



 **JS Global**
JS Global Capital Limited

Half Yearly Report
December 31, 2008
(Un-audited)

Half Yearly Report



Contents

Company Information	02
Directors' Report to the Members	03
Independent Auditors' Report on review of Condensed Interim Financial Information to the Members	05
Condensed Interim Balance Sheet	07
Condensed Interim Profit & Loss Account	09
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12

Company Information

Board of Directors

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

Audit Committee

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

Executive Committee

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

CFO & Company Secretary

Mr. Danish Zahoor

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditor

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Bankers

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

Legal Advisor

Bawaney & Partners

Share Registrar

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

Registered Office

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

Director's Report to the Members

The directors would like to present to you the un-audited financial statements of JS Global Capital Limited (the "Company") for the six months period ended December 31, 2008 together with the comparative figures for the corresponding period of the last year.

ECONOMIC REVIEW

Pakistan's economy seems to be turning the corner after a difficult FY08 and initial months of FY09. The global economic meltdown has resulted in a steep fall in international commodity prices hence easing external account pressures, with both current account and trade deficit falling by a massive 32% and 43% respectively on a MoM basis in December 2008. More encouragingly inflationary pressures have started receding with CPI inflation falling to 23.3% in December 2008 after peaking at 25.3% in August 2008.

The improvement in the external account has been reflected by an improvement in the foreign exchange reserves which after falling to a 7 year low of US\$6.6bn in November 2008 have risen sharply to US\$10bn due to a combination of US\$3.1bn IMF funding and a reduction in the balance of payment pressures. External rating agencies have also welcomed the stability in foreign exchange reserves with an upgrade by one notch to CCC+ by S&P in December 2008 after downgrading Pakistan ratings by 4 notches during 2008. On the fiscal front, tax collections have been encouraging, rising by 25% to Rs. 543bn in 1HFY09, while fiscal deficit has been contained to 1% of GDP in 1QFY09. Moving ahead, we expect the global economic meltdown will keep commodity prices suppressed, which along with expected external flows will help foreign exchange reserves and the Rupee to remain stable.

THE STOCK MARKET REVIEW

The calendar year 2008, has been one of the most turbulent periods ever witnessed for equity markets as share prices plunged a massive 58% in Pakistan. This fall in the stock market was magnified particularly in the second half of the year as the market capitalization fell by a massive 52%. The domestic economy could not sustain the dual pressures brought about by a volatile political environment and the global economic crisis which drove negative sentiments throughout the period. Moreover, imposition of the price freeze mechanism on the Karachi Stock Exchange for three and a half months during 1HFY09 further dented investor confidence as the market fell by massive 36% in 12 trading session after the lifting of the freeze. Foreign investors in particular were unhappy with the artificial price floor mechanism as Pakistan was excluded from the MSCI Emerging Market Index on account of lack of price discovery. Record foreign selling was seen during 1HFY09 as foreign investors bought equities worth US\$305mn and sold equities worth US\$481mn, resulting in a net selling of US\$176mn. Since the freeze was active during most of 1HFY09, average daily volumes in the ready market fell to record lows and the only activity seen was in the off market. Average daily volumes in the ready market during 1HFY09 were recorded at 40.8mn shares down 84%YoY.

OPERATING PERFORMANCE

Our Company has reported a loss before tax of Rs. 433.798 million and loss after tax of Rs. 268.050 million for the six months as compared to profit before tax of Rs. 313.194 million and profit after tax of Rs. 256.188 million for the same period last year. Loss per share for the six months period was Rs. 5.36 as compared to earnings per share of Rs. 5.12 per share for the same period last year (after impact of bonus shares). The primary reason for the declaration of a loss is the provision of Rs. 580.668 million made by the company

against doubtful trade receivable balances. The management is doing its utmost to recover the amount from clients and remain confident that majority of the receivables would eventually be recovered.

