



EXCELLENCE **BEYOND PAR**

ANNUAL REPORT 2020



TABLE OF CONTENT

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

Company Profile	01
Principle Business Activities	01
Calendar of Major Events	02
Journey So Far	03
Mission, vision, corporate culture and core values	04
Geographical Presence	06
Organizational Structure	07
Company Information	08

STAKEHOLDER RELATIONSHIP AND ENGAGEMENT

Stakeholders' Relationship and Engagement	14
Stakeholder Engagement Policy and Procedures	16
Encouraging Minority Shareholders to Attend General Meetings	16
Investors' Relations section on the corporate website	16

STRATEGY, KEY PERFORMANCE INDICATORS

Corporate Strategy	20
Key Markets	21
Key Services	21

RISKS AND OPPORTUNITIES

Risk Management Framework	24
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CORPORATE GOVERNANCE

Profile of Board of Directors	28
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019 ('The Regulations')	38
Notice of Annual General Meeting	43
Business continuity and disaster recovery plan	50
Shares held by sponsors / directors / executives:	50
Chairman's review	52
Report of the Audit Committee	53
Auditor's Report on CCG	56
Swot Analysis	57

DIRECTORS' REPORT	60
CORPORATE SOCIAL RESPONSIBILITY	69

FINANCIALS

Analysis of Financial Statements	72
Vertical Analysis	75
Horizontal Analysis	77
Cash Flows Analysis	78
Quarterly Analysis	80
Dupont Analysis	82
Independent auditor's review report	83
Financial Statements	88
Pattern of Shareholding	142
Chairman's Review (Urdu)	145
Director's Report (Urdu)	151
About Us	152
Form of Proxy	155

COMPANY PROFILE

JS Global Capital Limited ('JS Global' or 'the Company') is arguably one of the largest Brokerage and Investment Banking firm in Pakistan with a continued leadership position in the domestic capital markets. JS Global is listed at Pakistan Stock Exchange Limited ('PSX') and JS Bank Limited ('JSBL' or 'the Bank') is the major sponsor shareholder.

JS Global was incorporated as a private limited company on June 28, 2000. However, the Company commenced its 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 ('JSCL') offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange (Guarantee) Limited on February 7, 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 July 11, 2006. Securities and Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated July 19, 2006 gave its approval in principle to the scheme of the transaction.

During the year 2012, JSBL, a subsidiary of JSCL, acquired 25,525,169 shares of the Company from JSCL and other shareholders against issuance of 185,321,537 shares in lieu thereof. As a result, the principle ownership of the Company was transferred to the Bank. Presently, the Company is a subsidiary of JS Bank Limited.

During the year 2015, three Stock Exchanges namely Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange were integrated into Pakistan Stock Exchange (PSX). As a result, the Company is a Trading Right Entitlement (TRE) Certificate holder of Pakistan Stock Exchange besides being a member of Pakistan Mercantile Exchange.

The Company operates through eight branches: Two in Karachi, while one each in Lahore, Islamabad, Hyderabad, Multan, Peshawar and Faisalabad besides head (registered) office based in Karachi.

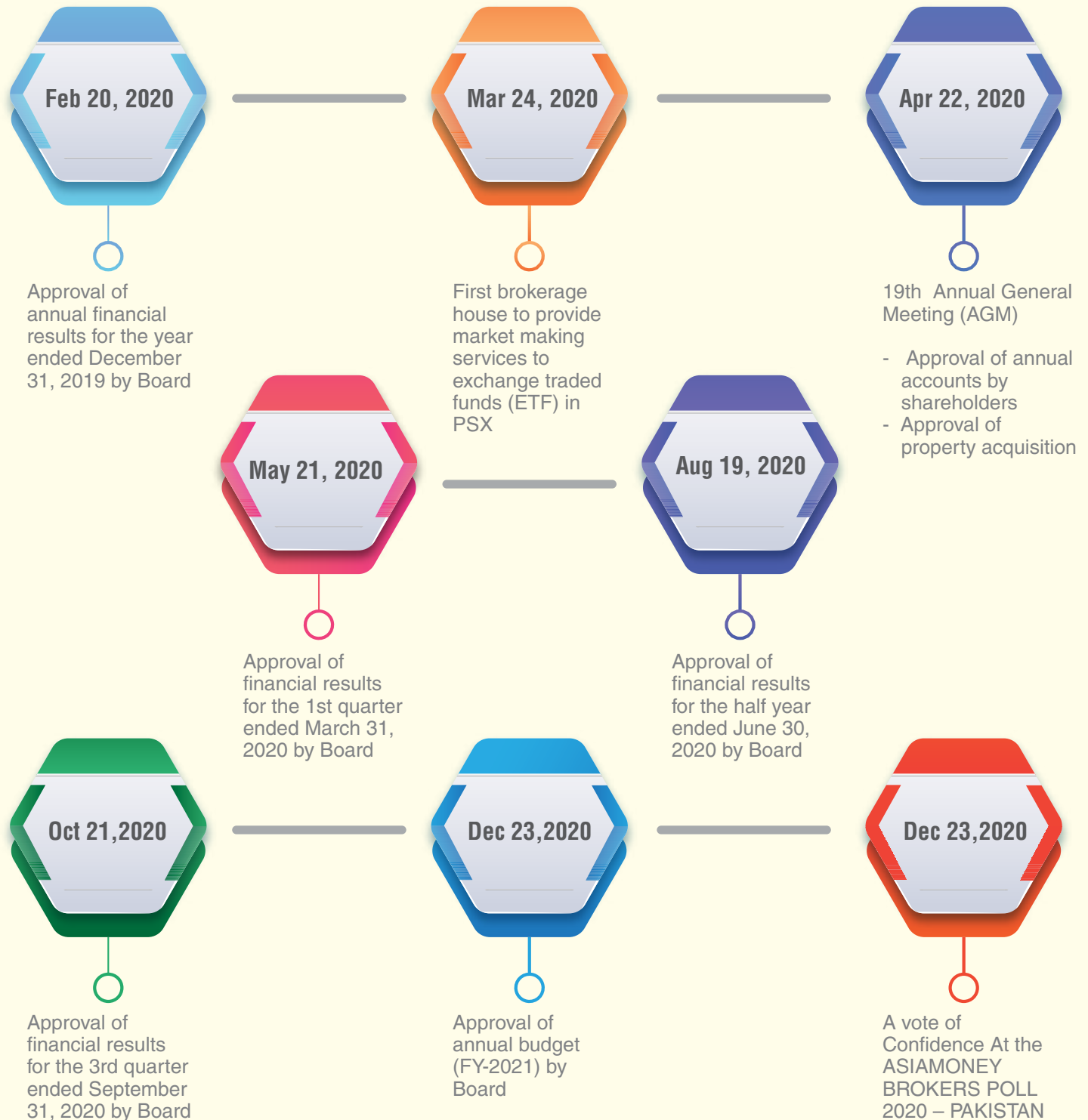
The registered office of the Company is situated at The Center, 17th & 18th Floor, Plot No. 28, S.B.5, Abdullah Haroon Road, Karachi.

PRINCIPLE BUSINESS ACTIVITIES

The principal business activities of the Company are Equity share brokerage, Money Market, Forex, Commodity brokerage, Advisory, Underwriting, Book Runner and Consultancy services.

Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions.

CALENDAR OF MAJOR EVENTS



JOURNEY SO FAR

1991

BUSINESS
ESTABLISHED

First brokerage house of Pakistan Stock Exchange to corporatize itself in 1991

1993

FOREIGN
PARTNER

First brokerage firm to have a foreign equity house partner in 1993

2001

ADVISOR - ICI AND
PACKAGES TFC

First brokerage firm to be appointed as Arranger and Advisor for ICI and Packages TFC in 2001

2001

ADVISOR - ICI AND
PACKAGES TFC

First brokerage firm to be appointed as Arranger and Advisor for ICI and Packages TFC in 2001

2003

PRIMARY
DEALER BY SBP

First brokerage firm to be appointed as Primary Dealer by State Bank of Pakistan in 2003

2006

MARKET MAKER
FOR MOBILINK TFC

First brokerage house to act as Market Maker for Mobilink TFC in 2006

2008

BOOK BUILDING
FOR NEW LISTINGS

First brokerage firm to introduce book building for new listings in Pakistan in 2008

2009

FINANCIAL
INFORMATION
EXCHANGE

First brokerage firm to introduce Financial Information Exchange (FIX) in 2009

2009

INTERNATIONALLY
SOFTWARE
SOLUTION

First brokerage firm to introduce an internationally acclaimed software solution in 2009

2013

MULTI-EXCHANGE
TRADING SOLUTION

First brokerage firm to introduce a multi-exchange trading solution in 2013 – PSX & PMEX

2013

MARGIN
FINANCING
SYSTEM

First brokerage firm to introduce Margin Financing System in 2013

2015

NCS ACCOUNTS
OF NCCPL

First brokerage firm to introduce NCS accounts of National Clearing Company Limited in 2015

2015

NCS ACCOUNTS
OF NCCPL

First brokerage firm to introduce DSS accounts of Central Depository Company in 2015

2016

INVESTMENT
CONFERENCE

First & only brokerage firm to hold an investment conference in collaboration with the Govt. and PSX in favor of the Reclassification of Pakistan into the MSCI Emerging Markets Index in 2016, which has successfully been materialized.

2017

COMMERCIAL
PAPER

First & only brokerage firm to issue a Commercial Paper – PKR 1,000 mn

2018

AGP IPO

JS Global Capital Limited, in its capacity as a consultant to the issue successfully carried out IPO of AGP Limited, Pakistan's largest IPO of Pharmaceutical Sector.

2019

CFA AWARDS

JSGCL was honored this year by the grace of the Almighty at the 16th CFA Awards, as it was the recipient of a record 5 awards, clean sweeping the event in a feat that is unmatched to this date.

2020

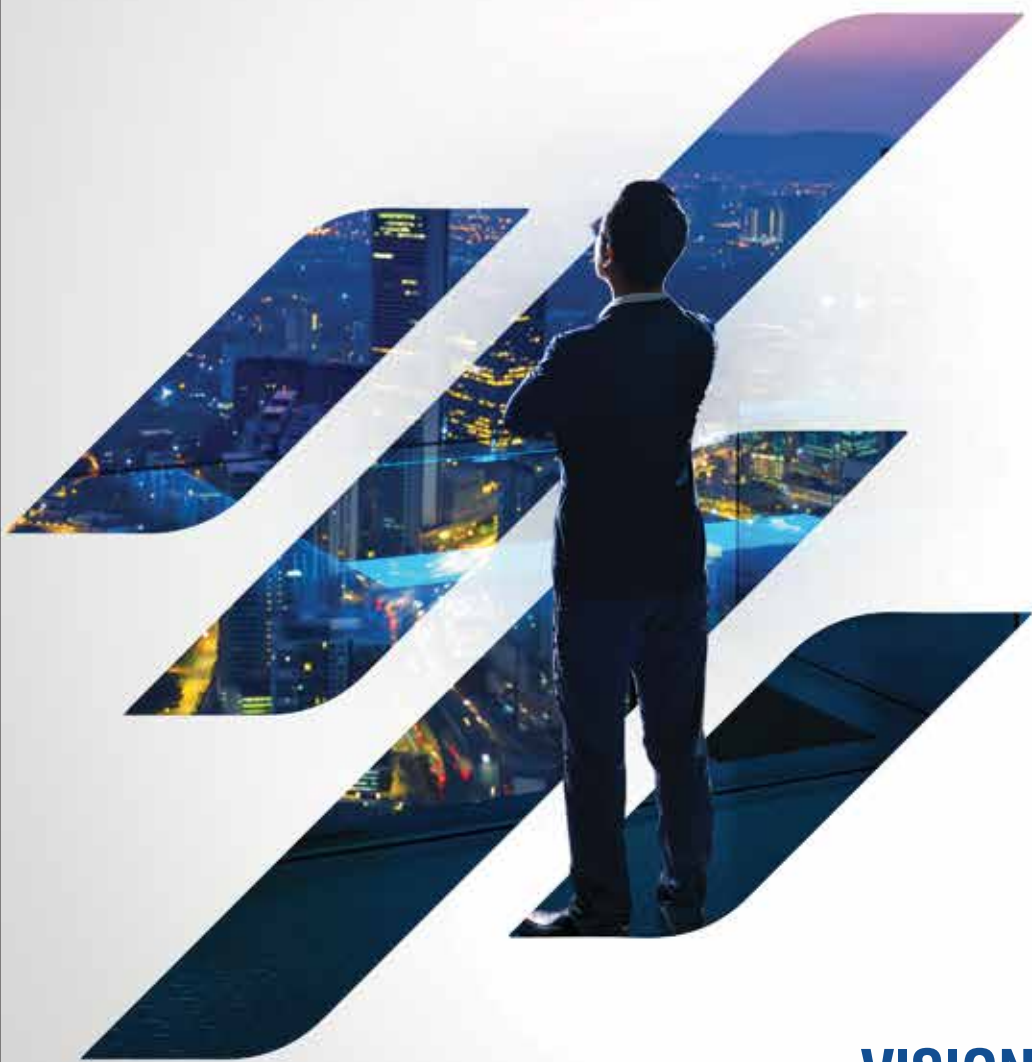
EXCHANGE TRADED
FUNDS

First brokerage house to provide market making services to exchange traded funds in PSX

2020

ASIAMONEY - A VOTE
OF CONFIDENCE

Asiamoney, UK's leading business and financial publications of Asia, has awarded top honors to JSGCL in their Asiamoney Broker's Poll for 2020.



