income						
Unrealised loss on remeasurement of available for sale investments at fair value	-	-	-	(10,730,352)	-	(10,730,352)
Total comprehensive income for the year	-	-	-	(10,730,352)	206,239,993	195,509,641
Transactions with owners of the Company, recognised directly in equity						
Contribution by and distribution to owners of the Company						
Reserves for issue of bonus shares 2007-2008	-	142,854,500	(142,854,500)	-	-	-
- Issue of bonus share @ 39.998965%	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)
Total contribution by and distributions to owners	142,854,500	-	(142,854,500)	-	(178,572,750)	(178,572,750)
Balance as at 30 June 2009	500,000,000	-	1,810,104,900	(34,416,500)	1,023,463,793	3,299,152,193
Balance as at 01 July 2009	500,000,000	-	1,810,104,900	(34,416,500)	1,023,463,793	3,299,152,193
Total comprehensive Income for the year						
Loss for the year ended 30 June 2010	-	-	-	-	(77,356,587)	(77,356,587)
Other comprehensive income						
Unrealised gain on remeasurement of available for sale investments at fair value	-	-	-	38,516,599	-	38,516,599
Total comprehensive loss for the year	-	-	-	38,516,599	(77,356,587)	(38,839,988)
Transactions with owners, recorded directly in equity contribution by and distributions to owners						
Contribution by and distribution to owners of the Company						
- Final dividend for the year ended 30 June 2009 @ Rs. 10 per ordinary share	-	-	-	-	(500,000,000)	(500,000,000)
Balance as at 30 June 2010	**500,000,000**	**-**	**1,810,104,900**	**4,100,099**	**446,107,206**	**2,760,312,205**

The annexed notes 1 to 32 form an integral part of these financial statements.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

JS Global

Notes To The Financial Statements For The Year Ended 30 June, 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 member of National Commodity Exchange Limited. The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been 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 or 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 Pakistan 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 judgements, estimates and assumptions that affect the application of policies and the reported amounts of asset, 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.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

- Investments (notes 3.5 and 11);
- Residual values and useful lives of property, plant and equipment (notes 3.3, 7 & 20);
- Useful lives of intangible assets (notes 3.4, 8 and 20); and
- Recognition of taxation and deferred taxation (notes 3.10, 10 and 23).
- Impairment of available for sales investments (note 3.12 and 11)
- Provision against trade debts and other receivables (note 3.12 and note 12)

2.5 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 January 2010:

Improvements to IFRSs 2009	**Effective date**
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to IFRS 8 Operating Segments	1 January 2010
- Amendments to IAS 1 Presentation of Financial Statements	1 January 2010
- Amendments to IAS 7 Statement of Cash Flows	1 January 2010
- Amendments to IAS 17 Leases	1 January 2010
- Amendments to IAS 36 Impairment of Assets	1 January 2010
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters	1 January 2010
- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions	1 January 2010
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues	1 January 2010

-	IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
-	Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010

Improvements to IFRSs 2010

-	Amendments to IFRS 3 Business Combinations	1 July 2010
-	Amendments to IAS 27 Consolidated and Separate Financial Statements	1 July 2010
-	IAS 24 Related Party Disclosures (revised 2009) These amendments will result in increase in disclosures in the Fund's financial statements.	1 January 2011
-	Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	1 January 2011
-	Amendments to IFRS 1 First-time Adoption of IFRSs	1 January 2011
-	Amendments to IFRS 7 Financial Instruments: Disclosures	1 January 2011
-	Amendments to IAS 1 Presentation of Financial Statements	1 January 2011
-	Amendments to IAS 34 Interim Financial Reporting	1 January 2011
-	Amendments to IFRIC 13 Customer Loyalty Programmes	1 January 2011

2.6 Other accounting developments

Disclosures pertaining to fair values for financial instrument

The Company has applied Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorised as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Revised disclosures in respect of fair values of financial instruments are included in note 29.5.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Changes in accounting policies

(i) Presentation of financial statements

The Company has applied Revised IAS 1 "Presentation of Financial Statements" which became effective from 1 January 2009. This standard requires the Company to present in the statement of changes in equity, all owner changes in equity, whereas all non-owner changes in equity are presented in statement of comprehensive income. This presentation has been applied in these financial statements as of and for the year ended 30 June 2010.

Comparative information has been re-presented so that it is in conformity with the revised / new standards. Since the change in accounting policy only affects presentation of financial statements, there is no impact on earnings per share.

(ii) Determination and presentation of operating segments

As of 1 July 2009 the Company determines and presents operating segments based on the information that is internally provided to the Board of Directors and Chief Executive Officer, which is the Company's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 "Operating Segments". Previously operating segments were determined and presented in accordance with IAS 14 "Segment Reporting". Comparative segment information has been presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earning per share. The new accounting policy in respect of segment operating disclosures has been presented in note 3.21 to the financial statements.

3.2 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.

3.3 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.

3.4 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 cards

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are in excess of their recoverable amount, and where the carrying values exceed the estimated recoverable amount, these are written down to their 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).

3.5 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.

3.6 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 profit and loss account. Derivative financial instrument contracts 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.

3.7 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 finance cost and accrued over the life of the repo agreement.

3.8 Trade debts and other receivables

Trade debts are recognised initially at fair value plus directly attributable cost (if any) and subsequently measured at amortised cost less provision for impairment, if any.

Other receivables are stated at amortised cost less provision for impairment, if any.

3.9 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.

3.10 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 the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account.

3.11 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.

3.12 Impairment

Financial assets

The company assesses at each balance sheet date whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occuring after the impairment loss recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available for sale equity security is recognised in other comprehensive income.

Non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.13 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.

3.14 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.

3.15 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.

3.16 Financial liabilities

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

3.17 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.

3.18 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.

3.19 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.

3.20 Dividend distributions and appropriations

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

3.21 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The operating segments of the Company are as follows:

Brokerage

It consists of equity brokerage, forex brokerage, money market brokerage, commodity 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.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

30 June 2010	30 June 2009		**30 June 2010**	30 June 2009
(Number of shares)			-----------------(Rupees)----------------	
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	29,990,300	Ordinary shares of Rs.10/- issued as fully paid bonus shares	**299,903,000**	299,903,000
50,000,000	50,000,000		**500,000,000**	500,000,000

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Creditors for sale of shares on behalf of clients	*5.1*	**153,780,321**	287,702,347
Accrued expenses		**17,611,505**	19,119,507
Provision for staff bonus		**2,000,000**	-
Unclaimed dividend		**2,236,161**	1,116,644
Retention money		**40,600**	1,078,721
Advance fee from client		**6,043,182**	6,789,538
Provision for Workers' Welfare Fund		**7,136,029**	5,463,059
Payable for software		**-**	2,032,500
Others	*5.2*	**7,681,267**	5,513,762
		196,529,065	328,816,078

5.1 This includes payable to following related parties:

JS Bank Limited	**73,093**	73,093
Directors and executives	**21,251**	5,717
Executives of the Company	**-**	14,986
EFU General Insurance Limited	**-**	*63,371,641
EFU Life Assurance Limited	**191,150**	191,140
Global Investment House K.S.C.C Kuwait ('Global')	**476,282**	476,282

		30 June 2010	30 June 2009
		-----------------(Rupees)----------------	
UTP Islamic Fund		**-**	11,642
Unit Trust of Pakistan		**232,515**	67,721
BankIslami Pakistan Limited		**-**	8,525
Jahangir Siddiqui & Company Limited		**-**	*21,781,269
Mahvish & Jahangir Siddiqui Foundation		**-**	2,644
JS Income Fund		**99,529**	99,529
Other related parties		**14,479**	-

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

5.2 This includes commission payable on bank guarantee amounting to Nil (30 June 2009: Rs. 800,000) to JS Bank Limited - related party.