It is important to note that the operating revenue for the six months period was only lower by 51.61% in spite of a technical shut down in the activities of our largest business unit i.e. Equity Brokerage for almost three and a half months. This was due to good performances shown by the Fixed Income and the Foreign Exchange Trading departments as well as increased market share being captured by the Equity Brokerage department. Despite the medium term negative outlook on the Economy and the Capital Markets our Company plans on maintaining its focus on institution building by further strengthening its core business units, increasing market share in all departments and remaining constantly in search of innovative financial products and services.

FUTURE OUTLOOK

In spite of the crisis facing the capital markets and the economy at present, we remain dedicated to the rebuilding process and the eventual return to a stable outlook for the economy. In spite of what happens in the short term we are confident that the company will maintain its growth momentum in the long run and continue to build shareholder value as it always has in the past.

ACKNOWLEDGEMENT

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

On behalf of the Board

Karachi: February 25, 2009

Adil Matcheswala
Chairman

Independent Auditors' Report on review of Condensed Interim Financial Information to the Members



Introduction

We have reviewed the accompanying condensed interim balance sheet of JS Global Capital Limited ("the Company") as at 31 December 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the three months period ended 31 December 2008 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Karachi: February 25, 2009

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

**Condensed Interim
Financial Statements**

Condensed Interim Balance Sheet As at 31 December 2008

	<i>Note</i>	31 December 2008 (Un-audited)	30 June 2008 (Audited)
----- (Rupees) -----			
CAPITAL AND RESERVES			
Share capital			
Authorised 150,000,000 (June 2008: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up capital	<i>5</i>	500,000,000	357,145,500
Share premium		1,810,104,900	1,952,959,400
Unappropriated profit		549,174,152	995,796,550
Unrealised loss on remeasurement of available-for-sale investments at fair value - net		<u>(16,071,131)</u> 2,843,207,921	<u>(23,686,148)</u> 3,282,215,302
LIABILITIES			
Non Current Liabilities			
Deferred taxation		-	1,440,366
Current liabilities			
Creditors, accrued expenses and other liabilities	<i>6</i>	764,327,159	2,264,113,388
Interest and mark-up accrued	<i>7</i>	61,574	15,067,150
Provision for taxation		151,423,450	115,138,087
		915,812,183	2,394,318,625
Commitments	<i>8</i>		
		<u>3,759,020,104</u>	<u>5,677,974,293</u>

Condensed Interim Balance Sheet As at 31 December 2008

	<i>Note</i>	31 December 2008 (Un-audited)	30 June 2008 (Audited)
----- (Rupees) -----			
ASSETS			
Non Current assets			
Property and equipment	<i>9</i>	68,825,672	72,321,711
Intangible assets		21,304,971	21,573,291
Long term loans, advances and deposits		4,542,828	4,527,628
Deferred taxation	<i>10</i>	200,593,161	-
		<u>295,266,632</u>	<u>98,422,630</u>
Current assets			
Short term investments	<i>11</i>	417,701,492	708,110,076
Trade debts - unsecured	<i>12</i>	1,206,902,650	1,982,717,833
Loans and advances	<i>13</i>	26,436,709	925,854,154
Deposits and short-term prepayments	<i>14</i>	257,446,065	1,031,745,763
Mark-up receivable		13,147,850	7,556,684
Other receivables		72,843,665	38,745,748
Advance tax		173,399,205	146,712,990
Receivable under reverse repurchase transactions	<i>15</i>	121,047,732	530,106,289
Cash and bank balances	<i>16</i>	1,174,828,104	208,002,126
		<u>3,463,753,472</u>	<u>5,579,551,663</u>
		<u>3,759,020,104</u>	<u>5,677,974,293</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

 **JS Global**

Condensed Interim Profit & Loss Account (Un-audited) For the six months period ended 31 December 2008