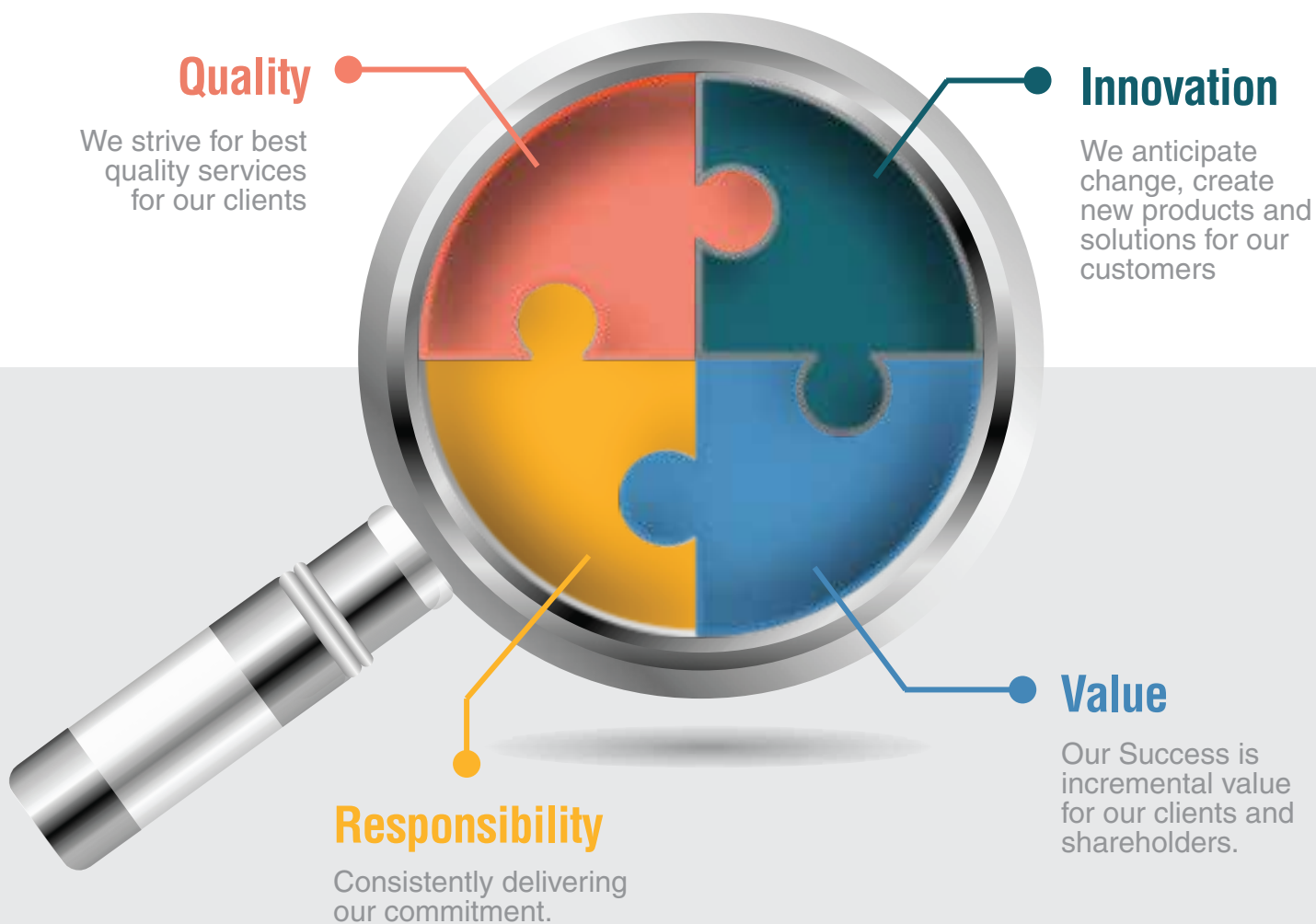
VISION

To be the leader in the financial service sector

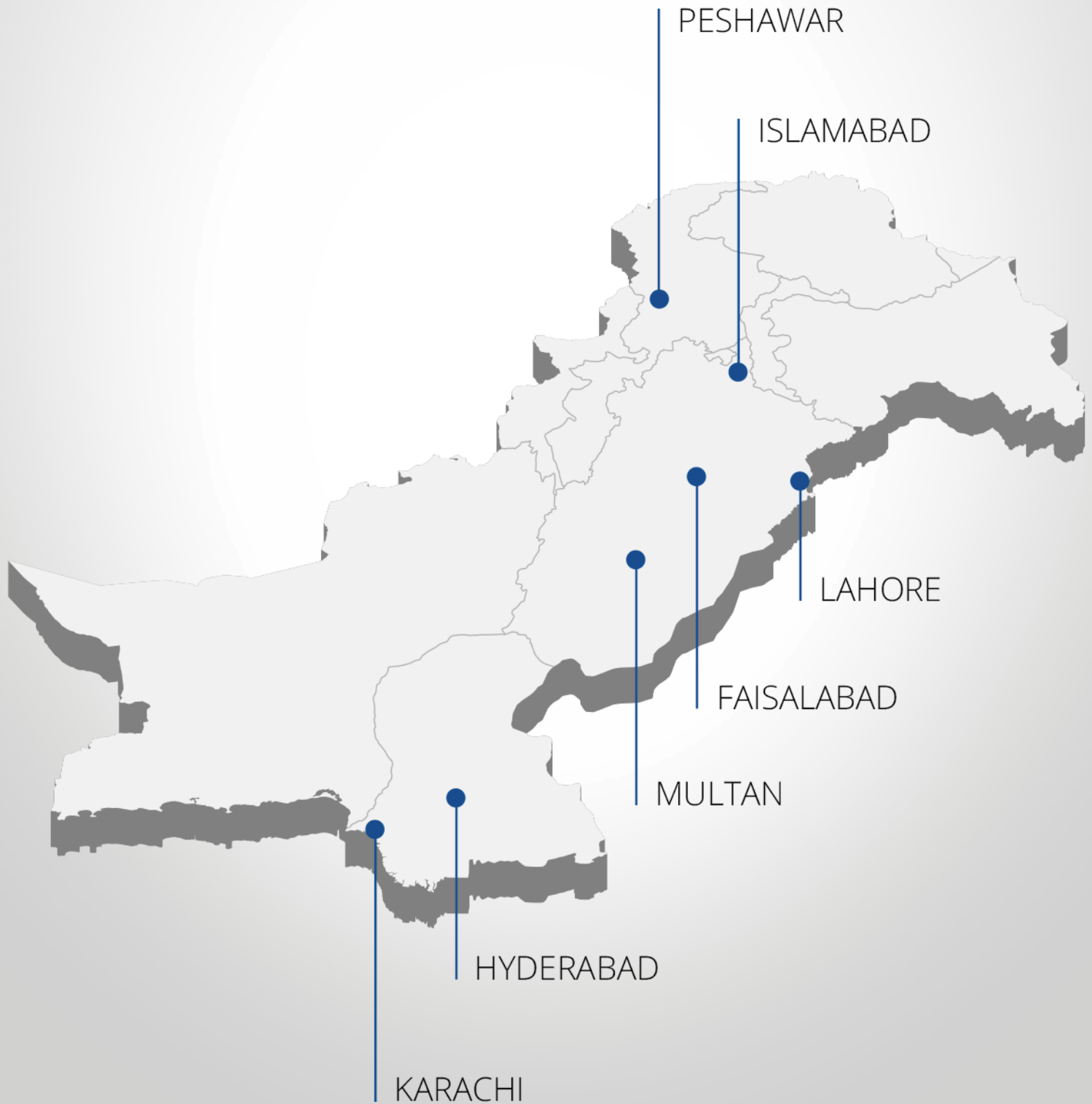
MISSION

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

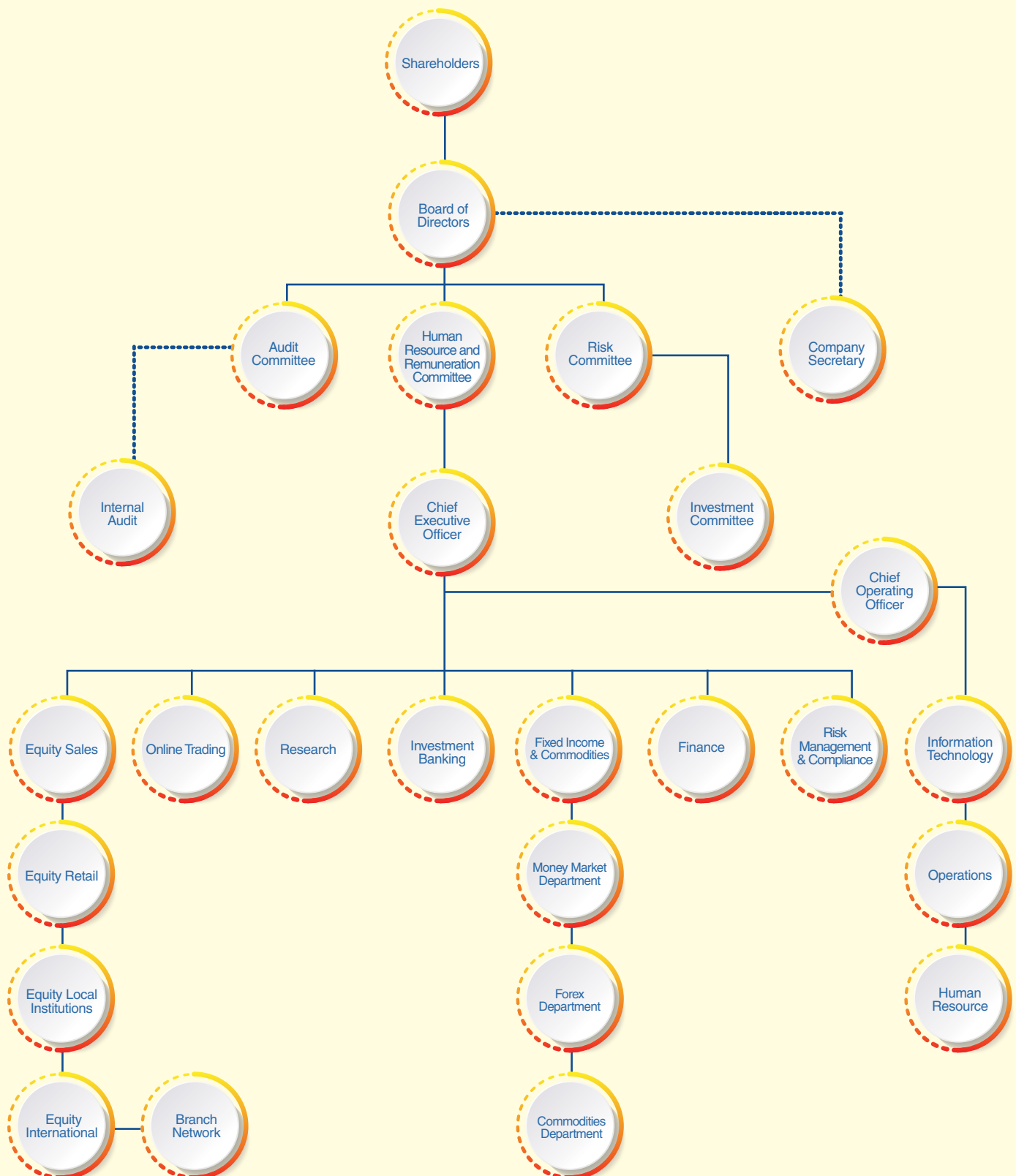
CORPORATE CULTURE AND CORE VALUES



GEOGRAPHICAL PRESENCE



ORGANIZATIONAL STRUCTURE



COMPANY INFORMATION

Board of Directors

Mr. Muhammad Yousuf Amanullah
Mr. Muhammad Kamran Nasir
Mr. Iftikhar Ahmed Rao
Mr. Shahab Anwar Khawaja
Mr. Khusro Iqbal Mumtaz
Ms. Shireen Raza
Mr. Munir Hassan Taher *
Mr. Abdul Hamid Mihrez *
Mr. Hasan Saeed Akbar *
Mr. Syed Ghaus Ahmad *

Chairman
Chief Executive Officer
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Audit Committee

Mr. Shahab Anwar Khawaja
Mr. Khusro Iqbal Mumtaz
Ms. Shireen Raza
Mr. Munir Hassan Taher *
Mr. Hasan Saeed Akbar *

Chairman
Member
Member
Member
Member

Risk Management Committee

Mr. Khusro Iqbal Mumtaz
Mr. Muhammad Yousuf Amanullah
Mr. Muhammad Kamran Nasir
Mr. Abdul Hamid Mihrez *
Mr. Syed Ghaus Ahmad *

Chairman
Member
Member
Member
Member

Human Resource & Remuneration Committee

Mr. Iftikhar Ahmed Rao
Mr. Muhammad Yousuf Amanullah
Mr. Muhammad Kamran Nasir
Mr. Khusro Iqbal Mumtaz
Mr. Hasan Saeed Akbar *

Chairman
Member
Member
Member
Member

* Mr. Munir Hassan Taher & Mr. Abdul Hamid Mihrez have resigned subsequent to the year ended December 31st, 2020 and Mr. Hasan Saeed Akbar & Mr. Syed Ghaus Ahmad were appointed in their places. The resignation of outgoing directors and appointment of incoming directors along with reconstitution of Committees were held in BOD meeting held on February 18th, 2020. Regulatory approval of new appointed directors was applied and is currently pending.

Chief Financial Officer

Mr. Fahad Muslim

Company Secretary

Mr. Syed Sufyan Ahmed

External Auditor

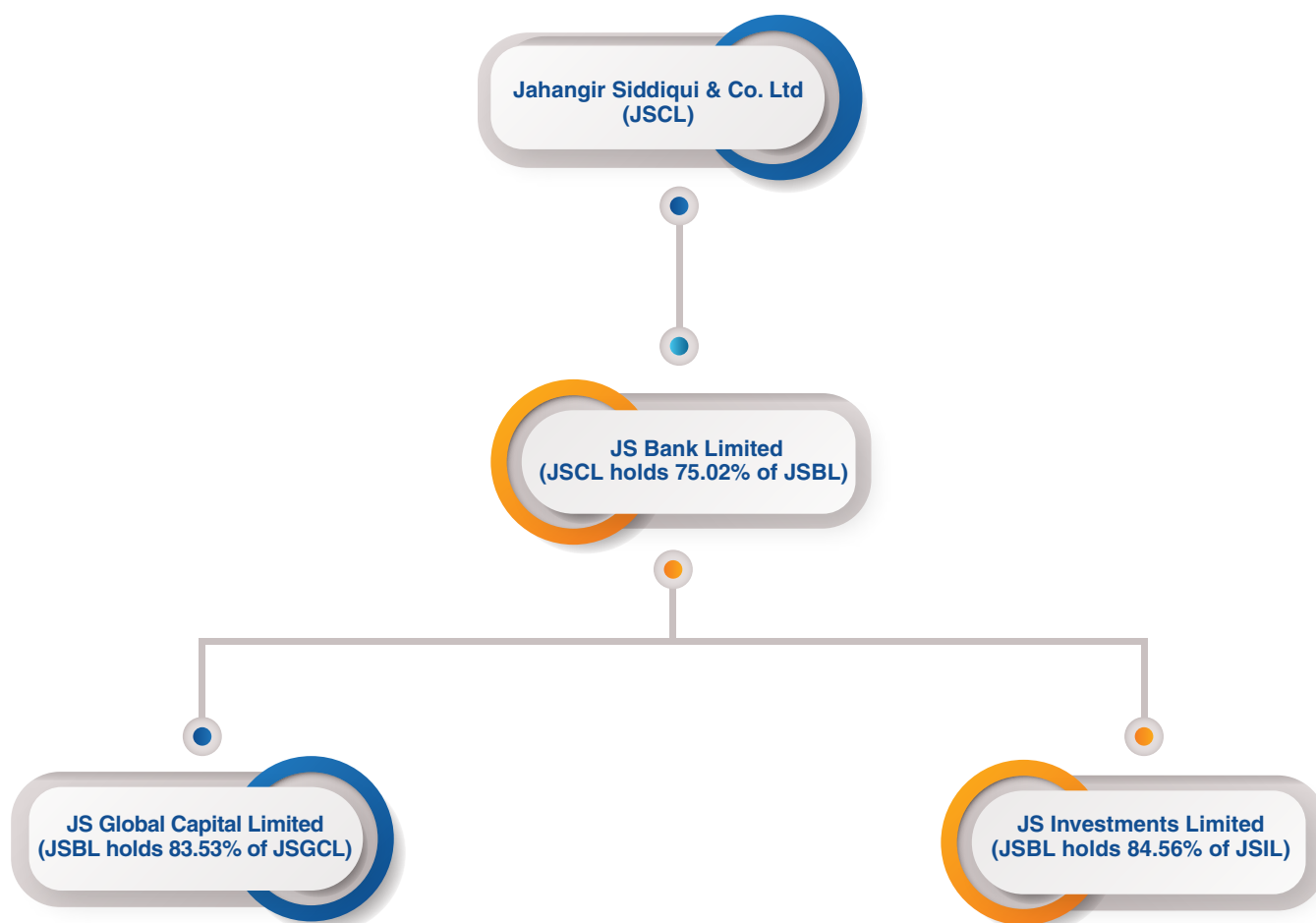
EY Ford Rhodes Chartered Accountants
Progressive Plaza, Beaumont Road,
P.O. Box 15541, Karachi 75530, Pakistan.

Internal Auditor	Yousuf Adil Chartered Accountants (as at December 31, 2020) Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.
Bankers	JS Bank Limited MCB Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Bank Alfalah Limited United Bank Limited National Bank of Pakistan Askari Bank Limited Faysal Bank Limited Sindh Bank Limited Meezan Bank Limited Summit Bank Limited
Legal Advisors	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13, Bukhari Commercial Area, Phase-VI, D.H.A., Karachi. S.A Law Associates Office No. 409, 4th Floor, Land Mark Plaza, Near Jang Press, Off. I.I. Chundrigar Road, Karachi.
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi.
Registered Office	17/18th Floor, The Centre, Plot No. 28, S.B.5, Abdullah Haroon Road, Saddar, Karachi-74400, Pakistan www.jsgcl.com www.jsglobalonline.com UAN: +92-21-111-574-111 Fax: +92-21-356-325-74

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES

As at reporting date, JS Bank Limited (a local Company) is the parent Company who majorly held the shares of JS Global Capital Limited i.e. 83.53%.