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

A recovery suit has been filed against the Company by the lessor of the previous Islamabad office vacated during the year. The lessor has demanded Rs. 6.5 million. Management considers that no amount would become payable under the said claim. Accordingly, provision has not been made against the claim.

Commitments:

	30 June 2010	30 June 2009
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	**405,845,769**	-
Bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from JS Bank Limited. The guarantee expires on 5 August 2010 and is secured against treasury bills of Rs 500 million and 21,200,000 preference shares of Azgard Nine Limited - a related party (30 June 2009: secured against term deposit receipts of Rs. 300 million)	**400,000,000**	400,000,000

7. PROPERTY AND EQUIPMENT

Property and equipment	7.1	**43,436,658**	57,128,927

7.1 Property and equipment

	2010							
	COST			Rate (%)	DEPRECIATION			Written down value as at 30 June 2010
	As at 1 July 2009	Additions / (disposals)	As at 30 June 2010		As at 1 July 2009	For the Year/ (disposals)	As at 30 June 2010	
	(Rupees)				(Rupees)			
Office equipment	50,878,899	2,111,455	52,963,354	25	30,207,795	9,975,828	40,171,248	12,792,106
		(27,000)				(12,375)		
Office furniture	25,547,160	2,941,850	23,724,510	10	4,284,462	2,430,007	5,389,428	18,335,082
		(4,764,500)				(1,325,041)		
Motor vehicles	30,121,499	6,243,304	28,909,903	20	14,926,373	5,594,506	16,600,433	12,309,470
		(7,454,900)				(3,920,446)	-	
	106,547,558	**11,296,609**	**105,597,767**		**49,418,630**	**18,000,341**	**62,161,109**	**43,436,658**
		(12,246,400)				**(5,257,862)**		

	2009							
	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	30,121,498	20	13,180,948	6,484,474	14,926,373	15,195,125
		(8,787,445)				(4,739,049)		
	105,592,715	**9,742,287**	**106,547,557**		**33,271,004**	**20,886,675**	**49,418,630**	**57,128,927**
		(8,787,445)				**(4,739,049)**		

7.2 Disposal of property and equipment

The following is a statement of property and equipment disposed off during the year:

	Cost	**Accumulated Depreciation**	**Written down value**	**Sale Proceeds**	**Gain / (loss)**	**Particulars of buyers**	**Mode of Disposal**
	(Rupees)						
Motor Vehicle:							
Suzuki Cultus	485,000	(291,000)	194,000	430,000	236,000	Mr. Sadiq Semari	Negotiation
Honda Civic	500,000	(158,333)	341,667	549,501	207,834	Mr. Usman Ali Khan - Employee	Negotiation
Honda Civic	1,367,550	(797,738)	569,812	1,070,000	500,188	Mr. Ather Gulzar Khichi	Negotiation
Cuore	350,000	(93,333)	256,667	350,000	93,333	Mr. Farhan Mahmood - Employee	Negotiation
Suzuki Cultus	570,950	(409,181)	161,769	470,000	308,231	M/S General Automation and Services consultant	Negotiation
Honda Civic	1,317,100	(1,317,100)	-	1,049,961	1,049,961	Mr. Hashim Siraj	Negotiation
Honda City	560,000	(279,999)	280,001	765,533	485,532	Mr. Muzammil Mussani - Employee	Negotiation
Honda Civic	1,750,820	(233,443)	1,517,377	1,544,000	26,623	M/s. Jahangir Siddiqui & Sons Limited - related party	Negotiation
Suzuki Cultus	310,880	(176,165)	134,715	160,565	25,850	Mr. Farhan Atta Ullah - Ex Employee	Negotiation
	7,212,300	**(3,756,292)**	**3,456,008**	**6,389,560**	**2,933,552**		

	Cost	Accumulated Depreciation	Written down value	Sale Proceeds	Gain / (loss)	Particulars of buyers	Mode of Disposal
	----------	----------	(Rupees)	----------	----------		
Motor Cycle:							
Unique 70 CC	40,000	(5,334)	34,666	16,100	(18,566)	Mr. Kashif Saleem - Employee	Negotiation
Unique 70 CC	38,000	(5,700)	32,300	38,000	5,700	EFU General Insurance Limited - related party	Negotiation
Honda CD 70	54,000	(51,300)	2,700	-	(2,700)	Mr. Mukhtiar Ali - Ex Employee	Negotiation
Honda CD 70	56,600	(56,600)	-	18,335	18,335	Jahangir Siddiqui & Sons Limited - related Party	Negotiation
Honda CD 70	54,000	(51,300)	2,700	54,000	51,300	Mr. Naseem - Employee	Negotiation
	242,600	(170,234)	72,366	126,435	54,069		
Office equipment:							
Black Berry	27,000	(12,375)	14,625	17,675	3,050	EFU General Insurance Limited - related party	Insurance Claim
	27,000	(12,375)	14,625	17,675	3,050		
Furniture and fixtures:							
Furniture pertaining to Islamabad office	4,680,500	(1,341,908)	3,338,592	150,000	(3,188,592)	Mr. Muhammad Qayyum	Negotiation
	4,680,500	(1,341,908)	3,338,592	150,000	(3,188,592)		
	12,162,400	(5,280,809)	6,881,591	6,683,670	(197,921)		

8. INTANGIBLE ASSETS

		30 June 2010	30 June 2009
		(Rupees)	
Membership card	*8.1*	**23,500,000**	21,000,000
Computer software	*8.2*	**-**	36,651
		23,500,000	21,036,651

8.1 This represents cost of membership card of the Karachi Stock Exchange (Guarantee) Limited and National Commodity Exchange Limited carrying indefinite useful life.