	Note	Six Months Period Ended		Three Months Period Ended	
		31 December 2008	31 December 2007	31 December 2008	31 December 2007
		------(Rupees)-----		------(Rupees)-----	
Operating revenue	17	156,490,367	323,414,039	36,179,801	178,853,744
Income from reverse repurchase / continuous funding system transactions		32,540,367	86,840,385	8,867,499	41,502,550
Capital gain on sale of investments		41,903,082	32,943,325	26,876,639	16,114,027
(Loss) / gain on revaluation of investments carried at fair value through profit or loss - net		(1,600,710)	5,015,873	(7,791,465)	2,057,471
		229,333,106	448,213,622	64,132,474	238,527,792
Administrative and operating expenses		(173,054,040)	(204,847,082)	(74,524,864)	(104,598,798)
Bad debts written off directly		(8,859,797)	-	(8,859,797)	-
Provision for doubtful debts	12.1	(580,668,173)	-	(557,380,482)	-
		(533,248,904)	243,366,540	(576,632,669)	133,928,994
Other operating income	18	106,756,300	74,863,507	68,654,386	55,873,394
		(426,492,604)	318,230,047	(507,978,283)	189,802,388
Provision for Workers' Welfare Fund		(3,056,618)	-	(3,056,618)	-
Finance cost		(4,248,591)	(5,036,252)	(1,000,275)	(4,245,472)
(Loss) / profit before taxation		(433,797,813)	313,193,795	(512,035,176)	185,556,916
Taxation - current		(36,285,362)	(56,691,974)	(24,172,589)	(38,569,454)
- deferred		202,033,527	(313,615)	199,425,570	(782,381)
		165,748,165	(57,005,589)	175,252,981	(39,351,835)
(Loss) / profit after taxation		(268,049,648)	256,188,206	(336,782,195)	146,205,081
			(Restated)		(Restated)
(Loss) / earnings per share - basic and diluted	19	(5.36)	5.12	(6.74)	2.92

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

Condensed Interim Cash Flow Statement (Un-audited) For the six months period ended 31 December 2008

	31 December 2008	31 December 2007
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(433,797,813)	313,193,795
Adjustments for:		
Depreciation	10,444,752	8,190,403
Gain on sale of property and equipment	(2,015,026)	(341,349)
Amortisation of intangible assets	268,320	268,316
Loss / (gain) on revaluation of investments carried at fair value through profit or loss - net	1,600,710	(5,015,873)
Provision for doubtful debts	580,668,173	-
Bad debts written off directly	8,859,797	-
Provision for Workers' Welfare Fund	3,056,618	-
Finance cost	4,248,591	4,658,811
	607,131,935	7,760,308
Profit before working capital changes	173,334,122	320,954,103
Decrease / (increase) in operating assets:		
Trade debts - unsecured	186,287,213	17,796,018
Loans and advances	899,417,445	414,831
Deposits and short term prepayments	774,299,698	229,500,000
Mark-up receivable	(5,591,166)	(13,021)
Other receivables	(34,097,917)	(59,932,775)
	1,820,315,273	187,765,053
(Decrease) in current liabilities (creditors, accrued expenses and other liabilities)	(1,503,187,174)	(87,549,103)
Cash generated from operations	490,462,221	421,170,053
Mark-up paid	(19,254,167)	(3,571,809)
Dividend paid	(178,228,423)	(237,797,472)
Taxes paid	(26,686,214)	(61,101,017)
Net cash generated from operating activities	266,293,417	118,699,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(8,321,672)	(17,432,682)
Purchase of software	-	(109,921)
Proceeds from disposal of property and equipment	3,387,985	3,876,000
Long term loans, advances and deposits	(15,200)	658,319
Advance for purchase of shares	-	(941,033,750)
Short term investments	296,422,891	(294,484,043)
Net cash generated from / (used in) investing activities	291,474,004	(1,248,526,077)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of term finance certificate	-	936,751,824
Receivable under reverse repurchase transactions	409,058,557	457,277,432
Net cash generated from financing activities	409,058,557	1,394,029,256
Net increase in cash and cash equivalents	966,825,978	264,202,934
Cash and cash equivalents at the beginning of the period	208,002,126	(140,356,424)
Cash and cash equivalents at the end of the period	1,174,828,104	123,846,510
Cash and cash equivalents comprise:		
Cash and bank balances	1,174,828,104	613,722,177
Running finance under mark-up arrangements - secured	-	(489,875,667)
	1,174,828,104	123,846,510