Company does not have any subsidiary company. However, it operates under the Group structure of JS Group.



SIGNIFICANT CHANGES FROM PRIOR YEARS:

One of the foreign shareholder of the Company namely Kamco Investment Company (Formerly: Global Investment House Kuwait K.P.S.C) who holds 7.72% shares in the Company has sold its entire shareholding in the Company during the year. While there is no significant change in organizational and group structure. The prime changes that came in during the year were from COVID-19. Being connected with the brokerage industry, Company has performed well during the year primarily due to significant higher volumes at the bourse.

ENTITY RATINGS

Long Term Rating

AA

(Double A)

Short Term Rating

A1+

(A One Plus)

(With Stable outlook)

BROKER MANAGEMENT RATING

BMR 1

(Broker Management Rating)

(With Stable outlook)

(Assigned by Pakistan Credit Rating Agency)

A photograph of a modern office interior. In the foreground, several large potted plants with broad, green leaves are arranged along a polished floor. The floor reflects the ambient light and the plants. In the background, a glass-walled corridor or office space is visible, with reflections on the glass showing the interior structure and lighting. The overall atmosphere is professional and contemporary.

STAKEHOLDER RELATIONSHIP AND ENGAGEMENT



STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At JS Global Capital Limited, we believe in maintaining sound collaborative relationships with our stakeholders. Our relationships with the stakeholders are maintained through the following sources of information and exchange of views:

Stakeholders	Activity	Frequency	Management of Stakeholder Engagement	Effect and value to the Company
Stakeholders	Annual General Meetings	Annually	The confidence put in the Company by the investors is honored and acknowledged by providing them with fair operating results of the Company. General meetings provide the shareholders a platform to voice their concerns and raise their queries which are addressed appropriately. The Company also engages shareholders through issuance of annual/quarterly financial reports and notices/updates.	The investors of capital help the Company to: Convert its business plans into actions. Achieve its business targets
	Extraordinary General Meetings	As required		
	Quarterly, Half-Yearly and Annual Reports	Annually / Quarterly		
	Analyst briefing	Continuous		
Customers	Account opening activity	First time	The Company has always given priority to Customer Relationship Management by dedicating proper staff for this activity to resolve all customer complaints and problems they are encountering related to account opening activity and service quality of the Company.	Customers' loyalty is the key to the Company's sustainable business growth.
	Customer care	Continuous		
Banks and other lenders	Periodic meetings	Occasionally	Banks and other financial institutions are engaged primarily by the Company on regular basis to handle the clients' deposits and withdrawals and for deposits and investments. Banks are also consulted on issues linked with disbursements of operational nature.	Bank dealings are central to the Company's performance in terms of: Access to better interest rates. Efficient Customer Service.
	Financial reporting	As required		
Media	Media interviews	As required	Various media interviews were given by top management of the Company during the year to deliberate on various topics of economy.	• Media communication of the Company's achievements helps strengthen the brand image.
	Website Update	Continuous		

Stakeholders	Activity	Frequency	Management of Stakeholder Engagement	Effect and value to the Company
			Statutory notices and other public announcements required by law are generally circulated through print media. Multiple mediums are also used for advertisement and marketing purposes. Furthermore, the website of the Company is also used as a medium to communicate information to stakeholders.	<ul style="list-style-type: none"> • Awareness of the company's status and activities is developed among the general public and potential investors.
Regulators	Compliance	As required	The Company abides by the laws and regulations of the country and makes certain that all the requirements of relevant regulators are met in a timely manner. Various statutory forms and returns are periodically submitted as per requirements of the law in addition to the information required by regulators. Company constantly liaisons with the Government authorities and regulators in terms of matters/ issues relating to develop new business products in the Country.	Country's laws, regulations and other factors controlled by the Regulators set operating guidelines for the Company.
Analysts	Corporate Briefings	As required	The Company regularly engages with analysts on its financial and operating results and current along with future outlook about the economy and stock market activity.	Providing required information to analysts helps: <ul style="list-style-type: none"> Attracting potential investors. Clarifying misconceptions/ market rumors.
Employees	In – house training programs	Continuous	Multiple in-house and external trainings are conducted for continuing professional developments of our employees. The Company provides a nurturing and employee friendly work environment.	The competent employees are the backbone of the Company. The Company's strategic, operational and tactical decisions taken by management are effectively implemented through our committed workforce.

STAKEHOLDER ENGAGEMENT POLICY AND PROCEDURES

The Company engages with its stakeholders through transparent and continued relationships. The Company also safeguard fair dealings with banks, improved risk management, compliance with laws and regulations, enhanced corporate recognition, improved commitment and participation of valued and competent human resource and places great emphasis on building excellent image in front of public at large. The Company endeavors to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Report and website for all stakeholders.

Analyst briefing

A corporate briefing session was held on Wednesday, December 23rd, 2020 via zoom video conference call to brief the analysts and shareholders about the Company's current financial performance and outlook. During Analyst briefing session, the Company's senior management briefed the participants about the Company, its principal activities, Corporate Access, Roadshows & Investor Conferences of the Company, a brief list of initiatives took by the Company as first in the industry, achievements of the Company, developments and key events during the year, key market statistics, financial snapshot of the Company and future outlook. It was then followed by Q&A session allowing participants to solicit their views and questions which was appropriately answered by Company's senior management.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

The Company disseminates the notice for its general and extraordinary meetings in English and Urdu newspapers having vast circulation, besides sending the notices to shareholders' postal addresses to encourage maximum attendance at the meetings. The Company timely updates its website with respect to all notices of general meetings.

INVESTORS' RELATIONS SECTION ON THE CORPORATE WEBSITE

The corporate website is maintained and regularly updated under applicable regulatory requirements to disseminate comprehensive and up-to-date Company information regarding financial highlights, investor information, share pattern, and other requisite information besides the link to SECP's investor education portal, the 'Jamapunji' and 'Service Desk Management System'. The 'Investors' Relations' section is also maintained on the website www.jsycl.com to promote investor relations and facilitate access to the Company for grievance / other query registration.

ISSUES RAISED IN LAST AGM

Nineteenth Annual General Meeting of the Company was held on April 22, 2020 via zoom video conference call at 17th Floor, The Center, Abdullah Haroon Road, Saddar, Karachi which was concluded with the passing of following ordinary resolutions – approval of annual audited financial statements for FY2019 together with the Directors', Auditors' and Chairman's Review Reports and reappointment of retiring auditors M/s EY Ford Rhodes, Chartered Accountants as external auditors for FY2020 along with special resolution to acquire the three floors in the Building known as "The Centre" from JS Lands (Private) Limited, as related party transaction at arms length basis for a lumpsum consideration of Rs.748,845,000/- plus estimated cost of approximately Rs.60,150,000.- on account of stamp duty, official registration fee, capital value tax, town tax, advance income tax, legal fees and miscellaneous expenses, etc. i.e. at total approximate cost of Rs.808,995,000/-. During the year, the Company has acquired the said three floors in the Building known as "The Centre" from JS Lands (Private) Limited after approval in AGM at total cost of Rs. 766,725,185/-

STATEMENT OF ADOPTION AND ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

Building and retaining the trust of the Company's internal and external stakeholders is essential to our Company's continued business success. The Company's primary objective under the subject is to enhance shareholder' and stakeholders' awareness for better understanding and valued decision making. We always strive to achieve our objective through excellence in corporate governance and human resource practices. JS Global Capital Limited has been continuously working towards transparency of the information presented to its stakeholders.

It has taken into account various transformations to adapt to a changing corporate environment and the need for additional information beyond the basic financial statements. This information includes management commentary, governance disclosures, performance analysis, forward outlook and footnotes to the financial statement, to better reflect the corporate reporting for information needs of different stakeholders. The Company is working with a strategy for generating value creation for the organization and its stakeholders.

We hope that this Integrated Report will help our stakeholder understand how we create value through our business model. Since, Integrated Reporting is at its early stages of development, we are looking forward to make it more useful for our shareholders.

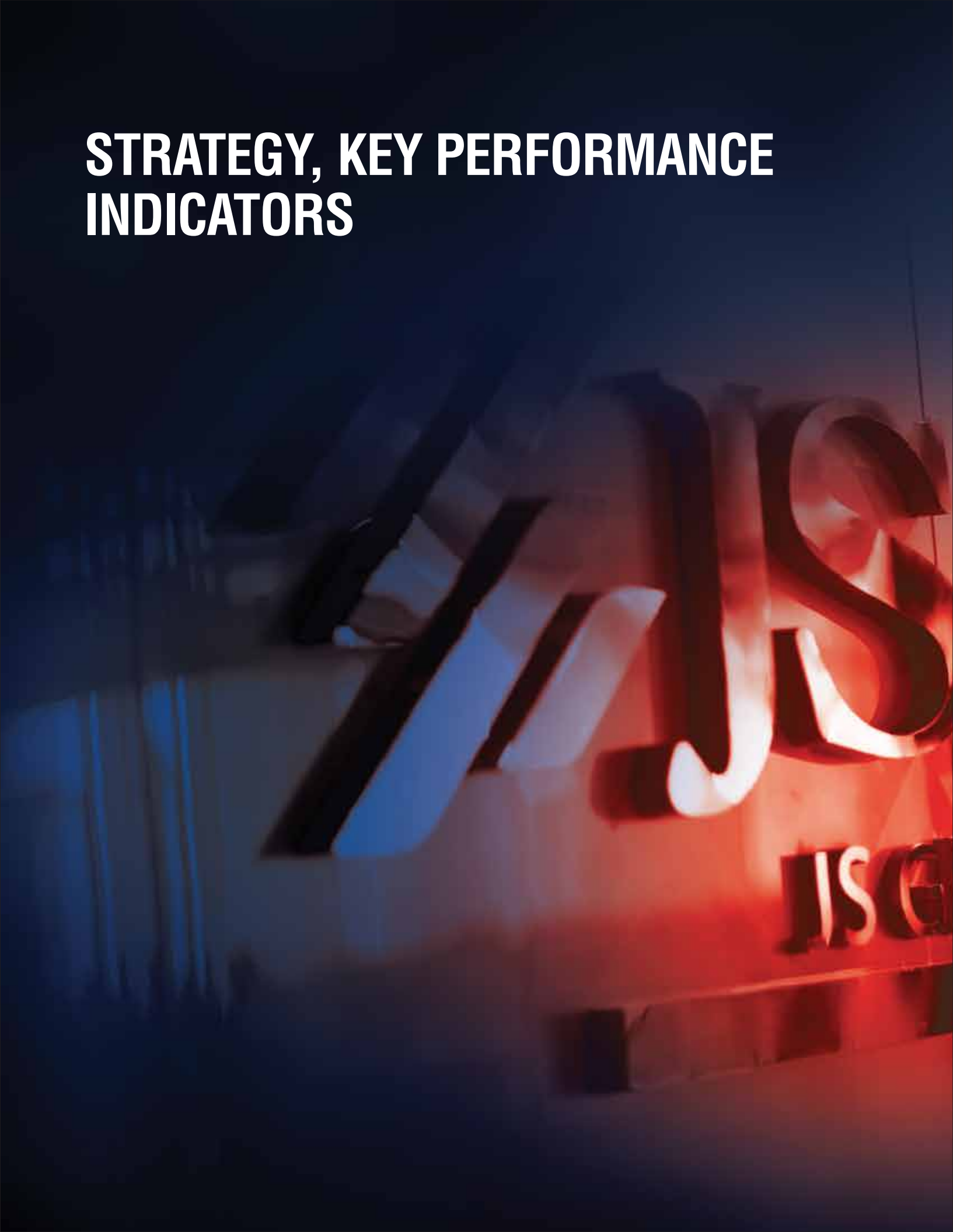
The adoption of integrated reporting requires involvement and support of the Board of Directors and the leadership team. Henceforth, Management of the Company provides guidance to achieve the objectives by advising, assessing, and monitoring business strategies; ensuring the execution and modification of strategies; and evaluating their own effectiveness and contribution in these activities. Reporting is being monitored and it is ensured that the relevant information is shared in the most suited way for the stakeholders of the Company. We will continue to improve the information produced to make it even easier to understand, while taking into account the opinion of stakeholders reading this report.

Unreserved Compliance with International Financial Reporting Standards Issued by International Accounting Standards Board

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/ IFRS issued by International Accounting Standards Board (IASB) vital to true and fair preparation and presentation of financial information.

Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. Detailed IFRS adoption status is explained in note 2 of annexed financial statements.

STRATEGY, KEY PERFORMANCE INDICATORS





 JS Global

STRATEGIC DIRECTION

CORPORATE STRATEGY

JS Global is committed to increase value for our shareholders by increasing their presence in the capital market while advancing strategic expansion in business opportunities that align with our core competencies. JS Global will strive to provide quality services to all our customers with in the country and internationally.

The following are core strategic objectives guide our business.

MARKET SHARE GROWTH

The company is focused on Market Shares Growth through a comprehensive Digital Strategy, a first brokerage firm that provides state-of-the-art trading solutions to its customers.

BRAND IMAGE

The aim is to establish JS Global as a brand recognized for its provision of top quality services to its customers.

SHAREHOLDERS' EQUITY

JS Global is making all necessary efforts to meet the expectations of the shareholders. There is considerable risk monitoring, and all strategies are linked to the overall goal of maximizing returns on investment.

KEY PERFORMANCE INDICATORS

Strategic Objectives	Key Performance Indicators	Measure
Market Share	Market Share Volume Growth	Advance technology and Increase in total revenue through increase in volume and Diversification.
Brand Image	Brand Equity	Brand Affinity, Brand Recognition
Shareholders' Equity	Return on Equity and Return on Assets.	Increase in shareholders' equity due to increasing profitability, diversified expansion, and brand image

FUTURE RELEVANCE

Corporate strategy and the above performance indicators "KPIs" are expected to remain relevant in future to assess the performance of the company in achieving its strategic objectives.

KEY MARKETS

PAKISTAN STOCK EXCHANGE LIMITED

Pakistan Stock Exchange was established on September 18, 1947 and formally incorporated on March 10, 1949 the name of 'Karachi Stock Exchange', as a Company limited by Guarantee. In October 1970, a second stock exchange was established in Lahore to meet the stock trading needs to provincial metropolis. In October 1989, Islamabad Stock Exchange established to cater to the investors of the northern parts of the country. Because the three exchanges had separate management, trading interfaces, indices, and had no mutualized structure, therefore the Stock Exchanges (Corporatization, Demutualization, and integration) Act, 2012 was promulgated by the Government of Pakistan which ultimately resulted in the exchanges integrating their operation effective January 11, 2016 under the new name 'Pakistan Stock Exchange' (PSX).

PAKISTAN MERCANTILE EXCHANGES LIMITED

Pakistan Mercantile Exchange Limited (PMEX) is the country's first and only demutualized commodity futures exchanges, licensed and regulated by the Securities and exchanges Commission of Pakistan (SECP). Based on sophisticated multidimensional infrastructure and state-of-the-art technology, PMEX offer a complete suite of services i.e. trading, clearing & settlement, custody as well as back office, all under one roof.

PMEX was formed in 2002 and started its operation in Mat 2007 offering a diverse range of domestic and international products across multiple asset classes. PMEX is demutualized exchanges and the shareholding is completely institution based.

KEY SERVICES

EQUITY BROKERAGE

JS Global is one of market-leader in Pakistan's equity brokerage.

- Strong Brand Name
- Sizeable market share holders in the brokerage industry
- One of the largest branch net-work in all major cities across Pakistan.
- Brokerage operations are the most renowned and trusted in Pakistan

JS Global's Equity Sales and trading team provides a broad range of services for local Individual and Institutional as well as Foreign investors.

FIXED INCOME SALES AND FOREX

The Fixed Income and Forex trading facility at JS Global is one of the oldest and the largest in the brokerage industry.

FIXED INCOME, CURRENCIES & COMMODITIES

The Fixed Income and Forex trading facility at JS Global is one of the oldest and the largest in the brokerage Industry.

JS Global is a market leader in the fixed income and foreign exchange brokerage markets with one of the largest fixed income teams in Pakistan serving over 80 institutions.