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

Opening balance - cost		**7,409,921**	7,409,921
Accumulated amortization at the beginning of the year		**7,373,270**	6,836,630
Amortization for the year @ 33.33% p.a.	*20 and 8.2.1*	**36,651**	536,640
		7,409,921	7,373,270
		-	36,651

8.2.1 The amount of software was fully amortized during the current year.

9. LONG TERM LOANS, ADVANCES AND DEPOSITS

Long term loans - secured, considered good			
- Executives	*9.1 & 9.2*	**217,441**	176,406
- Employees		**1,249,248**	912,701
	9.3	**1,466,689**	1,089,107
Current maturity	*13*	**(763,376)**	(660,026)
		703,313	429,081
Security deposits	*9.4*	**4,665,713**	3,463,213
		5,369,026	3,892,294

JS Global

9.1 Reconciliation of carrying amount of loans to executives:

	30 June 2010	30 June 2009
	--------------(Rupees)-------------	
Balance at the beginning of the year	**176,406**	121,197
Disbursements	**217,997**	185,000
Repayments	**(176,962)**	(129,791)
Balance at the end of the year	**217,441**	176,406

9.2 Maximum amount due from executives calculated with reference to the month end balance was Rs. 0.267 million (30 June 2009: Rs. 0.176 million).

9.3 Loan to executives and employees are given for purchase of home appliances at an interest rate ranging from 10% to 15% (30 June 2009: 10% to 15%) 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.

9.4 This includes Rs. 2.725 million (30 June 2009: Rs. 1.525 million) deposited with Karachi Stock Exchange (Guarantee) Limited, National Clearing Company of Pakistan, Central Depository Company of Pakistan Limited and National Commodity Exchange Limited.

10. DEFERRED TAXATION - net

	2010		
	Opening	**(Charge) / reversal**	**Closing**
	------------------------(Rupees)--------------------------		
Taxable temporary difference			
Accelerated depreciation for tax purposes	**(3,159,167)**	**1,808,414**	**(1,350,753)**
Revaluation of investments	**-**	**(4,868,358)**	**(4,868,358)**
Deductible temporary differences			
Difference in accounting and tax base of intangible assets	**133,011**	**(129,515)**	**3,496**
Provision for doubtful debts	**17,181,373**	**103,371,829**	**120,553,202**
	14,155,217	**100,182,370**	**114,337,587**

	2009		
	Opening	**(Charge) / reversal**	**Closing**
	------------------------(Rupees)--------------------------		
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
	(1,440,366)	15,595,583	14,155,217

11. SHORT TERM INVESTMENTS

		30 June 2010	30 June 2009
		-----------------(Rupees)----------------	
Investments in marketable securities 'at fair value through profit or loss - held for trading'			
Quoted equity securities	*11.1*	**386,250,060**	-
Units of mutual funds	*11.2*	**477,547,609**	264,735,600
Term finance certificates	*11.3*	**71,886,925**	147,974,825
Government securities	*11.4*	**502,863,722**	330,262,000
		1,438,548,316	742,972,425
Available for sale			
Unlisted term finance certificates	*11.5*	**106,000,000**	126,000,000
Quoted preference shares of related parties	*11.6*	**215,026,240**	226,035,842
		1,759,574,556	1,095,008,267

11.1 Quoted equity securities

Number of shares 30 June 2010	Number of shares 30 June 2009	Name of company		30 June 2010 Average cost	30 June 2010 Fair value	30 June 2009 Fair value
				-------------------(Rupees)-------------------		
1,414,000	-	Adamjee Insurance Company Limited *		**118,973,080**	**112,950,320**	-
1,620,000	-	D.G. Khan Cement Limited *		**39,934,200**	**38,264,400**	-
25,000	-	Fauji Fertilizer Bin Qasim Limited *		**678,250**	**651,000**	-
5,000	-	Fauji Fertilizer Company Limited *		**518,500**	**515,350**	-
2,625,000	-	Hub Power Company Limited *		**84,656,250**	**83,895,000**	-
150	-	MCB Bank Limited		**34,650**	**29,129**	
2,415,500	-	Nishat Mills Limited *		**109,959,439**	**104,156,361**	-
138,500	-	Pakistan Oilfields Limited *	*11.1.1*	**29,685,235**	**29,902,150**	-
50,000	-	Pakistan State Oil Company Limited *		**13,190,000**	**13,010,000**	-
55,000	-	Pakistan Telecommunication Limited *		**1,027,950**	**979,000**	-
35,000	-	United Bank Limited *		**1,840,300**	**1,897,350**	-
				400,497,854	**386,250,060**	-
		Unrealised loss on remeasurement at fair value		**(14,247,794)**		
				386,250,060		

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

11.1.1 100,000 shares have been pledged with the Karachi Stock Exchange (Guarantee) Limited.

11.2 Units of mutual funds

(Number of Units) 30 June 2010	30 June 2009	Name of Fund	30 June 2010 Average cost	30 June 2010 Fair value	30 June 2009 Fair value
			----------(Rupees)----------		
-	2,406,133	JS Income Fund - related party	-	-	252,330,452
-	122,038	Crosby Phoenix Fund	-	-	12,405,148
805,268	-	MCB Cash Management Optimizer fund	**75,941,020**	**82,029,106**	-
5,000,000	-	NIT Government Bond Fund	**50,000,000**	**53,240,000**	-
7,553,816	-	NIT Income Fund	**75,538,160**	**78,135,162**	-
997,506	-	JS Cash Fund - related party	**100,000,000**	**102,204,489**	-
1,083,293	-	Lakson Money Market Fund	**110,000,000**	**111,324,959**	-
247,060	-	UBL Liquidity Plus Fund	**25,000,000**	**25,425,363**	-
2,451,629	-	NAFA Government Securities Liquid Fund	**25,000,000**	**25,188,530**	-
			461,479,180	**477,547,609**	264,735,600
		Unrealised gain on remeasurement at fair value	**16,068,429**		
			477,547,609		

11.3 Term finance certificates

(Number of Units) 30 June 2010	30 June 2009	Name of term finance certificates	Note	30 June 2010 Average cost	30 June 2010 Fair value	30 June 2009 Fair value
				----------(Rupees)----------		
		Listed				
5,000	-	Engro Fertilizers Limited III	*11.3.1*	**24,475,500**	**24,509,250**	-
800	2,000	Askari Bank Limited I	*11.3.2*	**4,003,976**	**3,918,720**	9,541,270
-	2,000	Askari Bank Limited II		-	-	9,601,732
-	15,000	United Bank Limited		-	-	68,962,429
-	1,000	Pak Arab Fertilizers Limited		-	-	4,766,548
		Unlisted				
-	9,200	Pakistan Mobile Communication Limited		-	-	40,102,846
-	3,000	Bank Al-Habib Limited				15,000,000
9,740	-	Engro Fertilizers Limited IV	*11.3.3*	**43,343,000**	**43,458,955**	-
				71,822,476	**71,886,925**	147,974,825
		Unrealised gain on remeasurement at fair value		**64,449**		
				71,886,925		

11.3.1 These unsecured term finance certificates carry an interest rate of six months KIBOR plus 1.55% with maturity on 30 November 2015 with credit rating of AA.

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

11.3.3 These unsecured term finance certificates carry an interest rate of six months KIBOR plus 1.7% with maturity on 18 March 2018 with credit rating of AA.