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive

 **JS Global**

Condensed Interim Statement of Changes in Equity (Un-audited) For the six months period ended 31 December 2008

	Capital Reserves		Revenue Reserves		Total	
	Issued, subscribed and paid up capital	Reserve for Issue of bonus shares	Share Premium	Unrealized loss on remeasurement of available for sale investments at fair value		Unappropriated profit
----- (Rupees) -----						
Balance as at 01 July 2007	238,097,000	-	2,072,007,900	-	788,332,175	3,098,437,075
Reserves for issue of bonus shares 2006-2007	-	119,048,500	(119,048,500)	-	-	-
Issues of bonus shares @ 50%	119,048,500	(119,048,500)	-	-	-	-
-Final dividend for the year ended 30 June 2007 @ Rs.10 per ordinary share	-	-	-	-	(238,097,000)	(238,097,000)
Profit for the six months period ended 31 December 2007	-	-	-	-	256,188,206	256,188,206
Effect of remeasurement of available for sale investments at fair value	-	-	-	(37,258,925)	-	(37,258,925)
Total recognised income and expenses for the six months period ended 31 December 2007	-	-	-	(37,258,925)	256,188,206	218,929,281
Balance as at 31 December 2007	357,145,500	-	1,952,959,400	(37,258,925)	806,423,381	3,079,269,356
-Interim dividend for the six months period ended 31 December 2007 @ Rs.5 per ordinary share	-	-	-	-	(178,572,750)	(178,572,750)
Profit for the six months period ended 30 June 2008	-	-	-	-	367,945,919	367,945,919
Effect of remeasurement of available for sale investments at fair value	-	-	-	13,572,777	-	13,572,777
Total recognised income and expenses for the six months period ended 30 June 2008	-	-	-	13,572,777	367,945,919	381,518,696
Balance as at 30 June 2008	357,145,500	-	1,952,959,400	(23,686,148)	995,796,550	3,282,215,302
Reserves for issue of bonus shares 2007-2008	-	142,854,500	(142,854,500)	-	-	-
Issues of bonus shares @ 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)
Loss for the six month period ended 31 December 2008	-	-	-	-	(268,049,648)	(268,049,648)
Effect of remeasurement of available for sale investments at fair value	-	-	-	7,615,017	-	7,615,017
Total recognised income and expenses for the six months period ended 31 December 2008	-	-	-	7,615,017	(268,049,648)	(260,434,631)
Balance as at 31 December 2008	500,000,000	-	1,810,104,900	(16,071,131)	549,174,152	2,843,207,921

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements (Un-audited) For the six months period ended 31 December 2008

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

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

These financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2008.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

31 December 2008 (Un-audited)	30 June 2008 (Audited)		31 December 2008 (Un-audited)	30 June 2008 (Audited)
----- (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	15,704,850	Ordinary shares of Rs.10/- issued as fully paid bonus shares	299,903,000	157,048,500
<u>50,000,000</u>	<u>35,714,550</u>		<u>500,000,000</u>	<u>357,145,500</u>

The shareholders of the Company in their Eighth Annual General Meeting held on 27 September 2008 approved 39.998965% bonus issue and cash dividend 50% held by those ordinary shareholders of the Company who were registered in the books of the Company and the entitlement list provided by the Central Depository Company of Pakistan Limited (CDC) at the close of business on 19 September 2008.

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	----- (Rupees) -----	
Creditors for sale of shares on behalf of clients	715,561,015	2,163,967,370
Accrued expenses	21,071,342	27,633,072
Provision for staff bonus	6,110,000	30,803,928
Unclaimed dividend	1,257,058	912,731
Retention money	799,151	804,031
Unrealized loss on derivatives	-	8,145,387
Advance fee from clients	7,069,503	21,193,936
Provision for Workers' Welfare Fund	3,056,618	-
Others	9,402,472	10,652,933
	<u>764,327,159</u>	<u>2,264,113,388</u>
7. INTEREST AND MARK-UP ACCRUED		
Accrued mark-up on running finance	71 61,574	15,067,150

7.1 It includes mark-up on running finance payable to JS Bank Limited amounting to Rs. 61,419 (30 June 2008: Rs. 10.658 million).