RESEARCH

JS Research has been a pioneer in the Pakistan Equity Brokerage industry.

ONLINE TRADING

JS GlobalOnline is Pakistan Fastest growing Online Trading service. With continued focus on customer Satisfaction, Online Trading is actively involved in developing new products and services.

INVESTMENT BANKING

JS Global is Pakistan's leading investment banking and securities firm serving a large number of domestic and international clients. JS Global Covers the entire spectrum of investment banking services.

COMMODITIES BROKERAGE

JS Global's commodities trading team provides leading commodities brokerage service to individuals and institutions across Pakistan.



RISKS AND OPPORTUNITIES

 JS Global

JS

RISK MANAGEMENT FRAMEWORK

The Management recognizes the risks to which the Company is exposed to, which are reviewed by the Board of Directors and the Board of Directors ensure that the required culture, practices and systems are in place to address such risks.

The Board shall mainly be responsible for the following risk management activities:

- Oversight of an integrated Company-wide risk management framework;
- Establishing a Company-wide strategy incorporating the risk management strategy;
- Defining the overall risk appetite of the Company and ensuring adequate capital for carrying out business activities under various business lines and products;
- Defining the risk management policies;
- Ensuring implementation of the risk management framework, and maintaining adequate and capable infrastructure to support the framework;
- Reviewing exception reports prepared by the Management highlighting deviations of activities and operations from established standards; and
- Regularly reviewing significant risk issues to determine their impact on the Company's strategy and aligning the strategy to address the existing or potential risks.

Strategy to Mitigate the Risk

Risk is referred to as a possibility that the outcome of an action or event could bring adverse impacts resulting in direct losses of earnings/capital, or imposition of constraints on the Company's ability to meet its business objectives. Risks may therefore potentially hinder the Company's ability to continue its ongoing business as planned, or to take benefit of opportunities to enhance stakeholder's value.

The Company has implemented sound risk management policies and controls which are depicted in our entity rating of AA and A1+ for the long and short term and Broker Management Rating of BMR I.

Risks and their sub-categories are defined as follows for which are managed through an integrated Company-wide risk management and Internal Control mechanism.

Framework:

Sr. No.	Risk Type	Strategy to Mitigate the Risk
1	Credit Risk	<p>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.</p> <p>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 minimized 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.</p>
2	Market Risk	<p>To manage and control market risk, a well-defined risk management structure is available which is approved by the Board. Risk Management Department is actively involved in identifying, measuring and setting risk control limits to optimize the risk and return of the Company. The Company's Investment Committee (IC) is primarily responsible for the oversight of the market risk, supported by Risk Management Department (RMD).</p>

Sr. No.	Risk Type	Strategy to Mitigate the Risk
3	Interest Rate Risk	<p>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.</p> <p>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. The Company also invests in fixed rated bank accounts and Government securities such as Market Treasury Bills and Pakistan Investment Bonds.</p>
4	Operational Risk	<p>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 behavior. Operational risks arise from all of the Company's activities.</p> <p>The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.</p> <p>The Company has the strategy for identification, assessment, mitigation, monitoring reporting and measurement of Operational Risk. The management ensures that adequate strategies are implemented to achieve the operational objective of the Company.</p>
5	Liquidity Risk	<p>Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.</p> <p>The Company has in place Board Approved policy for Liquidity Risk Management. The policy comprehensively defines risk methodology, control structure role and responsibility for managing the risk.</p>



CORPORATE GOVERNANCE



PROFILE OF BOARD OF DIRECTOR

Mr. Muhammad Yousuf Amanullah - Chairman

Mr. Muhammad Yousuf Amanullah is a fellow member of the Institute of Chartered Accountants of Pakistan.

He is a certified Director from the Pakistan Institute of Corporate Governance. He previously served on the Boards of Jahangir Siddiqui Investment Bank Limited, JS Global Capital Limited, JS Value Fund Limited and JS Investments Limited.

He joined JS Group in 2003 and is presently Senior Executive Vice President of JS Bank Limited. He was previously associated at a senior level with A. F. Ferguson & Co. Chartered Accountants, a member firm of PricewaterhouseCoopers after having qualified with them. Prior to A. F. Ferguson & Co., he worked with Ernst & Young Ford Rhodes Sidat Hyder. During his association with the firm, he was involved in various Statutory and Special assignments relating to Commercial banks, Non-Banking Finance Companies, Pharmaceutical and Automobile sectors.

Mr. Muhammad Kamran Nasir – Chief Executive Officer

Mr. Muhammad Kamran Nasir joined JS Group in 2010 and has been leading JS Global Capital Limited, one of the largest brokerage and investment banking firm which is listed on the stock exchange, as its Chief Executive Officer since 2011.

Mr. Nasir is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales and also a Chartered Certified Accountant from the Association of Chartered Certified Accountants U.K. He brings with him rich experience of Investment Banking and handle complex financial matters. His Investment Banking experiences ranges from advising companies on mergers, acquisitions, divestures, debt raising and re-profiling including taking companies public.

Besides this, he has also held various senior level positions within the Financial Sector and Multinational companies including Chief Financial Officer. He has played an instrumental role in setting up and managing one of the largest Brokerage Divisions in his previous company that performed exceptionally well. He has also been associated with KPMG where he was primarily involved in audits of Financial Sector Institutions particularly Commercial Banks.

Mr. Nasir is a Certified Director from the Pakistan Institute of Corporate Governance. He has been a notable speaker in many public/commercial speaking events ranging from specialized topics to covering Pakistan Capital Markets on Electronic Media. He has wide experience of engaging with Global Fund Managers and has conducted various Road Shows in London, USA and elsewhere to showcase Pakistan Corporate Sector. Due to his diverse experience he is routinely invited by the Apex and Frontline Regulatory Bodies in Pakistan to deliberate on a host of technical and specialized matters.

Mr. Shahab Anwar Khawaja
– Independent Director

Mr. Shahab Khawaja served in the public sector for almost 36 years as a career Civil Servant of Pakistan Administrative Service (previously District Management Group) and held many key positions such as Federal Secretary of Privatization and Industries and Production, Additional Secretary Population Welfare, Joint Secretary Economic Affairs Division, CEO of Small and Medium Enterprises Development Authority (SMEDA) and held Director's position in various renowned companies.

He has extensive experience in field of social development particularly in legal matters, community mobilization and community development. He is also a Certified Director, under Listed Companies' requirements, as prescribed by SECP.

Earlier to above mentioned positions, Mr. Shahab Khawaja also remained Secretary to Department of Agriculture and Livestock and Dairy Development, Government of Punjab. After his retirement, he also held the positions of CEO, Competitiveness Support Fund (CSF), a joint Project of Ministry of Finance and USAID and as the Executive Director, Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC). He has served on a number of Public Sector Organizations' Boards and has represented Government of Pakistan in multiple International Bodies and Seminars such as UNDP, UNFPA, UNIDO, ECOSOC APO etc. Currently, he also acts as Chairman of Lahore General Hospital.

The Academic and professional qualification of Mr. Shahab Khawaja includes MSc. in Chemistry, Post Graduate Diplomas in Development Administration from Birmingham University, UK and in Public Policy from University of Connecticut Hartford, USA.

Mr. Shahab Anwar Khawaja satisfies all criteria of independence as laid down under Companies Act, 2017 and other laws and regulations applicable on Company for which he has also submitted his declaration of independence to the Company.

Mr. Iftikhar Ahmed Rao
– Independent Director

Mr. Iftikhar Ahmed Rao has an experience of over 37 years in Pak Navy and was awarded “Sword of Honour” on commissioning, Tamgha-e-Imtiaz (Military), Sitara-e-Imtiaz (Military), Hilal-e-Imtiaz (Military) and Pak-China friendship medal awarded by the Government of China.

He has an extensive experience onboard ships and aviation commanded Ships as well as Aviation squadrons and Pakistan Naval Aviation. He has served on the post of of Director of Plans, Principal Secretary to the Chief of Naval Staff and Deputy Chief of Naval Staff (Operations) in Naval Head Quarters. He has also served as MD in KS&EW and Abu Dhabi Pakistan Holding Limited (now merged with Mubadla). He has also served as an Advisor to Royal Saudi Naval Forces. He was a member of Board of Governors of Bahria University, Gwadar Port Implementation Committee and Policy Board for development of Shipbuilding Industry which was headed by Prime Minister. He has also served as a Vice Chairman of Executive Committee for Shipbuilding.

Mr. Iftikhar Ahmed Rao satisfies all criteria of independence as laid down under Companies Act, 2017 and other laws and regulations applicable on Company for which he has also submitted his declaration of independence to the Company.

PROFILE OF BOARD OF DIRECTOR

Mr. Khusro Iqbal Mumtaz
- Non Executive Director

Mr. Khusro Iqbal Mumtaz has an experience of over 28 years in enterprise wide risk management including credit risk for Corporate Banking (including FIs), Retail Banking, SME Banking, Consumer Banking, Agricultural Financing as well as management of Special Assets, Operational Risk, Market & Liquidity Risk, Information Security risk and Credit Administration managing portfolio of around USD 3.4 Bn.

He has implemented overall risk management framework for various companies and overseeing its effective application. He has developed and deployed Obligor Risk Rating (ORR) and facility risk rating (FRR) models for Wholesale (Corporate & Investment Banking, Financial Institutions) and SME & Commercial Banking portfolios. He has also developed and deployed various risk pricing models for Wholesale & SME & Commercial Banking. He has served as a Chief Risk Officer in various Companies and also act as a Group Head - SME & Commercial Banking. Currently, he also holds directorships in Aahung NGO and Indus Surveyors Private Limited.

Ms. Shireen Raza
- Non Executive Director

Shireen Raza is a value driven professional with over 22 years of experience in Banking on Corporate and Commercial side for Long & Short Term Credit Facilities, Branch Banking and Operations. She is currently serving as Head / EVP of Corporate Banking Department of JS Bank Limited in Lahore.

During her tenure at JS Bank Limited, she has successfully increased the Credit Portfolio and Trade business, work alongwith Business Head for growth and enhancement of business opportunities with existing and potential clients, develop and manage Asset portfolio to achieve growth in Fund / Non-fund based credits and monitor the relationships to ensure risk and yield criteria are being met. She has completed her Masters in Business Administration (MBA) Degree with concentration both in Marketing & Finance subjects. During her professional career, She has served on senior management positions of various leading banks in Pakistan.

Mr. Hasan Saeed Akbar
– Non Executive Director

Hasan Saeed is a seasoned public relations and corporate communications specialist. He holds certifications in Project Management and Risk Management from the University of Adelaide.

He brings with him over ten years of experience in blue-chip organizations across the energy, logistics and financial sectors.

Currently, he leads the Communications and Projects function at JS Bank, one of the countries fastest growing financial institutions. Previously he has served in Telenor Microfinance Bank, TCS and Pakistan State Oil.

Hasan has completed his Master of Business Administration from Institute of Business Management. He has a passion for community development and social engagement. He has worked pro-bono as General Secretary for Rotary International as well as The Citizens Foundation.

Syed Ghaus Ahmad
– Non Executive Director

Syed Ghaus Ahmad is top performing banking executive with over 18 years of demonstrated abilities and a rich experience in areas of Business Development, Operations, Consumer Banking and Team Management within Local and Multinational Banks.

He is currently using his areas of expertise and making a continued, significant contribution within the banking industry. He is currently acting as SEVP – Head of Distribution in JS Bank Limited and associated with JS Bank Limited since April 2009. Before that, he was associated with Atlas Bank Limited, Emirates Bank International / Union Bank / Standard Chartered Bank, Bank Alfalah at different levels. He has done his BBA from American College of Applied Arts, Los Angeles, California, USA in 1993. He has also obtained various courses and certifications which includes Service Quality, International Commercial Banking –NIBAF, Values in action, Passion of Service, Professional Selling Skills, Anti-Money Laundering, Banking Law & Practice, Project Management, Leadership Management Course, Service Quality Par Excellence Standards, Value added Advanced Selling Techniques and Strategic Framework.

A STATEMENT OF WHICH TYPES OF DECISIONS ARE TO BE TAKEN BY THE BOARD AND WHICH ARE TO BE DELEGATED TO MANAGEMENT

Board's Function and Decision Making

Each member of the Board is fully aware of the responsibilities as an individual member as well as the responsibilities of all members together as a board. The Board actively participates in all major decisions of the Company including but not limited to approval of capital expenditure budgets, investments, related party transactions and appointment of key personnel. The Board also monitors the Company's operations by approval of financial statements, review of internal and external audit observations, if any and recommendation of dividend. The Board has devised formal policies for conducting business and ensures their monitoring through an independent outsourced Internal Auditors which continuously monitors adherence to Company Policies.

Matters Delegated to the Management

The responsibility of implementing the strategies as approved by the Board of Directors is that of the management. The management conducts the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals approved by the Board and identifies and administers the key risks and opportunities which could impact the Company in the ordinary course of execution of its business. Management is also concerned in keeping the Board members updated regarding any changes in the operating environment or risk profile. It is also the responsibility of management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

ANNUAL EVALUATION OF PERFORMANCE OF THE MEMBERS OF THE BOARD AND ITS COMMITTEES, CEO AND THE CHAIRMAN

The annual formal process of evaluation of performance of the Board as a whole and its committees is being performed by engaging external independent consultant - Pakistan Institute of corporate Governance (PICG) – an institute duly approved by SECP for this purpose.

The report issued by PICG covers:

1. Priorities: The performance areas the participants have identified as having the greatest impact on the organization's success.
2. Performance: The participant's perception of the Board's current performance.
3. Comparison: How the Board performance compares between all evaluating groups.
4. Consensus: The level of agreement or disagreement that exists among the Board Members regarding performance in key areas.

DIRECTORS TRAINING PROGRAM AND ORIENTATION

As part of the Company's continuing education for all Directors, changes in law and regulations relevant to the Company's business are circulated to keep all directors acquaint with the Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders. The external auditors routinely update the Audit Committee on new and revised financial reporting standards relevant to the Company.

As required by the Securities and Exchange Commission of Pakistan (SECP), which mandates Board members to require certification, the following directors are certified from Pakistan Institute of Corporate Governance namely:

Mr. Muhammad Yousuf Amanullah – **Chairman**
Mr. Muhammad Kamran Nasir – **Chief Executive Officer**
Mr. Shahab Anwar Khawaja – **Independent Director**
Mr. Abdul Hamid Mihrez – **Non-Executive Director**

Further, orientation programs are carried out for the directors to acquaint themselves with the Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders.

POLICY OF REMUNERATION TO NON-EXECUTIVE DIRECTORS

Policy of remuneration paid to non-executive Directors including independent directors is given in relevant section of director's report.

POLICY FOR SECURITY CLEARANCE OF FOREIGN DIRECTORS

The Company has submitted the requisite documents along with declaration with the Company Registration Office (CRO), Islamabad and that in case his name is not cleared for security purposes by the Ministry of Interior, the Company facilitates arrangement of such clearance, and in case the clearance is not arranged, then the Company takes steps for replacement of such Director.

IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The management of JS Global Capital Limited believes to follow best governance practices that can be implemented in the Company's environment. To implement these practices, the minimum benchmark is to comply with all the legal requirements. However, the management goes ahead to implement best governance rules and practices that are followed globally and are in favor of the Company's shareholders, employees, environment and community.

Following additional governance practices implemented by the management include:

- Disbursement of additional corporate and financial information to shareholders and legal authorities, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of Health, Safety and Environment Policy for better and safe work place environment for employees particularly during novel COVID-19 pandemic.

INVESTORS' GRIEVANCE POLICY

In order to create awareness amongst investors about changes in laws/regulations that affect the shareholders, company periodically sends notices apprising them about introduction of new laws/change in existing laws. Further, in order to facilitate investors to communicate their grievances to the SECP, the website of the Company has the link to the query form to lodge any complaint and grievances. According to the nature of the query, Company Secretary and/or Head of Risk and Compliance respond to it within 72 hours. It is further reviewed and monitored by CEO throughout the year.