11.4 Government securities

		30 June 2010		30 June 2009
		Average cost	Fair value	Fair value
		------------------(Rupees)------------------		
Treasury Bills - 3 months	*11.4.1*	**123,326,021**	**123,250,495**	179,827,000
Treasury Bills - 1 year	*11.4.2*	**373,566,113**	**372,393,227**	
Pakistan Investment Bonds		**-**	**-**	150,435,000
National Savings Bond	*11.4.3*	**7,220,000**	**7,220,000**	-
		504,112,134	**502,863,722**	330,262,000
Unrealised loss on remeasurement at fair value		**(1,248,412)**		
		502,863,722		

11.4.1 These treasury bills have a tenor of three months with maturity on 12 August 2010. They carry an effective yield of 11.85% per annum.

11.4.2 These two treasury bills have a tenor of one year with maturity on 7 April 2011 and 5 May 2011 and carry an effective yield of 12.10% and 12.13% per annum respectively.

11.4.3 These bonds carry markup at the rate of 12.5% per annum with maturity on 29 January 2013.

11.5 Unlisted term finance certificates - unsecured

2010

Number of certificates	Markup rate (%)	Name of company	Maturity date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	TPL Trakker Limited (Formerly Trakker (Private) Limited)	31 October 2009	106,000,000
				106,000,000

2009

Number of certificates	Markup rate (%)	Name of company	Maturity date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	TPL Trakker Limited (Formerly Trakker (Private) Limited)	31 October 2009	44,600,000
1	6 month KIBOR Plus 3.50%	TPL Trakker Limited (Formerly Trakker (Private) Limited)	31 October 2009	81,400,000
				126,000,000

11.5.1 These unlisted term finance certificates were due to mature on 31 October 2009. However, owing to the financial difficulties being faced by the issuer and the pending initial public offering of its shares which was due for SECP clearance, the investee company was unable to fully redeem the said certificates. In January 2010, an amount of Rs. 20 million was received from the issuer representing partial repayment of the principal, leaving an outstanding exposure of Rs. 106 million at the year end. Subsequent to the year end, an amount of Rs. 50 million has been received by the Company. The markup at the rate of 17.95% per annum (last coupon rate) has been paid on a monthly basis till May 2010. Management has been assured that the remaining amount will be paid by 30 June 2011.

11.6 Quoted preference shares of related parties

Number of shares		Name of company		30 June 2010		30 June 2009
30 June 2010	30 June 2009			**Average cost**	**Fair value**	Fair value
				(Rupees)		
6,949,320	6,949,320	Pakistan International Containers Terminal Limited - related party	*11.6.1*	**69,493,200**	**73,593,299**	55,594,560
		Unrealised gain on remeasurement		**4,100,099**		
25,601,986	21,331,825	Azgard Nine Limited - related party	*11.6.2*	**229,178,138**	**229,178,138**	170,441,282
		Impairment of investment in preference shares of Azgard Nine Limited		**(87,745,197)**	**(87,745,197)**	-
				215,026,240	**215,026,240**	226,035,842

11.6.1 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.

11.6.2 These are partly convertible preference shares having issue price of Rs.10 each and carrying dividend @ 8.95% per annum payable annually in arrears on the issue price with a term of 6 years from the issue date of 24 September 2004. As per the original terms of the issue, 50% of the preference shares were due for redemption at the end of the fifth year whereas remaining 50% will be due for redemption at the end of the sixth year (24 September 2010). As per the terms of the issue, if the issuer fails to redeem the shares in the said manner, the entire amount of the face value of the shares together with the dividend accured will be converted into ordinary shares of the Azgard Nine Limited at the option of the shareholder at the end of the sixth year (completing on 24 September 2010).

In the current year, Azgard Nine Limited did not comply with the original terms of the issue and issued a draft of revised terms. As per the revised terms, 50% of the outstanding amount will be converted into ordinary shares of Agritech Limited and the balance of 50% will be converted into ordinary shares of Azgard Nine Limited. A provision on the basis of the above has been recognised in the financial statements. 21,200,000 preference shares have been pledged with JS Bank Limited against bank guarantee.

11.6.3 Movement of unrealised gain / (loss) is as follows:

		30 June 2010	30 June 2009
		---(Rupees)---	
Unrealised loss at the beginning of the year		**(34,416,500)**	(23,686,148)
Gain / (loss) for the year		**38,516,599**	(10,730,352)
Unrealised gain / (loss) at the end of the year		**4,100,099**	(34,416,500)

12. TRADE DEBTS - unsecured, considered good

Considered good			
- Purchase of shares on behalf of clients	12.2	**310,986,861**	1,528,438,775
- Advisory services	12.3	**21,723,650**	986,150
- Forex and fixed income commission		**13,950,002**	13,436,564
- Commodity		**4,549,024**	-
		351,209,537	1,542,861,489
Considered doubtful or bad		**414,985,205**	57,949,434
		766,194,742	1,600,810,923
Bad debts written off directly		**-**	(8,859,797)
Provision for doubtful debts	12.1	**(414,985,205)**	(49,089,637)
		351,209,537	1,542,861,489

12.1 Provision for doubtful debts

Balance at the beginning of the year	**49,089,637**	3,641,219
Charged during the year	**367,744,349**	580,668,173
Reversed during the year	**(1,848,781)**	(535,219,755)
	365,895,568	45,448,418
Balance at the end of the year	**414,985,205**	49,089,637

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

	30 June 2010	30 June 2009
	-----------------(Rupees)----------------	
Azgard Nine Limited	**351,875**	919,576
JS Bank Limited	**463,702**	69,097
Jahangir Siddiqui & Company Limited	***11,925,820**	-
JS Investments Limited	**13,966**	49,259
Directors / executives and their spouses	**22,456**	38,304,876
JS Global Staff Provident Fund	**-**	5,706
EFU General Insurance Limited	***1,350,380**	-
EFU Life Assurance Limited	**3,613**	-
JS Income Fund	**201,739**	-
Bank Islami Pakistan Limited	**321,608**	178,631
Unit Trust of Pakistan	**147,182**	-
JS Value Fund	**-**	85,839
ABAMCO Provident Fund	**1,780**	1,331
JS Large Capital Fund	***337,060**	46,823
JS Aggressive Income Fund	**-**	44,396
JS Growth Fund	***157,071**	320,263
Pakistan International Containers Terminal Limited	**866**	4,616
JS Fund of Funds	**-**	844
JS Infocom Limited	**-**	2,206
JS Cash Fund	***14,695**	-
Agritech Limited	**34,848**	-

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

12.3 It includes Rs. 20,737,500 receivable from Azgard Nine Limited, a related party.

13. LOANS AND ADVANCES - considered good

	Note	30 June 2010	30 June 2009
Current maturity of long term loans - secured	*9*	**763,376**	660,026
Advances to staff		**1,256,342**	325,941
Advance for purchase of office - unsecured		**2,500,000**	-
Advance for purchase of cars		**3,335,500**	-
		7,855,218	985,967

14. DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	30 June 2010	30 June 2009
Deposits	*14.1*	**50,000,000**	-
Prepayments		**8,465,001**	4,448,653
Advance payment for software		**-**	4,061,928
		58,465,001	8,510,581

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

15. INTEREST AND MARK-UP ACCRUED

	Note	30 June 2010	30 June 2009
		-----------------(Rupees)----------------	
Accrued markup on Pakistan investment bonds		**-**	6,016,439
Accrued markup on term finance certificates		**5,858,797**	8,940,693
Markup receivable on term deposit receipts		**-**	2,989,726
Profit receivable on bank deposits	*15.1*	**289,526**	4,615,301
Accrued markup on national savings bonds		**14,836**	-
		6,163,159	22,562,159

15.1 It includes profit receivable from JS Bank Limited amounting to Rs. 26,239 (30 June 2009: Rs. 2,027,820).

16. OTHER RECEIVABLES

	Note	30 June 2010	30 June 2009
Dividend receivable on preference shares from related parties		**15,541,989**	21,510,240
Receivable against sale of term finance certificates		**-**	34,034,093
Other receivables	*16.1*	**2,105,628**	338,553
Unrealised gain on derivatives	*16.2*	**16,121,875**	-
		33,769,492	55,882,886

16.1 This includes Rs. 253,925 (30 June 2009: Rs. 236,250) from Jahangir Siddiqui & Co., Rs. 518,283 (30 June 2009: Rs. 97,404) from JS Bank Limited, Rs. 47,667 (30 June 2009: Rs. Nil) from JS Infocom Limited, Rs. 1,088,069 from JS Investments Limited (30 June 2009: Nil) and Rs. 41,928 (30 June 2009: Rs. Nil) from JS Private Equity on account of various expenses incurred on behalf of each other.

16.2 This represents unrealised gain on revaluation of future sale contracts of equity securities entered into by the Company.

17. CASH AND BANK BALANCES

	Note	30 June 2010	30 June 2009
Cash with banks:			
- Current accounts		**3,213,775**	13,066,786
- Profit and loss / deposit accounts	*17.1*	**545,631,731**	293,849,705
- Term deposit receipts		**-**	500,000,000
- Foreign currency deposit accounts	*17.2*	**14,018,978**	7,139,333
		562,864,484	814,055,824
Cash in hand		**94,000**	94,000
		562,958,484	814,149,824

17.1 Profit and loss / deposit accounts carry profit ranging from 5% to 11% per annum (30 June 2009: 5% to 12.5% per annum).

17.2 Foreign currency deposit accounts carry profit ranging from 0.745% to 3% per annum (30 June 2009: 0.745% to 3% per annum).

18. OPERATING REVENUE

	30 June 2010	30 June 2009
Brokerage and operating income	**299,598,805**	300,215,254
Advisory and consultancy fee	**29,040,926**	16,162,677
	328,639,731	316,377,931

19. CAPITAL GAIN ON SALE OF INVESTMENTS

		30 June 2010	30 June 2009
		----------------(Rupees)----------------	
Gain on sale of investment in open ended mutual funds		**12,180,293**	14,176,591
(Loss) / gain on sale of ordinary shares		**(354,386)**	14,359,515
Gain on sale of investments - term finance certificates and government securities		**45,507,402**	54,391,290
		57,333,309	82,927,396

20. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and benefits		**179,213,523**	158,708,171
Contribution to provident fund		**3,534,696**	3,025,032
Fee for Directors / Committee meetings	*26*	**3,344,000**	890,000
Printing and stationery		**2,377,663**	2,281,943
Telephone, fax, telegram and postage		**6,920,283**	7,256,319
Amortisation of intangible assets	*8.2*	**36,651**	536,640
Rent, rates and taxes		**40,892,957**	41,610,663
Vehicle running expenses		**9,076,975**	5,049,089
Electricity, gas etc.		**3,498,519**	4,022,257
Legal and professional charges		**2,526,950**	4,302,537
Insurance		**7,058,223**	6,060,774
Newspaper and periodicals		**143,997**	194,432
Entertainment		**273,178**	263,092
Advertisement and business promotion		**6,065,318**	4,480,383
Office supplies		**1,132,984**	1,171,910
Depreciation expense	*7.1*	**18,000,341**	20,886,675
Auditors' remuneration	*20.1*	**554,733**	579,430
Fees and subscription		**9,648,352**	9,511,570
Conveyance and traveling		**7,500,505**	4,864,395
Repairs and maintenance		**10,880,991**	14,904,410
Computer expenses		**12,943,970**	10,799,578
KSE Clearing House and CDC Charges		**18,616,003**	30,790,340
Royalty	*20.2*	**10,000,000**	10,000,000
Loss on disposal of property and equipment		**197,921**	-
		354,438,733	342,189,640

20.1 Auditors' remuneration

Audit fee	**250,000**	250,000
Certification including half year review	**260,000**	290,000
Out of pocket expenses	**44,733**	39,430
	554,733	579,430

20.2 This represents the royalty payable to Mr. Jahangir Siddiqui on account of use of part of Company's name under an initial agreement dated 29 June 2004. As per the revised agreement dated 7 February 2007, the Company agreed to pay Rs. 10 million per annum effective from 1 June 2008.

21. OTHER OPERATING INCOME

	30 June 2010	30 June 2009
Income from financial assets:	-----------------(Rupees)----------------	
Profit on term finance certificates, treasury bills, Pakistan investment bonds and national savings bonds	**129,863,814**	41,976,459
Dividend income	**43,376,471**	26,063,303
Mark-up on Pre - IPO investments and management fee	**44,384**	758,178
Profit on term deposit receipts	**5,923,288**	72,581,239
Return on cash margin on future contracts	**666,374**	8,730
Exchange gain on foreign currency deposit accounts	**707,363**	1,147,864
Late payment charges	**110,253,983**	32,580,271
Profit on profit and loss / deposit accounts	**66,292,786**	51,259,546
	357,128,463	226,375,590
Income from non-financial assets:		
Gain on sale of property and equipment	**-**	2,690,085
Other income	**546,994**	1,815,122
	546,994	4,505,207
	357,675,457	230,880,797

22. FINANCE COST

Mark-up on running finance	**29,423**	2,476,166
Mark-up on reverse repurchase transactions	**417,550**	-
Bank and other charges	**3,761,314**	5,942,342
	4,208,287	8,418,508

22.1 The Company has aggregate running finance facilities from various banks of Rs. 1,950 million (30 June 2009: 2,650 million) under mark-up arrangements. Mark-up rate varies from KIBOR plus 2% to KIBOR plus 3% per annum (30 June 2009: KIBOR plus 2% to KIBOR plus 4.5% per annum), with no floor and cap (30 June 2009: Nil). These arrangements would remain valid for varying periods up to 31 December 2010 and are secured against trade debts and pledge of listed shares, TFCs, T Bills, PIBs and cash collateral in the form of TDR. At the year end, no amount was due by the Company under the above arrangements.