7.2 The Company has aggregate running finance facilities from various banks of Rs. 2,750 million (30 June 2008: 2,750 million) under mark-up arrangements. Mark-up rate varies from KIBOR plus 2% to 4.5% per annum (30 June 2008: KIBOR plus 1% to 2.5% per annum) with a floor ranging from 10% to 12.50% per annum (30 June 2008: 10% to 12.5% per annum). These arrangements would remain valid for varying periods upto 30 April 2009 and are secured by pledge of listed securities.

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
------(Rupees)-----		
8. COMMITMENTS		
Continuous Funding System transactions (including transactions to be rolled over) entered into by the Company in respect of which the purchase transactions has not been settled	<u>-</u>	<u>16,918,521</u>
Future sale transactions of equity securities entered into by the Company in respect of which the sale transaction has not been settled	<u>-</u>	<u>409,725,810</u>
Commitment for purchase of software (USD 25,000)	<u>1,972,500</u>	<u>1,695,500</u>
Bank guarantee in favour of Karachi Stock Exchange (Guarantee) Limited and National Clearing Company of Pakistan Limited	<u>550,000,000</u>	<u>-</u>
Commitments in respect of reverse repurchase arrangement	<u>102,305,800</u>	<u>-</u>
9. PROPERTY AND EQUIPMENT		
Following is the cost of property and equipment that have been added / disposed off during the six months period ended 31 December 2008:		
	31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
------(Rupees)-----		
<u>Additions:</u>		
Office equipments	4,213,619	6,641,246
Office furniture	-	285,000
Motor vehicles	4,108,053	3,083,061
Capital work in process	-	7,423,375
	<u>8,321,672</u>	<u>17,432,682</u>
<u>Disposals:</u>		
Motor vehicles	5,148,180	4,698,731
Office equipment	-	87,000
	<u>5,148,180</u>	<u>4,785,731</u>
10. DEFERRED TAXATION	31 December 2008 (Un-audited)	30 June 2008 (Audited)
------(Rupees)-----		
Taxable temporary difference		
Accelerated depreciation for tax purposes	(4,054,910)	(1,768,055)
Deductible temporary difference		
Difference in accounting and tax base of intangible assets	139,784	48,907
Provision for doubtful debts	<u>204,508,287</u>	<u>278,782</u>
	<u>200,593,161</u>	<u>(1,440,366)</u>

	<i>Note</i>	31 December 2008 (Un-audited)	30 June 2008 (Audited)
11. SHORT TERM INVESTMENTS		------(Rupees)-----	
Financial assets at fair value through profit or loss			
Held for trading			
Quoted equity securities		608,977	402,427,200
Quoted term finance certificates	<i>11.1</i>	46,711,304	-
Available for sale			
Unquoted term finance certificates		126,000,000	70,000,000
Quoted preference shares	<i>11.2</i>	<u>244,381,211</u>	<u>235,682,876</u>
		<u>417,701,492</u>	<u>708,110,076</u>

11.1 Quoted - Term finance certificates

Number of certificates		Name of Company	31 December 2008		30 June 2008
31 December 2008	30 June 2008		Average Cost (Un-audited) ------(Rupees)-----	Fair Value (Un-audited)	Fair Value (Audited) (Rupees)
9,000	-	Bank Al-Habib Limited (7 February 2007)	43,294,117	42,230,861	-
1,000	-	Bank Al-Falah Limited (25 November 2005)	4,454,389	4,480,843	-
			<u>47,748,506</u>	<u>46,711,704</u>	-
		Unrealised loss on remeasurement at fair value	<u>(1,036,802)</u>	-	-
<u>10,000</u>	<u>-</u>		<u>46,711,704</u>	<u>46,711,704</u>	<u>-</u>