The company shall take reasonable measures to amicably redress customers' grievances promptly but not later than thirty days of receipt thereof in accordance with the clause No. 27(2) of Securities Brokers(Licensing & Operations) Regulations, 2016 (the Regulations) by providing amicable solution of the issue to the customer in writing and/or through recorded telephone line.

In case, resolution of the complaint is not mutually agreed within thirty days of receipt of complaint, the same shall be closed at company's end to comply with the Regulations, which requires brokerage house to resolve the complaint within 30 days.

In case the complaint is directly lodged with SECP / PSX, the complaint shall be reopened and requirement of closing/resolving complaint within 30 days shall not

be applicable. The status of pending/unresolved complaints shall be reviewed by COO on monthly basis to identify any unusual delay in resolving the complaints by the management and identify any unusual or frequent complaints which indicate control deficiency.

Furthermore, quarterly reports regarding number of complaints received, redressed and unresolved shall be submitted to the PSX by the company as required under Securities Brokers (Licensing & Operations). Regulations, 2016 and Internal Control Framework and Compliance Function guidelines of PSX.

There shall be system based controls over recording, processing, tracking, escalation and resolution of complaint. Proper database shall also be available to save and fetch complaints records and related resolution.

POLICY FOR SAFETY RECORDS OF THE COMPANY

According to the type of data (e.g. soft / hard format) and data requirements (call recordings of different markets, financial data, client communication and any other documentation retention requirement) required by different regulators (e.g. SECP, PSX, PMEX, etc.) Company will retain its data accordingly. The same shall be monitored through RM&C department checklist on periodic basis.

IT GOVERNANCE POLICY

Recognizing the criticality of Information Technology governance in achievement of its overall strategic and operational objectives, IT resources of the Company have been aligned to provide the management with an efficient operating and decision making platform that helps in streamlining operations.

IT Governance Policy consists of the following:

- Maximizing return on technology investment with controlled spending.
- Safeguarding of Company's data.
- Development and up-gradation of different modules to provide reliable, efficient and timely information.
- Improving user awareness on IT security to detect and prevent vulnerabilities.
- Ensuring compatibility, integration and avoidance of redundancy.

WHISTLE BLOWING POLICY

This policy governs procedures that must be followed when allegations of impropriety are made by a whistleblower and such allegations: (i) regardless of scope, accounting, internal accounting controls, or auditing matters, or (ii) regardless of the scope of liability, could cause serious damage to the JSGCL's brand or reputation or, (iii) could result in a material liability to the JSGCL.

This policy establishes guidelines and procedures for handling whistleblower claims. Consistent with the JSGCL's commitment to maintain the highest standards of integrity, compliance with the law and its Code of Conduct is a responsibility that everyone in the JSGCL must assume. By appropriately responding to allegations by employees, suppliers, customers or contractors that the company is not meeting its legal obligations, the company can better support an environment where compliance is the norm and thereby avoid a diminution in shareholder value.

No adverse employment action, e.g., termination, counseling, lower rating, etc., may be taken against a whistleblower employee solely in retaliation for reporting allegations of impropriety that fall within the scope of this policy and which the employee reasonably believes to be true.

There is no such incidence reported to the Audit Committee during the year.

DISCLOSURE OF BENEFICIAL (INCLUDING INDIRECT) OWNERSHIP

Mr. Jahangir Siddiqui owns 99.99% stake in Jahangir Siddiqui & Sons Limited directly which in turn holds 22.20% in Jahangir Siddiqui & Company Limited (JSCL). Therefore, Effective Shareholding of Mr. Jahangir Siddiqui in JSCL through Jahangir Siddiqui & Sons Limited is 22.20% ($99.99\% \times 22.20\%$). Further, Mr. Jahangir Siddiqui owns 98.82% stake in Jahangir Siddiqui Securities Services Limited directly which in turn holds 15.61% in JSCL. Therefore, Effective Shareholding of Mr. Jahangir Siddiqui in JSCL through Jahangir Siddiqui Securities Services Limited is 15.42% ($15.61\% \times 98.82\%$). Also, Mr. Jahangir Siddiqui holds 37.07% shares in JSCL directly. This makes total shareholding of Mr. Jahangir Siddiqui in JSCL as 74.69% ($22.20\% + 15.42\% + 37.07\%$). Now, JSCL holds 75.02% in JS Bank and JS Bank holds 83.53% in JS Global Capital Limited. So, effective shareholding of Mr. Jahangir Siddiqui in JS Global Capital Limited through group companies is 46.80% ($74.69\% \times 75.02\% \times 83.53\%$). Also, Mr. Jahangir Siddiqui holds nominal stake of 0.03% directly in JS Global Capital Limited. This makes total shareholding of Mr. Jahangir Siddiqui in JS Global Capital Limited directly and through group companies as 46.83%.

COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The Board of Directors has complied with the requirements for Listed Companies (Code of Corporate Governance) Regulations, 2019, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting framework of Securities & Exchange Commission of Pakistan (SECP).

Statement of Compliance with the Code of Corporate Governance, Review Report by the Company's Auditors and Report of the Board's Audit Committee on adherence to the Code of Corporate Governance are also included in this Report.

COMPLIANCE OF CORPORATE GOVERNANCE CODE FOR SECURITIES AND FUTURES BROKER*

To the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of any securities and futures market laws.

Karachi: February 18, 2021.

Muhammad Kamran Nasir
Chief Executive Officer

*This statement is given as per the requirement of regulations of Securities Brokers (Licensing & Operations) Regulations, 2016 and Futures Brokers (Licensing & Operations) Regulations, 2018.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 ('THE REGULATIONS')

Name of company: JS Global Capital Limited

Year ended: December 31, 2020

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are Eight (8) including CEO who is deemed director as per the following:

Gender	Number of Directors*
Male	Seven (7)
Female	One (1)

2. The composition of the Board is as follows:

S. No	Category	Name of Directors*
i)	Independent Directors	<ul style="list-style-type: none"> • Mr. Shahab Anwar Khawaja • Mr. Iftikhar Ahmed Rao
ii)	Non-Executive Directors	<ul style="list-style-type: none"> • Mr. Muhammad Yousuf Amanullah • Mr. Munir Hassan Taher • Mr. Abdul Hamid Mihrez • Mr. Khusro Iqbal Mumtaz
iii)	Executive Director	<ul style="list-style-type: none"> • Mr. Muhammad Kamran Nasir
iv)	Female Director	<ul style="list-style-type: none"> • Ms. Shireen Raza (Non-Executive Director)

3. The directors have confirmed that none of them is serving as a director on any other listed company other than JS Global Capital Limited.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. All meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Name of Director: Mr. Abdul Hamid Mihrez (Non-Executive Director)

10. There is no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.
 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a) Audit Committee

- Mr. Shahab Anwar Khawaja – Chairman
- Mr. Khusro Iqbal Mumtaz - Member
- Ms. Shireen Raza - Member
- Mr. Munir Hassan Taher - Member

b) HR and Remuneration Committee

- Mr. Iftikhar Ahmed Rao – Chairman
- Mr. Muhammad Yousuf Amanullah - Member
- Mr. Muhammad Kamran Nasir – Member
- Mr. Khusro Iqbal Mumtaz - Member

c) Risk Management Committee

- Mr. Khusro Iqbal Mumtaz – Chairman
- Mr. Muhammad Yousuf Amanullah – Member
- Mr. Muhammad Kamran Nasir – Member
- Mr. Abdul Hamid Mihrez – Member

d) Nomination Committee

There is no Nomination Committee constituted by the Board as the Board does not consider necessary to form this Committee considering circumstances of the Company as per Regulation 29 of the Code, according to which constitution of Nomination Committee does not seem to be mandatory.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following,-

a) Audit Committee - Quarterly

b) HR and Remuneration Committee – at least yearly and as and when need arose

c) Risk Management Committee - Quarterly

15. The Board has outsourced the internal audit function to **Yousuf Adil Chartered Accountants** who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. 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** and registered with **Audit Oversight Board of Pakistan**, that they and all their partners are in compliance with **International Federation of Accountants (IFAC)** guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed **IFAC** guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 ('THE REGULATIONS')

The explanations as required under these regulations are as follows;

Regulation 6: Currently elected two (2) independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; not warrant the appointment of a third independent director.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation 19: Regulation 19 of the Code encouraged at least half of the directors on the board of the Company to acquire the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it by June 30, 2020. Due to outbreak of novel COVID-19 in Pakistan this year, all educational activities were put on hold by Government till further notice. The Company vide its letter dated June 09, 2020 applied to SECP to grant extension of time till December 31, 2020 to obtain this certification for one of its director to comply with minimum requirement of regulation 19 of the Code. SECP via its reply dated July 06, 2020 informed the Company that the Commission has shifted the Corporate Governance regime from rule-based framework to "comply or explain" approach and the regulations are divided into mandatory and non-mandatory/recommended clauses. It is now discretion of the Company and/or its board of directors to either comply with the non-mandatory provisions of the Regulations or provide appropriate explanation to any impediment in its compliance. Further, relaxation or extension can only be granted in case of mandatory provisions and regulation 19 is non-mandatory. Hence, the Company shall proceed accordingly. The Company has enrolled one of its director namely Mr. Abdul Hamid Mihrez in DTP offered by one SECP's approved institution later when educational activities were resumed and Mr. Mihrez obtained this DTP certification in the month of November 2020 and complied with minimum requirement of regulation 19 of the Code.

* The position of Directors reflected in this Statement of Compliance with the regulations is at December 31, 2020. On February 18, 2021 there have been some changes in the directors due to casual vacancy(s) arose due to resignation of director(s) which position will be reflected in the Statement of Compliance with the regulations for the year ended December 31, 2021.

Muhammad Yousuf Amanullah
Chairman

Muhammad Kamran Nasir
Chief Executive Officer

February 18, 2021
Karachi

TERM OF REFERENCE (TORS) OF BOARD COMMITTEES

Attendance of directors in meetings of the Board Committees (Audit Committee, Human Resource & Remuneration Committee and Risk management Committee) is given in director's report.

The terms of reference (TORs) of Audit Committee determined by the board shall be as follows:

- (i) determination of appropriate measures to safeguard the company's assets;
- (ii) review of annual and interim financial statements of the company, prior to their approval by the Board, focusing on,-
 - (a) major judgmental areas;
 - (b) significant adjustments resulting from the audit;
 - (c) going concern assumption;
 - (d) any changes in accounting policies and practices;
 - (e) compliance with applicable accounting standards;
 - (f) compliance with these Regulations and other statutory and regulatory requirements; and
 - (g) all related party transactions;
- (iii) review of preliminary announcements of results prior to external communication and publication;
- (iv) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- (v) review of management letter issued by external auditors and management's response thereto;
- (vi) ensuring coordination between the internal and external auditors of the company;
- (vii) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- (viii) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- (ix) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- (x) review of the company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- (xi) instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- (xii) determination of compliance with relevant statutory requirements;
- (xiii) monitoring compliance with these Regulations and identification of significant violations thereof;
- (xiv) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- (xv) recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
- (xvi) consideration of any other issue or matter as may be assigned by the Board;

The terms of reference (TORs) of HR & Remuneration Committee determined by the board shall be as follows:

- (i) recommendation to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
- (ii) undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- (iii) recommending human resource management policies to the Board;
- (iv) recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- (v) consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- (vi) where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

The terms of reference (TORs) of Risk Management Committee determined by the board shall be as follows:

- (i) Monitoring and review of all material controls related to trading limits, exposure margins, collateral management, financing products and compliances activities.
- (ii) Appropriate extent of disclosure of company's risk framework and internal control system in Directors report.
- (iii) To evaluate and recommend to the Board the approval of major additions/ deletions in trading portfolio and changes in investment portfolio in accordance with the Risk Management Guidelines specified in SIOF of the Company and other internal guidelines.
- (iv) The Committee will review the Company's adherence to the Policy Statement and, if needed, make recommendations to the Board of Directors for changes as a result of new developments.
- (v) The Committee will regularly review Company's operations based on monthly operating reports (to include a summary of the Company's net capital position based on market value) prepared and submitted by the Chief Financial Officer or any other person nominated by the Board of Directors in comparison with the annual budget.
- (vi) To review and recommend changes in Company Policies, to the Board for approval.
- (vii) To review the status of legal matters of the Company.
- (viii) To ensure that the margin requirements are commensurate with the risks and avoid concentration
- (ix) To review and approve the position/trading limits of clients
- (x) To review and approve the list of Margin Financing Eligible securities.

DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS:

These financial statements were authorised for issue in the Board of Directors' meeting held on February 18, 2021.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth (20th) Annual General Meeting ("AGM") of the members of JS Global Capital Limited (the "Company" or "JSGCL") will be held on Wednesday, April 28, 2021 at 10:30 a.m. PST via Zoom Video Conference Call to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2020, together with the Directors' Report and Auditors' Report thereon and Chairman's Review Report.
2. To appoint auditors of the Company and fix their remuneration for the year ending December, 2021. The Audit Committee and the Board of Directors have recommended the appointment of new auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company, who being eligible have offered themselves for appointment as auditors of the Company; the previous auditors M/s. EY Ford Rhodes, Chartered Accountants have completed five years.

SPECIAL BUSINESS:

1. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, for the purchase / buy-back of its own shares by the Company up to a maximum of 3,991,525 issued ordinary shares of the Company having paid-up / face value of PKR 10/- (Pak Rupees Ten Only) each at a purchase price of PKR 80/- per share as recommended by the Board of Directors of the Company.

Resolved that:

Subject to compliance with the provisions of applicable laws, regulations and permission required, if any, approval of the members of JS Global Capital Limited (the "Company") be and is hereby accorded to purchase / buyback of its own shares by the Company up to a maximum of 3,991,525 issued ordinary shares of the Company having paid-up / face value of PKR 10/- (Pak Rupees Ten Only) each of the Company (13.06% of the total outstanding shares of the Company) be purchased by way of buy-back under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, at a purchase price of PKR 80/- per share in cash from the available distributable profits of the Company through tender offer.

Further resolved that:

The ordinary shares purchased pursuant to these special resolution(s) via buyback shall be cancelled and issued share capital shall accordingly be reduced by the aggregate paid-up / face value of the cancelled shares.

Further resolved that:

"Purchase / buy-back shall be made through the mode of tender offer, and the purchase period shall be for thirty days starting from May 04, 2021 and ending on June 02, 2021 (both days inclusive)."

Further resolved that:

The purchase / buy-back by the Company of its own shares shall be made by utilizing PKR 319,321,963 (distributable profits of the Company as on December 31, 2020).

Further resolved that:

"the Chief Executive Officer and/or the Chief Financial Officer and/or the Company Secretary (hereinafter the 'Authorized Persons') be and are hereby appointed as Authorized Persons and are singly authorized and empowered to take all such necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of buyback of shares and for the purpose of implementing, procuring and completing the purchase/buy-back by the Company of its issued ordinary shares."

NOTICE OF ANNUAL GENERAL MEETING

Further resolved that:

“the aforementioned Authorized Persons be and are hereby further singly authorized and empowered, to take or cause to be taken all actions including but not limited to obtaining any requisite regulatory permissions, if required, preparation of the tender notice and other requisite documents, engaging legal counsel and consultants for the purposes of the purchase/buy-back of shares, filing of all the requisite statutory forms, returns and all other documents as may be required to be filed with the regulator(s), submitting all such documents as may be required, executing all such documents or instrument including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of implementing, procuring and completing the purchase/buy-back by the Company of its issued ordinary shares and all other matters incidental or ancillary thereto.”

Further resolved that:

“Mr. Fahad Muslim, the CFO of the Company, be and is hereby appointed as the Manager to the Offer, and shall be authorized to receive tendered shares from the shareholders and make payment against such tendered shares, and do all other acts, things and deeds in this regard”.

Further resolved that:

“that all acts, deeds, and actions taken by the Authorized Persons pursuant to this special resolution for and on behalf of and in the name of the JS Global Capital Limited shall be binding acts, deeds and things done by the Company.