The Company also has bank guarantee facilities from various bank of Rs. 650 million (30 June 2009: Rs. 400 million) under commission arrangements. At the year end, the facilities availed amount to Rs. 400 million (30 June 2009: Rs. 400 million).

23. TAXATION

23.1 Except for the tax year 2005 and the tax year 2009, income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes. The tax year 2005 has been selected for audit and the proceedings are pending in the LTU.

For the tax year 2009, the tax department has served a notice to the Company in respect of apportionment of expenses, allowability of expenses and claiming of tax deducted at source.

23.2 Reconciliation of tax charge for the year

	30 June 2010	30 June 2009
	(Rupees)	
(Loss) / Profit before taxation	**(59,016,770)**	273,152,774
Tax at the applicable tax rate of 35% (2009: 35%)	**(20,655,869)**	95,603,471
Effect of income exempt from tax	**1,032,758**	(43,965,818)
Tax effect of income tax at lower rate and final tax regime	**2,213,054**	9,400,553
Tax effect of amount relating to prior year	**2,868,150**	5,906,913
Tax charge on impairment of preference shares	**30,710,819**	-
Prior year deferred tax impact due to proration	**1,698,620**	-
Others	**471,590**	(32,338)
Current year tax charge	**18,339,122**	66,912,781

24. EARNINGS PER SHARE - basic and diluted

(Loss) / profit for the year after taxation	**(77,356,587)**	206,239,993
	(Number)	
Weighted average number of ordinary shares outstanding during the year	**50,000,000**	50,000,000
	(Rupees)	
(Loss) / earnings per share - basic and diluted	**(1.55)**	4.12

25. CASH AND CASH EQUIVALENTS

Cash and bank balances	**562,958,484**	814,149,824

26. 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:

	Cheif Executive		Directors		Executives	
	30 June 2010	30 June 2009	**30 June 2010**	30 June 2009	**30 June 2010**	30 June 2009
	(Rupees)		(Rupees)		(Rupees)	
Managerial remuneration	**6,000,000**	6,000,000	**-**	-	**17,526,900**	15,034,236
House rent allowance	**2,400,000**	2,400,000	**-**	-	**7,010,760**	6,013,694
Utilities allowance	**600,000**	600,000	**-**	-	**1,752,690**	1,503,424
Performance bonus	**-**	-	**-**	-	-	-
Staff retirement benefits	**600,000**	600,000	-	-	**1,607,773**	1,069,893
Medical	**110,938**	86,572	**-**	-	**201,937**	219,604
Joining bonus	**750,000**	-	**-**	-	**-**	-
Fees for attending meetings	**-**	-	**3,344,000**	890,000	**-**	-
	10,460,938	9,686,572	**3,344,000**	890,000	**28,100,060**	23,840,851
Number of persons	2	1	4	2	14	15

26.1 The Company provides the chief executive and certain executives with the Company maintained cars as per their terms of employment.

27. 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 employment. 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 and including those which have been disclosed elsewhere in these financial statements, are as follows:

	30 June 2010	30 June 2009
	(Rupees)	
Brokerage and advisory income earned from:		
- Directors	**203,236**	264,205
- Associated companies	**61,891,901**	12,154,804
- Related parties	**23,818,090**	24,092,348
- Key management	**302,998**	248,665
Contribution to staff provident fund	**3,534,696**	3,025,032

	30 June 2010	30 June 2009
	(Rupees)	
Payment on account of expenses to associated companies	**32,686,674**	34,304,485
Royalty expense	**10,000,000**	10,000,000
Key management compensation	**37,100,060**	33,527,423
Loans to executives	**217,441**	176,406
Dividend income on preference shares	**23,894,946**	26,063,303
Capital gain on sale of units of JS Income Fund	**5,171,058**	4,912,052
Profit on PLS accounts and term deposit receipts	**54,985,284**	66,845,822
Mark-up on running finance and Bank Guarantee charges	**3,598,071**	4,527,327
Exchange gain on foreign currency deposit accounts	**223,335**	188,064
Investment made in preference shares	**38,219,246**	1,083,318
Rent received from related parties	**4,062,024**	7,700,896
Cash at bank	**240,840,512**	675,407,569
Purchase of units of JS Cash Fund	**100,000,000**	600,000,000
Sale of units of JS Income Fund	**257,501,510**	354,912,052
Purchase of membership card of National Commodity Exchange Limited from Jahangir Siddiqui & Company Limited	**2,500,000**	-
Advance for purchase of office at Hayat Regency paid to Jahangir Siddiqui & Company Limited	**2,500,000**	-
Purchase of investments from related parties	**6,742,937,437**	2,079,496,628
Sale of investments to related parties	**4,250,678,490**	843,491,212

28. OPERATING SEGMENTS

	30 June 2010			
	Brokerage	**Investment and treasury**	**Other operations**	**Total**
	(Rupees)			
Segment revenues	**411,066,156**	**320,299,962**	**29,040,926**	**760,407,044**
Intersegment revenues	**-**	**-**	**-**	**-**
Total segment revenues	**411,066,156**	**320,299,962**	**29,040,926**	**760,407,044**
Administrative and operating expenses	**(271,814,629)**	**(37,626,798)**	**(26,960,314)**	**(336,401,741)**
Depreciation	**(10,157,052)**	**(334,531)**	**(7,508,758)**	**(18,000,341)**
Amortisation of intangible assets	**(36,651)**	**-**	**-**	**(36,651)**
Provision for doubtful debts	**(365,895,568)**	**-**	**-**	**(365,895,568)**
Impairment of investment in preference shares	**-**	**(87,745,197)**	**-**	**(87,745,197)**
Finance cost	**(4,208,287)**	**-**	**-**	**(4,208,287)**
	(241,046,031)	**194,593,436**	**(5,428,146)**	**(51,880,741)**
Provision for Workers' Welfare Fund				**(7,136,029)**
Taxation				**(18,339,817)**
Loss after tax				**(77,356,587)**
Segment assets	**678,920,734**	**2,363,225,280**	**36,085,593**	**3,078,231,607**
Segment liabilities	**311,876,220**	**-**	**6,043,182**	**317,919,402**

28.1 Information about major customers

There were no major customer of the Company which formed part of 10 per cent or more of the Company's revenue.