11.2 Quoted - Preference shares

Number of shares		Name of Company	31 December 2008		30 June 2008
31 December 2008	30 June 2008		Average Cost (Un-audited) ------(Rupees)-----	Fair Value (Un-audited)	Fair Value (Audited) (Rupees)
6,949,320	6,949,320	Pakistan International Containers Terminal Limited	<i>11.2.1</i>	69,493,200	55,594,560
21,331,825	21,208,042	Azgard Nine Limited	<i>11.2.2</i>	190,959,142	188,786,651
				<u>260,452,342</u>	<u>244,381,211</u>
		Unrealised loss on remeasurement at fair value		<u>(16,071,131)</u>	-
<u>28,281,145</u>	<u>28,157,362</u>			<u>244,381,211</u>	<u>244,381,211</u>
				<u>244,381,211</u>	<u>235,682,876</u>

11.2.1 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.

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

	Note	31 December 2008 (Un-audited)	30 June 2008 (Audited)
------(Rupees)-----			
12.	TRADE DEBTS - unsecured		
	Considered good		
	- purchase of shares on behalf of clients	1,196,778,986	1,968,329,120
	- advisory services	-	1,786,150
	- forex and fixed income commission	10,123,664	12,602,563
	Considered doubtful	<u>584,309,392</u>	<u>3,641,219</u>
		1,791,212,042	1,986,359,052
	Provision for doubtful debts	<i>12.1</i> (584,309,392)	(3,641,219)
		<u>1,206,902,650</u>	<u>1,982,717,833</u>
12.1	Provision for doubtful debts		
	Opening balance	3,641,219	-
	Charge for the period	580,668,173	3,641,219
	Closing balance as at 31 December	<u>584,309,392</u>	<u>3,641,219</u>
13.	LOANS AND ADVANCES		
	Current maturity of long term loans - secured	495,853	369,095
	Advances - staff	940,856	485,059
	Advance against subscription and offer for sale of shares	-	900,000,000
	Advance against purchase of units	<i>13.1</i> 25,000,000	25,000,000
		<u>26,436,709</u>	<u>925,854,154</u>
13.1	This represents advance given to Crosby Phoenix Fund for pre-IPO investment in the fund. The fund has not yet been launched.		
14.	DEPOSITS AND SHORT-TERM PREPAYMENTS		
	Deposits	<i>14.1</i> 250,085,007	1,020,502,119
	Prepayments	5,331,630	9,214,216
	Advance payment for software	2,029,428	2,029,428
		<u>257,446,065</u>	<u>1,031,745,763</u>
14.1	This represents deposit with National Clearing Company of Pakistan Limited against CFS exposure and mark to market loss.		
15.	RECEIVABLE UNDER REVERSE REPURCHASE TRANSACTIONS		
	Continuous Funding System	<i>15.1</i> 21,047,732	530,106,289
	Reverse repurchase transaction	<i>15.2</i> 100,000,000	-
		<u>121,047,732</u>	<u>530,106,289</u>
15.1	These have rates of return ranging from 15.98% to 17.94% per annum (30 June 2008: 13.91% to 28.97% per annum) with maturities ranging from overnight to 22 trading days. These have been subsequently recovered.		
15.2	This represents reverse repurchase transaction with KASB Liquid Fund against term finance certificates for a period from 18 December 2008 to 19 January 2009 at an interest rate of 26.30% per annum. The amount has been subsequently recovered.		