Further resolved that:

“JS Bank Limited be and is hereby appointed as authorized bank for opening of escrow account and opening of designated CDC Account / opening of Investor Account Service at CDC is hereby approved for the purpose of buy-back of shares of the Company under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, and the Authorized Persons be and are hereby singly authorized and empowered to negotiate the terms and conditions of appointment and to sign and execute all the documents/agreements in this regard and to do all necessary acts and deeds and things necessary to implement this resolution.”

ANY OTHER BUSINESS:

1. To consider any other business with the permission of the Chair.

Attached to this Notice is a statement of material facts in relation to the aforesaid special business, as required under Section 134(3) of the Companies Act, 2017.

By the Order of the Board

Karachi
April 07, 2021

Syed Sufyan Ahmed
Company Secretary

Notes:

1. The Share Transfer Books of the Company shall remain closed from April 21, 2021 to April 28, 2021 (both days inclusive) for determining shareholders for attending and voting at the Annual General Meeting.
2. Physical transfers and deposit requests under Central Depository System received at the close of business on April 20, 2021 by the Company's Share Registrar i.e. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi will be treated in time for the purpose of attending and voting at the meeting.
3. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No.1 of 2000:

NOTICE OF ANNUAL GENERAL MEETING

A. For Attending the Meeting

- (i) In view of the threats posed by and precautions to be taken against spread of the evolving COVID-19 pandemic, the Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 5 of 2020 dated March 17, 2020, Circular No. 25 of 2020 dated August 31, 2020 and Circular No.33 of 2020 dated November 05, 2020 have advised the Companies to modify their planning for conducting annual general meetings with a view to protect the well-being of their shareholders. Further, SECP vide its Circular No.6 of 2021 dated March 3, 2021 has clarified that the listed companies which are facing difficulties in holding general meeting physically, may opt to hold such meeting through electronic mode. Considering the above referred regulatory permissibility, the Company intends to convene this AGM electronically through Webinar only to ensure maximum participation by member(s) in view of the COVID-19 situation.
- (ii) The Members are requested to attend and participate in the 20h AGM of Company through video link arrangement for which purpose, they are requested to complete identification and verification formalities i.e. provide their names, CNICs scanned (both sides), folio numbers, cell phone numbers and email addresses on or before April 26, 2021 by 5:00 p.m. at the following email jsgcl.cs@js.com. The video link of meeting will be sent to the members on their email addresses.
- (iii) The members can also provide their comments / suggestions for discussion on the agenda items of the AGM through following means:

WhatsApp	SMS	Email
0301-8486279	0301-8486279	jsgcl.cs@js.com

- (iv) The Company will ensure that comments / suggestions of the members will be read out at the meeting by the Company Secretary and the responses will be made part of the minutes of the meeting. Any and all suggestions and comments received from shareholders shall be duly discussed in the meeting and be recorded appropriately in the minutes. The minutes of the meeting will be recorded and kept as per requirements.
- (v) The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measures are in place for well-being of its Members.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the meeting. Proxy form must be received at the Registered Office of the Company located at 17th/18th Floor, The Centre Building, Abdullah Haroon Road, Saddar, Karachi, duly stamped and signed not less than 48 hours before the time of the meeting.
- e. In case of corporate entity, scanned copies of the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Shareholders are requested to notify immediately of any change in their addresses to the Company's Share Registrar.
5. In terms of the directives of the Securities and Exchange Commission of Pakistan (SECP), the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders are required to be mentioned on the dividend warrants and the annual return required to be filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNICs are advised to provide at earliest the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address mentioned above.

NOTICE OF ANNUAL GENERAL MEETING

6. In terms of Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address mentioned above, electronic dividend mandate on E-Dividend Form which is available on website of the Company i.e. www.jsycl.com. In the case of shares held in CDC, the same information should be provided to the CDS Participants for updating and forwarding to the Company in order to make process of payment of cash dividend more efficient.
7. Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.
8. The Government of Pakistan through Finance, Act 2020 has made certain amendments in Section 150 of the Income Tax Ordinance, 2021, whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - (a) For filer of income tax rates: 15%
 - (b) For non-filers of income tax returns: 30%

To enable the Company to make tax deductions of the amount of cash dividend @ 15% instead of 30%, all shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into the ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @30% instead of 15%.

For any query/problem, the investor may contact the Company and/or the Share Registrar at the following numbers and email addresses. The contact of Company Secretary is +92 21 111 574 11 and email address is jsycl.cs@js.com and the contract number of the Share Registrar is +92 21 111 111 500 and email address is nadeem_ashraf@cdcsrsl.com.

9. The Shareholders who have joint shareholdings held by filers and non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable, then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio/CDC Account No	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC	Shareholding proportion	Name & CNIC	Shareholding proportion

10. Shareholders who by any reason could not receive their dividends are advised to contact our Share Registrar to inquire about their unclaimed dividends, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the date due shall be deposited to the credit of Federal Government.
11. Under Section 223(6) of the Companies Act, 2017, listed companies are allowed to send the Audited Financial Statements etc., through electronic mail system (e-mail). The members are hereby requested to convey their consent via email on a standard request form which is available at the Company's website i.e. www.jsycl.com. Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Members can request a hard copy of Audited Financial Statements which shall be provided free of cost within seven days from the date of requisition. Further, it is the responsibility of the member(s) to timely update the Share Registrar of any change in his (her/its/their) registered email address at the address of Company's Share Registrar mentioned above.
12. The Company has placed the Audited Financial Statements for the year ended December 31, 2020 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: www.jsycl.com.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO SPECIAL BUSINESS

This explanatory statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of JS Global Capital Limited (hereinafter the 'Company') to be held on Wednesday, April 28, 2021 at 10:30 a.m. PST via Zoom Video Conference Call.

Purchase/buy-back by the Company of its own shares

The Board of Directors of the Company in its meeting held on April 06, 2021 has approved the buy back by the Company (without delisting) of up-to a maximum of 3,991,525 issued ordinary shares of the nominal/face value of Rs.10 /-(Rupees Ten) each at a purchase price of PKR 80/- per share under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the "Buy-Back Regulations") subject to the approval of members of the Company through a special resolution.

The shares will be purchased through tender offer within the purchase period starting from May 04, 2021 and ending on June 02, 2021 (both days inclusive) i.e, a period of thirty (30) days.

The Board of Directors of the Company has recommended that the special resolution as set out in the notice be passed at the Annual General Meeting, with or without any modification(s), addition(s) or deletion(s).

PARTICULARS	DESCRIPTION
Purchase of a specified number of shares	3,991,525 issued ordinary shares of the Company having paid-up / face value of PKR 10/-(Pak Rupees Ten Only) each
Purpose of purchase	Recapitalize and restructure the balance sheet through cancellation of shares
Purchase price	PKR 80/- per share
Period within which the purchase shall be made	Thirty (30) days starting from May 04, 2021 and ending on June 02, 2021 (both days inclusive)
Source of funds	The purchase shall be made in cash and shall be out of distributable profits of the Company as required under sections 88 (8) of the Companies Act, 2017.
Mode of purchase	The purchase shall be made through tender offer mechanism.
Justification for the purchase	The current capital is in excess of Company's requirement. The reduced capital will positively impact the financial position. This will also provide an opportunity of exit to those members who wish to liquidate their investment in Company's shares.
Effect on the financial position of the company	The purchase / buy-back will have positive effect on the financial position of the Company. The reduced capital will improve the earning per share, future dividends and break-up value of the Company's share.
Allocation of Funds	PKR 319,321,963/-
Authorize an officer of the company to act as manager to the offer for ensuring legal compliance relating to buy-back of shares	The Board of Directors has authorized Mr. Fahad Muslim as an authorized officer of the company to act as manager to the offer for ensuring legal compliance with the requirements relating to buy-back of shares.

NOTICE OF ANNUAL GENERAL MEETING

PARTICULARS	DESCRIPTION
Indicative (Maximum) Percentage of shares to be purchased / buy-back	The Company will Purchase/buy-back 13.06% of the total outstanding shares of the Company.
Directors Interest	The Directors and the Chief Executive have no personal interest, directly or indirectly, in the proposed business for the buy-back of issued ordinary share of the Company except to the extent of their respective directorships and shareholdings held by them/their Companies and like other members, they would also be entitled to participate in proposed buy-back of Company's issued shares.

PROCEDURE FOR BUY-BACK OF SHARES

As required under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the following procedure shall be followed for purchase/buy-back of shares of the Company:

1. The Public Announcement for the tender offer shall appear within two working days of the passing of the special resolution in two daily newspapers, at least 7 days before commencement of the purchase period.;
2. The offer letters and Shares Tender Forms will be sent by the Company to the all members whose names will appear on the Members Register on the book closure date i.e., April 20, 2021 along with copies of Public Announcement within 5 days of Public Announcement.
3. The shares shall be tendered during purchase period through share tender form to the Manager to the Offer, in terms of regulation 4(3) of the Buy-Back Regulations. Necessary, information and instruction regarding procedure to sell the shares shall also be communicated to the members through the Offer Letter, public announcement and shares Tender Form, which in addition to being dispatched shall also be made available on Company's website: www.jsjgcl.com
4. If the shares tendered by the members exceed the number of shares announced to be purchased, the procedure as laid down in regulation 5 (h) of the Buy-Back Regulations shall be followed by the Company.
5. If the share tendered are less than the minimum marketable lot, five hundred shares or marketable lot, whichever is lower shall be accepted.
6. The shares tendered in physical form shall not be accepted for purchase.
7. The payment for the accepted shares shall be made by the Manager to the Offer through bank draft or pay order not later than seven days of the closing of the purchase period.
8. The unaccepted shares, if any, shall be returned within seven days of the closing of the purchased period.

Justification for Buyback

The Board of Directors has considered the fact that the Company has excess capitalization which distorts the earnings per share and other ratios of the Company including return on equity. The capitalization after the proposed buy-back (and consequent cancellation of the shares purchased via this buy-back) will be rationalized and would be sufficient for the Company's requirement. The proposed buy back is expected to improve the earning per share of the Company and will also result in improved dividends.

Basis of Price

The suggested price for buyback is approximately at the breakup value of the shares of the Company, which is a very attractive price for shareholders, who are not only going to be offered the intrinsic value of the share, but also likely to benefit from the premium offered via the buyback when compared to its market price.

NOTICE OF ANNUAL GENERAL MEETING

Benefits of the Buyback

The proposed buyback will help the Company in improving its EPS and other financial ratios and does not affect the existing business needs whatsoever. The proposed buy back is also expected to result in better future payout. The breakup value per share of the Company will also increase as a consequence of buyback and recapitalization of the balance sheet.

Moreover, the buyback provides an opportunity to shareholders to liquidate their investment in the Company at a rate which is higher than the market price of the share and close to the break-up value of the shares.

Source of Funding

The shares will be purchased in cash using the distributable profits of the Company as required under Section 88 of the Companies Act, 2017. The Company has sufficient cash resources available with it for the proposed buy-back of its shares. The Board has provided an undertaking that they have carried out the necessary funds available to undertake the proposed buyback.

Effect on Financial Position

The proposed buy-back (and consequent cancellation) of shares of the Company will not have any adverse impact on the financial position of the Company as the reduced capital would consolidate its equity resulting in increased earnings per share and improved dividend in future.

Additionally, after the proposed buy-back is concluded, the Company shall continue to be well compliant with the minimum capital requirements prescribed by PSX for a TREC Holder, thereby having no negative impact on the Company's ability to carry on its operations without any hindrance.

Further, as required under Regulations, the directors of the Company have provided an undertaking to the effect that they have made enquiry into the affairs of the Company and that after having done so they have formed an opinion that the Company shall be capable of meeting its obligations in time during the period up to 12 months after the proposed buyback.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances.

The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups at remote sites.

The key highlights and actions of JS Global Capital Limited's Business Continuity Plan is as follows:

- The Management has put in place-adequate systems of IT Security, real-time data backup and off-site storage of data back-up at Company's Site.
- The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.
- The IT Team has been working on the Standard Operating Procedures.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extra ordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure the safety of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.
- The Company has also deployed adequate security staff at Company's premises to ensure uninterrupted operations regardless of the political situation and other external factors.
- The Company ensures the backup of all the assets whether physical or virtual; the physical assets are backed by insurance, whereas back-up of virtual assets and data is created on a routine basis.
- It is also regularly ensured that Data Recovery processes are operating effectively.

SHARES HELD BY SPONSORS / DIRECTORS / EXECUTIVES:

Shares held by Sponsors / Directors / Executives are given in shareholding pattern of the Company which is given later in the report.

PRESENCE OF THE CHAIRMAN OF THE AUDIT COMMITTEE AT THE AGM

The Chairperson of the Audit Committee attended the AGM that has been mentioned in the minutes circulated to the shareholders of the Company to answer questions on the audit committee's activities and matters within the scope of the audit committee's responsibilities.

EXTERNAL SEARCH CONSULTANCY USED IN THE APPOINTMENT OF THE CHAIRMAN OR A NON-EXECUTIVE DIRECTOR

There is no external search consultancy used in the appointment of the Chairman or a non-Executive Director.

ROLE OF CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

CHAIRMAN:

- To provide leadership to the Board of Directors of the Company.
- To ensure that the Board plays an effective role in setting up the Company's corporate strategy, business direction and Key Performance Indicators (KPIs).
- To promote and oversee the highest standards of corporate governance within the Board and the Company.
- To review performance of the Board.
- To manage and solve conflict, if any, amongst the Board members and to ensure freedom of opinion in the Board.

CHIEF EXECUTIVE OFFICER:

- To execute and implement the strategies, policies and business plans approved by the Board.
- To achieve the performance targets set by the Board and to ensure communication of the same across the organization as the standards to be achieved by the Management.
- To maintain an effective communication with the Chairman and the Board and to bring all important matters to their attention.
- To ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls are in place for all major operational and financial areas.
- To encourage and inculcate a culture of highest moral, ethical and professional values in all business dealings of the Company.

CHAIRMAN'S REVIEW

Dear Shareholders

I take immense pleasure in presenting to you the annual performance of JS Global Capital Limited (“JSGCL”) for FY2020. The company has once again proudly upheld its tradition of being a market leader in the capital markets of Pakistan.

2020 has undoubtedly been a unique year, not just for Pakistan but for countries around the globe. The Coronavirus pandemic impacted the mental and physical health of millions of people globally and subsequently affected the global economy and financial markets. Timely and effective decisions by the Government of Pakistan and the State Bank of Pakistan enabled the economy to survive the pandemic effectively and efficiently. Throughout this time, the Board and its committees continued to provide strategic oversight to the management to ensure that the Company successfully remained on a path of sustainable growth, as it has done so for decades.

The AA (long term) and A1+ (short term) entity ratings and BMR1 Management rating – the highest for any equity brokerage firm in the country – by PACRA are a testament not only to the Company's commitment to being an industry leader in operational and structural excellence but to the team's hard work in ensuring that JS Global continues to be known as a market leader.

Low penetration levels have been a major challenge to the development of Pakistan's financial market. At the same time, the relevant authorities have launched a number of initiatives during the year that will go a long way in addressing these matters while JS Global has also played its part in the

development of the country's equity market. 2020 has been a year of the Exchange Traded Funds (ETFs) for which the Company remains the sole Designated Market Maker. Furthermore, the launch of Roshan Digital Account has been a major step towards the development of financial markets in the country. Last, but not the least, strengthening of overall accountability measures should go a long way in bridging the trust gap between small investors and the markets.

I would like to commend the management for their dedication and thank the stakeholders for their continued support and trust in JS Global. I assure them that the Company remains committed to growing through strict compliance to all ethical and legal obligations. I on behalf of the Board and the Management wish you another year of success, prosperity and health.

Muhammad Yousuf Amanullah
Chairman

Date: February 18, 2021

CHAIRMAN'S SIGNIFICANT COMMITMENTS

Chairman's significant commitments during the year included:

- Effective conduct of Board meetings and Shareholder meetings.
- Effective decision making on various strategic matters of the Company.