	June 2009			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	300,215,254	328,912,197	54,404,745	683,532,196
Intersegment revenues	-	-	-	-
Total segment revenues	300,215,254	328,912,197	54,404,745	683,532,196
Administrative and operating expenses	(263,467,104)	(35,053,800)	(22,245,421)	(320,766,325)
Depreciation	(12,461,802)	(2,569,419)	(5,855,454)	(20,886,675)
Amortisation of intangible assets	(536,640)	-	-	(536,640)
Provision for doubtful debts	(54,308,215)	-	-	(54,308,215)
Finance cost	(8,418,508)	-	-	(8,418,508)
	(38,977,015)	291,288,978	26,303,870	278,615,833
Provision for Workers' Welfare Fund	-	-	-	(5,463,059)
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
Segment liabilities	327,934,278	881,805	76,601,446	405,417,529

Information about major customers

There were no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Company primarily invests in a portfolio of money market investments 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
- Operational risk

29.1 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, short term investments, 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. 414.985 million (Refer note 12 to the financial statements) and impairment against investment in preference shares amounting to Rs. 87.745 million (Refer note 11 to the financial statements), 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 2010	30 June 2009
		----------------(Rupees)----------------	
Long term loans, advances and deposits	*29.1.1*	**5,369,026**	3,892,294
Short term investments		**870,460,774**	764,746,267
Trade debts - unsecured, gross		**766,194,742**	1,600,810,923
Loans and advances		**7,855,218**	985,967
Deposits		**50,000,000**	-
Interest and mark-up accrued		**6,163,159**	14,957,132
Other receivables		**17,647,617**	63,487,913
Cash and bank balances		**562,958,484**	814,055,824
		2,286,649,020	3,262,936,320

29.1.1 Loans to executives and employees and are secured against provident fund balance of the executives and employees.

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

Local clients	**723,517,082**	1,597,501,630
Foreign clients	**42,677,660**	3,309,293
	766,194,742	1,600,810,923

	2010		2009	
	Gross	Impairment	Gross	Impairment
		---------------(Rupees)---------------		
Past due 1-30 days	**103,021,044**	**-**	287,668,158	-
Past due 31 days -180 days	**32,493,943**	**-**	104,054,282	289,488
Past due 181 days -1 year	**1,700,521**	**-**	1,180,607,656	34,647,490
More than one year	**628,979,234**	**414,985,205**	28,480,827	23,012,456
Total	**766,194,742**	**414,985,205**	1,600,810,923	57,949,434

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

29.1.3 Bank balances

The analysis below summarizes the credit quality of the Company's bank balances as at 30 June 2010 and 30 June 2009:

	30 June 2010	30 June 2009
	----------------(Rupees)----------------	
AA +	**14,138,627**	36,084,520
AA -	**304,824,767**	1,646,082
AA	**3,060,575**	100,917,654
A	**224,918,307**	664,667,053
BBB+	**15,922,208**	10,740,515
	562,864,484	814,055,824

29.1.4 Investment in debt securities

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

Term finance certificates

Credit rating	30 June 2010 Amount (Rupees)	30 June 2010 Percentage
AA-	3,918,720	5.45%
AA	67,968,205	94.55%
	71,886,925	100.00%

29.1.5 Investment in units of mutual funds

The Company has investments in units of mutual funds have rating ranging from AA+ to A+.

29.1.6 Impairment losses

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

	30 June 2010	30 June 2009
	(Rupees)	
Trade debtors - Equity transactions	**365,895,568**	53,322,065
Trade debtors - Advisory receivables	**-**	986,150
Investment in preference shares	**87,745,197**	-
Total	**453,640,765**	54,308,215

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.

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.

Details of the industrial sector analysis of the trade debts are as follows:

	30 June 2010		30 June 2009	
	(Rupees)	%	(Rupees)	%
Textile	**21,152,585**	2.76%	1,070,167	0.067%
Services	**1,349,949**	0.18%	254,396,046	15.892%
Manufacturing	**-**	0.00%	2,190,435	0.137%
Banking and financial institutions	**69,114,525**	9.03%	10,920,338	0.682%
Individuals	**674,577,683**	88.03%	1,332,233,937	83.222%
	766,194,742	100.00%	1,600,810,923	100.00%

29.2 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:

	2010					
	Carrying amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to two years**	**Two to five years**
	----------(Rupees)----------					
Financial liabilities						
Creditors, accrued expenses and other liabilities	**196,529,065**	**196,529,065**	**196,529,065**	**-**	**-**	**-**
	196,529,065	**196,529,065**	**196,529,065**	**-**	**-**	**-**

	2009					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	----------(Rupees)----------					
Financial liabilities						
Creditors, accrued expenses and other liabilities	328,816,078	309,795,232	309,795,232	-	-	-
	328,816,078	309,795,232	309,795,232	-	-	-

On the balance sheet date, the Company has cash and bank balances of Rs.562.958 million (30 June 2009: Rs. 814.150 million) as mentioned in note 17 and unutilised credit lines of Rs. 1,950 million (30 June 2009: Rs. 2,650 million) as mentioned in note 22.

29.3 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.14.019 million (2009: Rs.7.139 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 2010, investments in term finance certificates exposed to interest rate risk are detailed in note 11.3 to the financial statements. Cash and cash equivalents are not subject to cash flow and fair value interest rate risk.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments is as follows:

	Carrying Amount	
	30 June 2010	30 June 2009
	--------------(Rupees)---------------	
Fixed rate investments (Note 11.4)	**502,863,722**	330,262,000
Variable rate investments (Note 11.3)	**71,886,925**	147,974,825

Cash flow sensitivity analysis for variable rate instruments

The Company holds KIBOR based interest bearing investments in term finance certificates. exposing the Company to cash flow interest rate risk.

For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Profit or loss before tax100 bp	
	Increase	(Decrease)
	--------------(Rupees)---------------	
As at 30 June 2010		
Cash flow sensitivity - variable rate instruments	**718,869**	**718,869)**
As at 30 June 2009		
Cash flow sensitivity - variable rate instruments	1,479,748	(1,479,748)

JS Global

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 2010 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 2010 can be determined from the following:

		30 June 2010				
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 and upto one year**	**More than one year**		
		----------------------------------(Rupees)----------------------------------				
Financial assets						
Long term loans advances and deposits	10 to 15	-	-	-	5,369,026	5,369,026
Short term investments	8.95 to 17.95	123,250,495	444,280,152	7,220,000	1,184,823,909	1,759,574,556
Trade debts - unsecured		-	-	-	351,209,537	351,209,537
Loans and advances	10 to 15	-	-	-	7,855,218	7,855,218
Deposits and short term prepayments		-	-	-	58,465,001	58,465,001
Interest and mark-up accrued		-	-	-	6,163,159	6,163,159
Other receivables		-	-	-	33,769,492	33,769,492
Cash and bank balances	0.745 to 11	-	-	-	562,958,484	562,958,484
		123,250,495	444,280,152	7,220,000	2,210,613,827	2,785,364,474
Financial liabilities						
Creditors, accrued expenses		-	-	-	196,529,065	196,529,065
and other liabilities		-	-	-	-	-
		-	-	-	196,529,065	196,529,065
On-balance sheet gap		123,250,495	444,280,152	7,220,000	2,014,084,762	2,588,835,409
Off balance sheet						
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		-	-	-	(405,845,769)	(405,845,769)
Bank guarantee		-	-	-	(400,000,000)	(400,000,000)
		-	-	-	(805,845,769)	(805,845,769)
Cumulative gap		123,250,495	567,530,647	574,750,647	1,782,989,640	1,782,989,640

		30 June 2009				
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 and upto one year	More than one year		
		---------------------------------(Rupees)---------------------------------				
Financial assets						
Long term loans, advances and deposits	8 to 12	-	-	429,081	3,463,213	3,892,294
Short term investments	8.95 to 13.06	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	8 to 12	-	660,026	-	325,941	985,967
Deposits and short term prepayments	8	-	-	-	-	-
Interest and mark-up accrued		-	-	-	14,957,132	14,957,132
Other receivables		-	-	-	63,487,913	63,487,913
Cash and bank balances	0.745 to 12.5	-	-	-	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		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

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company manages the equity price risk through diversification and purchase of securities in the ready market and simultaneous sale in the future market.