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
16. CASH AND BANK BALANCES	------(Rupees)-----	
Cash with banks:		
- Current accounts	114,349,810	4,802,756
- PLS accounts	601,453,731	193,461,740
- Term deposit receipts	450,000,000	-
- Foreign currency deposit accounts	8,910,563	9,623,630
	1,174,714,104	207,888,126
Cash in hand	114,000	114,000
	<u>1,174,828,104</u>	<u>208,002,126</u>
16.1	It includes term deposit receipts from JS Bank Limited amounting to Rs. 300 million (June 2008: Nil) at rates of 12.65 % per annum (30 June 2008: Nil) with maturity in August 2009.	
17. OPERATING REVENUE	31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
	------(Rupees)-----	
Brokerage and operating income	142,358,767	315,799,173
Advisory and consultancy fee	14,131,600	7,614,866
	<u>156,490,367</u>	<u>323,414,039</u>
18. OTHER OPERATING INCOME		
Income from financial assets		
Dividend income on preference shares	13,005,723	33,472,806
Mark-up / Income on TFCs	8,575,028	1,119,725
Mark-up / Income on reverse repurchase transaction	1,008,768	-
Profit on PLS accounts	32,382,152	13,752,759
Profit on term deposit receipts	46,307,607	-
Return on cash margin on future contracts	528,423	7,773,321
Exchange gain on foreign currency deposit accounts	892,935	-
Late payment charges	1,244,791	17,675,493
Mark-up on pre-IPO investments and management fee	758,178	259,738
	104,703,605	74,053,842
Income from non-financial assets		
Gain on sale of property and equipment	2,015,026	341,349
Commission on mutual fund sales	-	432,466
Other income	37,669	35,850
	<u>2,052,695</u>	<u>809,665</u>
	<u>106,756,300</u>	<u>74,863,507</u>

	31 December 2008 <i>Note</i> (Un-audited)	31 December 2007 (Un-audited)
19. (LOSS) / EARNINGS PER SHARE - basic and diluted		
(Loss) / profit after taxation	<i>Rupees</i> (268,049,648)	256,188,206
Weighted average number of shares	<i>Number</i> 50,000,000	(Restated) 50,000,000
(Loss) / earnings per share - basic and diluted	<i>Rupees</i> (5.36)	5.12

20. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, group companies, associated companies, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Transactions with related parties are entered into at rates negotiated with them.

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

	31 December 2008 (Un-audited)	31 December 2007 (Un-audited)
	------(Rupees)-----	
Brokerage and advisory income earned from:		
- Directors	27,525	104,750
- Associated companies	10,959,138	20,804,905
- Related parties	1,800,728	11,393,242
Contribution to staff retirement fund	1,639,021	1,142,355
Payments on account of expenses		
- Associated companies	13,774,376	13,371,981
- Related parties	1,106,726	9,262,910
Royalty	5,000,001	1,562,501
Key management compensation	11,962,240	12,281,286
Income on term finance certificates	-	1,119,725
Capital gain on sale of units of JS Income Fund	4,912,052	-
Mark-up on running finance	302,551	-
Dividend on preference shares	9,509,063	-
Profit on PLS accounts	7,854,797	-

	31 December 2008 (Un-audited)	30 June 2008 (Audited)
	----- (Rupees) -----	
Investment in preference shares	<u>190,959,142</u>	<u>189,875,824</u>
Purchase of units of JS Income Fund	<u>350,000,000</u>	<u>-</u>
Sale of units of JS Income Fund	<u>354,912,052</u>	<u>-</u>
Sale of property and equipment - cost	<u>-</u>	<u>1,139,580</u>
Term deposit Receipts	<u>300,000,000</u>	<u>-</u>
Cash at bank	<u>6,560,699</u>	<u>115,716,148</u>
Receivable from related parties		
- Associated companies	<u>1,168,884</u>	<u>153,829,174</u>
- Related parties	<u>40,825,350</u>	<u>8,708,405</u>
Payable to related parties		
- Associated companies	<u>202,406</u>	<u>568,524,088</u>
- Related parties	<u>17,865,830</u>	<u>15,342,276</u>

21. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Nil (31 December 2007: 50%) for the six months ended 31 December 2008, amounting to Rs. Nil (31 December 2007: Rs. 178.573 million) respectively in their meeting held on February 25, 2009.

22. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on February 25, 2009 by the Board of Directors of the Company.

Adil Matcheswala
Chairman / Director

G.M. Malkani
Chief Executive



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