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2020. We would like to make the following submissions:

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises of four (4) non-executive directors including one Independent Director, who is also the Chairperson of the Committee. The members of the Audit Committee are qualified professionals and possess enriched experience of working at the Boards & Senior Management levels of entities operating in various sectors. Further, two members are qualified as financial literates as per Code of Corporate Governance.

The Company Secretary is the Secretary of the Audit Committee.

Chief Financial Officer of the Company attends the meeting by invitation, while the Committee meetings are attended by the External Auditors on requirement basis.

THE FINANCIAL STATEMENTS

The Committee has concluded its annual review of the conduct and operations of the Company during 2020, and reports that:

- The annual financial statements for the year ended December 31, 2020 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- There were no issues in the application of Companies Act 2017, and these financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Chairman of Audit Committee, Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by the Chairman of Audit Committee and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All Related Party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019" which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holdings of Company's shares (if any) by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of the Company, along with maintenance of confidentiality of all business information.

REPORT OF THE AUDIT COMMITTEE

RISK MANAGEMENT AND INTERNAL CONTROL

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company.
- The Company has devised and implemented an effective internal control framework which also includes an outsourced independent internal audit function.
- The Internal Auditors is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company's approach towards risk management has also been disclosed in the relevant portion of the Directors' Report.

INTERNAL AUDIT

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company.
- The independent outsourced Internal Audit function has carried out its duties under the charter defined by the Committee. The Committee has reviewed Internal Audit findings as reported by internal auditors via its reports on quarterly basis in its meeting, taking appropriate action or bringing the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff of independent outsourced internal audit function and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit (Internal audit coordinator) has direct access to the Chairperson of the Audit Committee and independent outsourced internal audit function has staff with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

EXTERNAL AUDITORS

- The statutory Auditors of the Company, EY Ford Rhodes Chartered Accountants, have completed their audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended December 31, 2020.
- The Auditors attended the Audit Committee meeting where their audit report was discussed and external auditor has discussed the major areas concerning their audit with the members of Audit Committee.
- The Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.
- The statutory Auditors of the Company, EY Ford Rhodes Chartered Accountants stand retired and not eligible for reappointment for FY 2021 due to expiry of five (5) years since appointment. Audit Committee has recommended the appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company along with its remuneration to board who recommends the same for members' approval at the forthcoming Annual General Meeting.

ANNUAL REPORT 2020

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Annual Report 2020 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

THE AUDIT COMMITTEE

- The Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board which includes principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board's performance, which also included members of the Audit Committee was carried out separately and is detailed in the Annual Report.

PANDEMIC RECOVERY PLAN BY THE MANAGEMENT AND POLICY STATEMENT

INTRODUCTION

To mitigate the risks of COVID-19 local transmission, the Company has taken all the necessary precautions to avoid its spread in our employees including the following:

1. MANDATORY WORK FROM HOME FOR 50% STAFF

The Company has deployed policy of work from home for 50% staff at head office and branches during lock down all over the country without disruption in business operations.

2. AWARENESS TRAINING ABOUT COVID-19

This training provides basic hygiene measures, awareness and precautions including how to wear Mask, how to wash hand, how to use sanitizer, how to maintain safe distance etc.

3. CAUTION SIGNS

Caution signs are displayed at various locations for awareness about covid-19 including basic steps to stay safe and how to maintain safe distance or how to use sanitizer.

4. HAND WASH AND SANITIZERS

Hand sanitizers are filled in dispensers and fixed at different location of head office and branches and it is supervised and checked by the Admin department on daily basis - refilling of sanitizer dispensers is regularly monitored.

5. FUMIGATION SPRAYS

Sprays are done to disinfect the head office and branches.

6. PERSONAL PROTECTIVE EQUIPMENT

Personnel protective equipment are also provided at head office and branches including face mask, surgical or disposable gloves.

7. TEMPERATURE CHECKING

Temperature is also being checked by Security guards at the main entrance of head office and branches.

8. MAINTAINING SAFE DISTANCE

We at JSGL are maintaining safe distance at;

1. Offices
2. Prayer areas
3. Mess and accommodations

To the members of JS Global Capital Limited

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

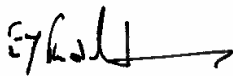
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of JS Global Capital Limited (the Company) for the year ended **31 December 2020** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2020.

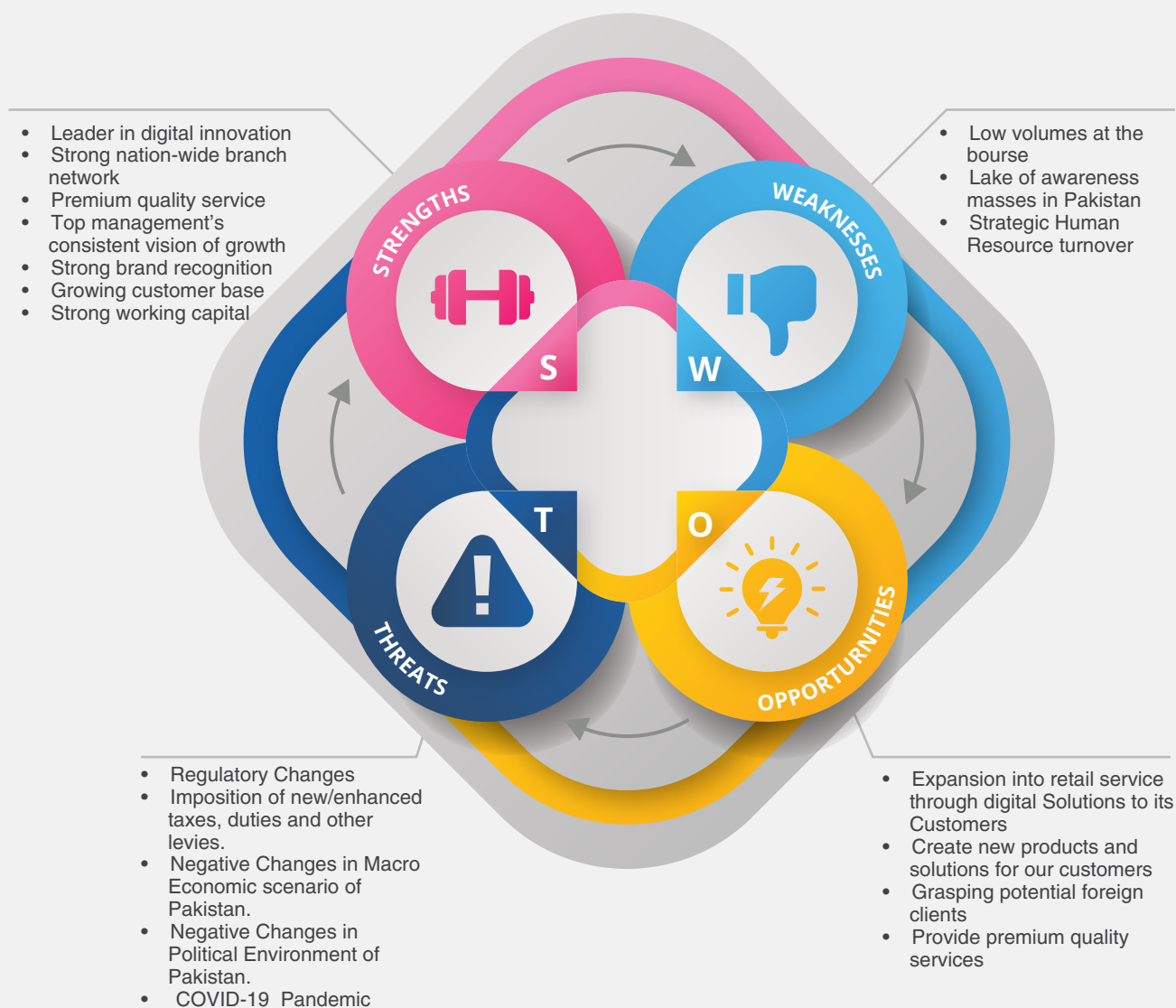


Chartered Accountants

Date: 5 April 2021

Place: Karachi

SWOT ANALYSIS







DIRECTORS' REPORT

DIRECTORS' REPORT

We are pleased to present the Annual Report of JS Global Capital Limited ("the Company") along with the audited accounts and auditors' report for the year ended December 31, 2020.

The Economy

As was the case in most countries, Pakistan and its economy reeled from the shocks of the global coronavirus pandemic in 2020. Other than the social disaster of spiraling new cases and casualties, factories and businesses, banks, schools, etc. were shut down during April and May. The economic scenario could have become catastrophic (as it did for some regional countries) had it not been for managed lockdowns and incentives from the State Bank of Pakistan ("SBP") in particular, such as timely policy rate cuts by a cumulative 625bps (from 13.25% to 7.00%), concessionary loans to prevent worker layoffs, etc.

GDP contracted during FY20 by 0.38%, compared to a growth of 1.91% seen in the previous year. Of the three major sectors, agriculture was the one which provided cushion to the economy, with 2.67% growth, while the industrial and services sectors declined by 2.64% and 0.59%, respectively. Moreover, within the industrial sector, large scale manufacturing (LSM) declined by 7.78% during FY20, whereas the plunge was more pronounced during the lockdown months. On a positive note, LSM has recovered during July-November 2020 with 7.41% growth on a cumulative basis, compared to last year, whereas growth stood at 14.46% in November. On the other hand, the decline in production in key crops due to monsoon rains, pest attacks and the pandemic could create some downwards pressure on growth in FY21. Moreover, headline inflation remained a sore point for the economy during 2020, averaging an increase of 9.48% compared to last year. Food inflation was the major instigator, increasing by a massive 15.38% compared to last year. Considering the recent decision to increase unified base tariff by the government, in line with resumption of the IMF program, this could create some pressure on inflation in 2021. Excluding this, given the high base effect, inflation is expected to be lower than 2020.

Probably the largest reason to cheer was on the external front, where the current account recorded five consecutive monthly surpluses from July to November, 2020. This was largely on account of exceptional growth in remittances, which stayed above the USD 2 billion mark from July-December, increasing by 24.9% during the period, against earlier market expectations of a decline amid the pandemic. As a result of the improved current account scenario, the balance of payments remained in positive territory despite a reduction of inflows in the financial account in 2020.

Equity Capital Markets

Although the KSE-100 index started 2020 on a positive note, the pandemic wiped away the momentum with the index plunging by as much as 33% in March 2020 from December 31, 2019 levels on a closing basis. However, the index recovered handsomely since, fuelled partly by earnings growth of listed companies and the country's successful navigation through the first and second waves of the pandemic. Consequently, the index closed the year 2020 at 43,755 levels, marking an improvement of 7% compared to last year (or 61% from the March lows).

Market activity improved considerably during the year, as investor confidence improved on Pakistan's relative success in navigating the first and second waves of the pandemic, coupled with continuous improvement in the external account. Volumes jumped to 330 million per day in 2020 from 159 million in 2019, recording an increase of 107%, whereas average value traded (in dollar terms) showed a similar increase (91%). Key sectors that showed robust growth during the year included cyclical sectors such as Engineering (96% YoY), Cements (74% YoY), Refineries (67% YoY) and Automobile Assemblers (27% YoY). Heavyweight sectors failed to perform, for example, Banks (-5% YoY) stagnated amid interest rate cuts and fears of asset quality deterioration amid COVID-19.

Foreign Exchange Market

The currency remained stable as compared to the previous year, depreciating by a measured ~3.2% to close at 159.83 - as compared to a depreciation of ~11.0% last year, the highest parity was witnessed at 168.60 in August 2020 and lowest parity was at 154.16 in February 2020.

The average swap rates in January 2020 for 1 month, 3 months & 6 months stood at PKR 1.40, PKR 3.50, and PKR 6.35 respectively. Since the COVID-19 pandemic, the swap rates decreased significantly as investors preferred the relative safety of the spot market over the uncertainty of swaps in the given scenario. Swap rates had declined in April 2020 for 1 month, 3 months & 6 months to at PKR 0.61, PKR 1.67 and PKR 3.11 respectively. More pressure was added by the sharp monetary easing (from 13.25 % to 7.00 %).

DIRECTORS' REPORT

However, as the relief measures gained traction and the number of new Coronavirus cases in Pakistan decreased sharply, swap rates began to recover. Average swaps for the month of September 2020 stood at PKR 1.03, PKR 2.82 and PKR 4.78 for 1 month, 3 months and 6 months, respectively.

Recent estimates shared by IMF and World Bank for Pakistan's GDP growth for FY21 seem to incorporate slow recovery from the pandemic, in line with most other nations. These forecasts are perhaps a bit too conservative, particularly when compared to the government's estimates, given that Pakistan has been very fortunate when compared to other countries in dealing with the pandemic.

Money Market

The money market remained volatile during the year FY20, the SBP reduced the policy rate by a cumulative 625 basis points to counter the economic impact of COVID-19. However, after achieving stability on the external front, the Policy Rate has been left unchanged. Moving forward, it remains to be seen when the SBP increases interest rates.

The last cut-off yields of T-bills by end of December 2020 were 7.15% in 3 months-(3M), 7.20% in 6 months-(6M) and 7.29% in 12 months-(12M) tenor respectively. Overall participation in T-Bills remained high. As the situation started to improve after the first wave of Covid subsided in June and economic activity picked up, participation in PIBs started to decline, pulling up the yields. In the last auction of 2020, the cut off yield of 3Y PIBs stood at 8.24% while bids in the 5Y and 10Y tenor were rejected. Moreover, the introduction of floater bonds with quarterly coupons was the key highlight of the year. There was decline in participation in semiannual floating coupon bonds.

Commodities Market

Despite the Coronavirus pandemic, traded volumes at the local Pakistan Mercantile Exchange (PMEX) did not fare as badly as initially feared. Compared to last year, total PMEX volumes declined by only 6%, as there was some recovery in the later quarters of the year after a heavy decline in the first quarter. Activity was led by contracts with underlying commodities, particularly the safe haven gold and silver contracts, whereas this was largely offset by sharp drops in trading in crude oil and market-based (DJ and NSDQ100) contracts. Despite the sluggish momentum, JS Global's commodity department outperformed PMEX with 21% YoY growth in volumes compared to last year, with GO1OZ being the preferred contract for small investors during the period. With efficacious vaccines being developed, it is hoped that the global commodity trading market will potentially face a less volatile year ahead which could be positive for market activity.

Principal activities

The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions.

Overview of Financial Performance

The summarized results are set out below:

	Year ended December 31, 2020	Year ended December 31, 2019
	Rupees	
Profit before tax	289,613,260	107,289,020
Profit after tax	206,954,372	47,248,393
Earnings per share	6.77	1.31

DIRECTORS' REPORT

Monetary impacts of significant P&L items on the Company's bottom-line are highlighted as under:

The Company earned operating revenue amounting to PKR 613 million relative to PKR 370 million in the corresponding period prior year, thus clocking the increase of 66%.

On the cost front, the Company incurred PKR 560 million (down 2% YoY) for the said year in respect of administrative and operating expenses. The Company is successfully executing its cost controlling policy as evident from the figures.

The increase in profitability is directly attributable to the significantly increased volumes at the bourse during the period under consideration. These were market related factors whereas the Company was once again able to maintain its overall market share despite all challenges. Going forward, as the volumes at the bourse improves; the Company is poised to capitalize on the back of its growing market share.

Moreover, the Company is focused on maintaining its growth momentum in the long run. The management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from treasury management, core brokerage and fee based operations whilst at the same time rationalizing our cost base.

Appropriation of Profits

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

	Year ended December 31, 2020	Year ended December 31, 2019
	----- Rupees -----	
Un-appropriated profit brought forward	112,367,591	400,369,198
Distribution of profits through buy back of shares	-	(335,250,000)
Profit after tax	206,954,372	47,248,393
Un-appropriated profit carried forward	319,321,963	112,367,591
Other Comprehensive Income		
Un realized gain on revaluation of investments at fair value through other comprehensive income - net	11,441,759	5,510,021

The Board of Directors of the Company has not proposed any distribution to shareholders for the year ended December 31, 2020 on account of future liquidity requirements.