Presently, the Company holds equity instruments classified as 'at fair value through profit or loss' that expose the Company to equity risk. The table below summarises Company's market risk as of 30 June 2010 and 2009.It shows the effect of a 10% increase and 10% decrease in the market prices of equity investments as on those dates on Company's profit.

	Carrying Amount	
	30 June 2010	30 June 2009
	--------------(Rupees)---------------	
Investments		
Fair value through profit or loss (Note 11.1)	386,250,060	-

	Profit or loss	
	Increase	**(Decrease)**
	--------------(Rupees)---------------	
Sensitivity analysis		
30 June 2010	**38,625,006**	**(38,625,006)**
30 June 2009	-	-

29.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

29.5 Fair value of financial instruments

The Company's accounting policy on fair value measurements is discussed in note 2.2. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer price quotations.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Equity securities	863,797,669	-	-	863,797,669
Debt securities	-	574,750,647	-	574,750,647
	863,797,669	574,750,647	-	1,438,548,316
Available for sale				
Debt securities	-	321,026,240	-	321,026,240

29.6 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 is 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.

30. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have approved cash dividend of 50% (2009: 100%) amounting to Rs. 250 million (2009: Rs. 500 million) in their meeting held on 16 September 2010. This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 30 June 2010 do not include the effect of the appropriation which will be accounted for in the period in which it is declared.

31. GENERAL

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

Reclassification from	Reclassification to	30 June 2009 (Rupees)
Other receivables	**Interest and mark-up receivable**	
- Mark-up receivable on term deposit receipts	- Mark-up receivable on term deposit receipts	2,989,726
- Profit receivable on bank deposits	- Profit receivable on bank deposits	4,615,301
Capital gain on sale of investments	**Other operating income**	6,591,674

32. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors' meeting held on 16 September 2010.

Adil Matcheswala
Chairman / Director

Nadir Rahman
Chief Executive

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

As At June 30, 2010

Number of Shareholders		Share Holding From		Share Holding To	Total Shares Held
255	Shareholding from	1	to	100	10,838
417	Shareholding from	101	to	500	116,314
168	Shareholding from	501	to	1000	136,841
292	Shareholding from	1001	to	5000	592,142
47	Shareholding from	5001	to	10000	348,758
11	Shareholding from	10001	to	15000	138,449
5	Shareholding from	15001	to	20000	90,727
3	Shareholding from	20001	to	25000	69,779
3	Shareholding from	25001	to	30000	84,780
1	Shareholding from	30001	to	35000	32,373
1	Shareholding from	40001	to	45000	42,499
3	Shareholding from	45001	to	50000	149,799
1	Shareholding from	60001	to	65000	61,793
1	Shareholding from	70001	to	75000	72,999
1	Shareholding from	90001	to	95000	92,259
1	Shareholding from	95001	to	100000	100,000
1	Shareholding from	115001	to	120000	117,179
1	Shareholding from	215001	to	220000	218,797
1	Shareholding from	250001	to	255000	255,000
1	Shareholding from	310001	to	315000	310,198
1	Shareholding from	355001	to	360000	359,097
1	Shareholding from	380001	to	385000	383,757
1	Shareholding from	430001	to	435000	435,000
1	Shareholding from	630001	to	635000	630,975
1	Shareholding from	1675001	to	1680000	1,680,000
2	Shareholding from	21730001	to	21735000	43,469,647
1221					**50,000,000**

S.No.	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
1	Individuals	1158	4,431,675	8.86%
2	Investment Companies	51	43,940,937	87.88%
3	Banks	2	50,399	0.10%
4	Insurance Companies	5	956,851	1.91%
5	Joint Stock Companies	1	49,900	0.10%
6	Mudarabas and Mutual Funds	2	120,749	0.24%
7	Foreign Investor	0	-	0.00%
8	Other(s)			
	Mahvash and Jahangir Siddiqui foundation			
	Kaymo Trading (FZE)	2	449,489	0.90%
		1221	**50,000,000**	**100.00%**

* Includes 1147 CDC Beneficial Owner as per list appear on CDS.

DISCLOSURE TO PATTERN OF SHAREHOLDING As at June 30, 2010

Serial No.	Description	No. of Share Holders	No. of Shares Held
1	**Associated Companies, Undertakings and Related Parties**		
	M/s Jahangir Siddiqui & Company Limited	1	21,734,815
	Global Investment House	1	21,734,832
			43,469,647
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 Huwaij	1	4
	Mrs. Maha K. Al-Ghunaim	1	4
			15,778
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	1,127,999
7	**Joint Stock Companies & Others**	52	970,679
8	**Individuals**	1151	4,415,897

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
			43,469,647

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their Spouses and minor children during the period from July 01, 2009 to June 30, 2010

S.No	Name	Designation	Shares Bought	Shares Sold
1	Mr. Adil Matcheswala	Chairman	-	-
2	Mr. Shahid Hameed	Vice Chairman	-	-
3	Mr. G.M. Malkani *	Chief Executive Officer	-	-
4	Mr. Nadir Rahman *	Chief Executive Officer	-	-
5	Mr. Aslam Khaliq	Director	-	-
6	Mr. Ahsen Ahmed	Director	-	-
7	Syed Nadir Shah	Director	-	-
8	Mr. Omer M. El-Quqa	Director	-	-
9	Mr. Eyad N. Abu Huwaij	Director	-	-
10	Mrs. Maha K. Al-Ghunaim	Director	-	-
11	Mr. Naief Abdullatif S. Ahmad Mohammad	Director		
12	Mr. Danish Zahoor	Company Secretary	-	-
13	Minor family member / spouses		-	-

* Mr. G.M. Malkani resigned as CEO w.e.f. May 01, 2010 and Mr. Nadir Rahman was appointed as the new CEO w.e.f. May 03, 2010.

Form of Proxy
10th Annual General Meeting

The Company Secretary
JS Global Capital Limited
6th Floor, Faysal House, 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 14, 2010 and / or any Adjournment thereof.

As witness my / our hand / seal this ____________________ day of 2010.

Signed by ____________________________________

In the presence of ____________________________________

Witness:

1. Name ____________________
   Signature ____________________
   Address ____________________
   ____
   CNIC or
   Passport No. ____________________

2. Name ____________________
   Signature ____________________
   Address ____________________
   ____
   CNIC or
   Passport No. ____________________

Signature on
Rs.5/-
Revenue Stamp

The Signature should agree with the specimen registered with 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.

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Global Capital Limited

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