Corporate Governance and Financial Reporting Framework

The Directors confirm compliance for the following matters:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Company has not defaulted in payment of any debt liability during the year.
- Reasons for significant deviation from the last year's operating results have been explained in the relevant section of the Directors Report.

DIRECTORS' REPORT

- 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 last six years has been given in annual report.
- Information about outstanding taxes, duties, levies and charges, if any, is given in notes to the accounts.
- 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, 2020 amounts to approximately PKR 93 million (June 30, 2019: PKR 99 million).
- Material changes and commitments (if any) affecting the financial position of the Company that have occurred between the balance sheet date and the date of the Directors' Report is appropriately disclosed in accounts.

The Board

The Board comprises of two independent directors, five other non-executive directors and the CEO who is deemed director. The Board comprises of all male members except one female member. The Board includes a mix of Directors with the right expertise and necessary experience required to fulfill their essential oversight roles. The Board values diversity of business skills and experience as the Directors with diverse skill set, capabilities and experience gained from different geographic and cultural background are critical in today's competitive business environment.

The positions of the Chairman and CEO are separate in line with the Code and best governance practices.

The Board of Directors of the Company approved the formal policy and transparent procedures for fixing remuneration of its directors. All directors excluding directors currently employed in any entity of JS Group receive fixed fee for attending each meeting of the Board and its committees along with travelling, conveyance and accommodation charges at actual. The purpose is to provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market. No benefits like retirement, pension, gratuity, provident fund or insurance shall be available for any Non-Executive directors. Non-Executive directors cannot receive any rewards under any incentive or performance based remuneration plans, and personal loans or guarantees shall not be granted to them by the Company.

The aggregate remuneration including certain benefits to the CEO, Directors and Executives of the Company is disclosed in financial statements.

The annual formal process of evaluation of performance of the Board as a whole and its committees is being performed by engaging external independent consultant - Pakistan Institute of corporate Governance (PICG) – an institute duly approved by SECP for this purpose at a fee agreed with the institute.

The Board has three subcommittees comprising of Audit Committee, Risk Management Committee and Human Resource & Remuneration Committee, which assist the Board in the performance of its functions during the period under consideration.

Board Meetings and Attendance

During FY20, the Board of directors held 5 meetings. The attendance record of the directors is as follows:

S. No	Name of Director	Eligibility	Meetings attended
1	Mr. Muhammad Yousuf Amanullah	5	5
2	Mr. Muhammad Kamran Nasir (CEO)	5	5
3	Mr. Munir Hassan Taher	5	3
4	Mr. Abdul Hamid Mihrez	5	2
5	Mr. Khushro Iqbal Mumtaz	5	5
6	Ms. Shireen Raza	5	4
7	Mr. Iftikhar Ahmed Rao	5	5
8	Mr. Shahab Anwar Khawaja	5	5

DIRECTORS' REPORT

The Board Audit Committee

During FY20, the Board Audit Committee held 4 meetings. The attendance record of the directors is as follows:

S. No	Name of Director	Eligibility	Meetings attended
1	Mr. Shahab Anwar Khawaja	4	4
2	Mr. Khusro Iqbal Mumtaz	4	4
3	Mr. Munir Hassan Taher	4	2
4	Ms. Shireen Raza	4	3

The Board Human Resource & Remuneration Committee

During FY20, the Board Human Resource & Remuneration Committee held 4 meetings. The attendance record of the directors is as follows:

S. No	Name of Director	Eligibility	Meetings attended
1	Mr. Iftikhar Ahmed Rao	4	3
2	Mr. Muhammad Yousuf Amanullah	4	4
3	Mr. Muhammad Kamran Nasir	4	3
4	Mr. Khusro Iqbal Mumtaz	4	4

The Board Risk Management Committee

During FY20, the Board Risk Management Committee held 4 meetings. The attendance record of the directors is as follows:

S. No	Name of Director	Eligibility	Meetings attended
1	Mr. Khusro Iqbal Mumtaz	4	4
2	Mr. Muhammad Yousuf Amanullah	4	4
3	Mr. Muhammad Kamran Nasir	4	4
4	Mr. Abdul Hamid Mihrez	4	1

Adequacy of Internal Financial Control

The Board of Directors has established a system of sound internal financial controls, for achieving effectiveness and efficiency in its operations, reliable financial reporting and compliance with applicable laws and regulations. The independent outsourced Internal Audit function of the Company regularly monitors implementation of financial controls whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on a quarterly basis.

Corporate Social Responsibility

Statement of Corporate & Social Responsibility is disclosed in relevant section of Annual Report.

Management Discussion of Financial Responsibility and Significant Risks and Uncertainty

The Company's management is responsible for preparing the financial statements and related notes contained in the Annual Report. The Board Audit Committee ('BAC') monitors and supervises the functions of the outsourced Internal Audit Department and assists the Board in overseeing internal control and monitoring and managing risks, (including but not limited to credit risk, liquidity risk, market risk, operational risk, legal/regulatory risk and reputational risk among others) that results from operating in the capital market industry. Internal Audit adopts a risk-based approach for planning and conducting business process audits, which are 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.

BAC operates in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities Exchange Commission of Pakistan (SECP). Terms of reference as approved by the Board sets out the scope of the Committee. The Committee comprises of four non-executive directors including the Chairman who is an independent, non-executive director. The Chairman of the BAC satisfies the requirement of having at least one financial literate member, being a member of a recognized body of professional accountants. The Internal Audit function is outsourced to Yousuf Adil, Chartered Accountants, who reports directly to the Chairman of the BAC, and the Chief Financial Officer is invited to attend the meetings. During the year, the Committee held four meetings. The external auditors were also in attendance to discuss specific issues. The financial statements of the company were reviewed by the BAC before approval by the Board.

DIRECTORS' REPORT

Auditors

The auditors EY Ford Rhodes stand retired and not eligible for reappointment for FY 2021 due to expiry of five (5) years since appointment. BAC has recommended the appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company along with its remuneration to board who recommends the same for members' approval at the forthcoming Annual General Meeting.

Pattern of Shareholding

Major shareholder of JS Global Capital Limited is JS Bank Limited who holds 83.53% shares. Other shareholders include local institutions and the general public.

A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the regulatory framework and the statement of purchase and sale of shares, if any, by Directors, Executives and their spouses including minor children during the year ended December 31, 2020 is presented later in annual report.

Credit Rating and Broker Management Rating

The Pakistan Credit Rating Agency (PACRA) has maintained the Company's long term and short-term ratings at AA (Double A) and A1+ (A-One Plus) respectively, for FY20. These ratings reflect the Company's sound financial position resulting from a robust capital structure and denotes a very low expectation of credit risk and very strong capacity for timely payments of financial commitments. This capacity is not significantly vulnerable to foreseeable events

During the FY20, PACRA conducted the Broker Management (BM) Rating and assigned BMR1 with a 'Stable' outlook. The rating derives comfort from the Company's policy prohibiting proprietary trading stocks, thus limiting the market risk and liquidity risk. The rating also reflects Strong regulatory compliance, control environment, and financial management; governance and risk management frameworks are highly effective; HR, IT, and customer services are highly proactive.

Future Outlook

With the strength that our balance sheet and reserves have to offer and our constant desire to achieve steady and tangible growth, we will continue to strengthen and improve on 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 we will maintain our growth momentum in the long run and continue to build shareholders value as we have always in the past.

We plan on maintaining our focus on institutional building by continuously strengthening our core business units, increasing market share in all domains and constantly remain in search of innovative financial products and services.

Acknowledgement

We express our sincere appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence. The Board also takes this opportunity to express its gratitude to all the employees of JS Global Capital Limited for their untiring efforts.

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and the management of Pakistan Stock Exchange Limited for their efforts to strengthen capital markets and their measures to protect investor rights.

For and on behalf of the

Chief Executive Officer

Director

Date: February 18, 2021

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between financial performance and corporate, social and environmental responsibility.

Social Responsibility Policy:

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behavior which improve values like integrity and transparency.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions
- Maintaining collaborative relations with the society through a good harmony and effective communication.

Environmental Responsibility Policy

Ensure our operations and services comply with relevant environmental legislation and regulations.

- Operate in a manner that is committed to continuous improvement in environmental sustainability through conservation of resources, prevention of pollution, and promotion of environmental responsibility amongst our employees.

HUMAN RESOURCE MANAGEMENT POLICIES

The backbone of any organization is its people. JS Global Capital Limited firmly believes in nurturing, investing in and promoting its employees with the ultimate objective of ensuring a very high level of employee satisfaction and efficiency, which in turn translates into high levels of client's satisfaction. The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork.

The main components of the Company's HRM policy are:

- Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team work and synergetic efforts
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

SUCCESSION PLANNING

JSGCL plans its manpower needs as far ahead as possible. Thus, the Company will endeavor to maintain a required number of employees, possessing the necessary skills, experience, and qualifications, to efficiently carry out its operations.

It is JSGCL policy to ensure that, for each key position, there is a documented succession plan to cover the eventuality of the individual that holds that position no longer being employed by the Company.

In keeping with JSGCL manpower planning and internal vacancy policies, job succession planning will be conducted and monitored by the relevant LOB Heads or Departmental Head in conjunction with Human Resources Department. Managers will identify individuals in their area who demonstrate quality performance and have potential for further growth based on their performance reviews and relevant job competencies as defined in the current and next level job descriptions. These individuals will be especially monitored to assess any training and development needs or any other job-related assistance in order to prepare them for the next level job whenever it becomes available. Line Managers and Human Resources will work together to identify and support these individuals and, wherever possible, JSGCL will strive to follow this internal succession planning to promote from within existing employee ranks.

POLICY ON DIVERSITY

JS Global Capital Limited aims to be an inclusive organization, where diversity is valued, respected and built upon. The culture of the Company values differences and recognizes that stakeholders from different backgrounds and experiences can bring valuable insights to enable a collaborative work environment by introduction of varied ideas and perspectives within the Company.

We aim to pro-actively tackle discrimination and to ensure that no individual or group is directly or indirectly discriminated against for any reason regarding employment and the Company bears no tolerance for harassment/bullying and persecution. The Company has a whistle blowing policy in place, and employees are encouraged to report all such matters and related grievances to the Human Resources department. The Board ensures application of diversity policy through Human Resource department by ensuring that all advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences are appreciated rather than criticized for novel ideas and improvements.

LIST OF COMPANIES IN WHICH EXECUTIVE DIRECTOR IS ACTING AS A NON- EXECUTIVE DIRECTOR

Mr. Muhammad Kamran Nasir is not acting as non - executive director in any other Company.

RELATED PARTY TRANSACTIONS

Names of related parties in Pakistan and outside Pakistan (if any), with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding have been appropriately disclosed in Note 31 of annual financial statements of FY2020.

The Company maintains a comprehensive and updated list of all related parties. All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions. The Company has not entered into any contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis.

The Company has a policy where all transactions with related parties where majority of Directors are interested, are referred to the shareholders in a general meeting for approval. In compliance with the Code of Corporate Governance and applicable laws, a comprehensive list of all related party transactions are placed before the Audit Committee for review at the end of each quarter. After review by the Committee, the transactions are considered and approved by the Board keeping in view the recommendations made by the Committee.

BOARD MEETINGS HELD OUTSIDE PAKISTAN DURING THE YEAR

There were no board meetings held outside Pakistan during the year.

POLICY FOR ACTUAL AND PERCEIVED CONFLICT OF INTEREST

All Directors are obligated to avoid actual, potential and perceived conflicts of interest. Agenda points for the Board's proceedings are finalized after obtaining relevant information regarding vested interests and quantification thereof, whereas all observations / suggestions of Board members during their proceedings are accordingly recorded.

The Company shall be managed on the basis of high standards of professionalism, ethics and integrity. The Company shall make decisions on the choice of markets, customers and activities on an objective basis. The Company will not extend services to any Company in which any of its directors have, direct or indirect, beneficial ownership of more than 20% ordinary voting shares unless: (1) this interest is previously disclosed; (2) the decision is made without the presence or participation of the individual(s) concerned. The Company will avoid any conflict of interest or appearance of impropriety by instituting a policy prohibiting the employment (whether as employee, independent contractor or otherwise) of any parent, child, grandparent, grandchild, brother or sister (or any entity controlled by any such person) of any officer, director or a person holding more than 5% shares of the Company, unless (1) the family relationship is fully disclosed, and (2) the decision to retain such services is notified to the Board of Directors.

The employees of JSGCL will only be allowed to trade in the regular / ready market. Employee of JSGCL will not involve in intraday transactions and will retain their position for at least seven days from the date of transaction. Further, the employee will actually settle the transaction on the settlement date. The employee will not initiate transactions in the future market or any other leveraged market. The employees would not be permitted to execute short sale in a security. No financing of any kind will be made available to the employees from JSGCL. However, CEO shall be authorized to relax the said conditions if deemed necessary on a case to case basis. Where any non-compliance of the above is noted, the Company shall inquire in writing the reason for such violation. A copy of the inquiry letter along with response of the employee shall also be filed in the employee's personnel file maintained by HR.

Proprietary trades shall be executed on designated terminals by designated operators/traders and such traders shall not be allowed to deal/execute orders of customer to avoid conflict of interest. The company shall not take any direct or indirect advantage from any conflicting situation and shall act in the best interest of the client.

In case of any conflict of interest identified the company will immediately inform its customers through verifiable means. It will also be ensured that there is no direct or indirect advantage taken from the situation and the company will always act in the best interest of the customers.

CORPORATE SOCIAL RESPONSIBILITY

JS Global Capital Limited (JSGCL) being a responsible organization strives to encourage Corporate Social Responsibility (CSR) that nourishes economic growth, social progress and environmental protection in Pakistan.

JSGCL carries out major benevolent activities in partnership with Future Trust for e.g. JSGCL collaborated with the Trust in its fundraising to support research for Covid-19 testing kits and general healthcare of the people of Pakistan.

FUTURE TRUST

Future Trust (the Trust) was founded in 2015. The Trust is a non-profit charitable organization, set up by JS Group for the promotion, advancement and encouragement of technology and providing quality services in the field of healthcare, education, career counseling, professional training, emotional well-being and general improvement of socio economic conditions and living standards of the people of Pakistan. The Trust also provides monthly sustenance to various penurious families for their livelihood.

JS BANK LIMITED

As the part of the JS Group, the parent company of JSGCL, JS Bank Limited (the Bank) has been involved in major initiatives and projects of the past fiscal year that includes:

- **Green Climate Fund (GCF)**

JS Bank collaborated with Green Climate Fund (GCF). GCF is the world's largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change.

- **Compliance with State Bank of Pakistan – Green Banking Guidelines (GBG)**

JS Bank complied with State Bank of Pakistan's Green Banking Guidelines (GBG) initiative. GBG acknowledges the responsibility of the financial sector in supporting policy initiatives for aimed at a low carbon and climate resilient economy.

- **Renewables Energy Solutions**

JS Bank has continued its efforts to create environmentally friendly products for its customers. The Bank has been the first to develop specialized products to make solar panels more accessible to citizens across the country.

- **Partnering with World Wind Energy Association**

JS Bank has partnered with World Wind Energy Association – Pakistan (WWEA) under the State Bank of Pakistan's (SBP) renewable energy scheme to improve access to clean energy generation for commercial and residential customers.

- **Partnering with Federal Government to Combat Pollution and Landfills**

To support the federal government, initiatives aimed at combating climate change and its impacts, the Federal Minister for Climate Change – Zartaj Gul, Islamabad Capital Territory Administration and JS Bank distributed canvas as an alternative to polythene shopping bags.

- **Partnering with Women Chamber of Commerce**

JS Bank signed a Memorandum of Understanding (MoU) with the Women's Chamber of Commerce and Industry (South) on Women's Equality Day. JS Bank will provide financial tools and resources to women across Pakistan, to help them set up and grow their businesses under the JS Khud-Mukhtar program.

- **Fight Against COVID 2019**

In the wake of the pandemic, JS Bank along with its partners donated over PKR 110 Million to counter and combat the impact of the Corona Virus (COVID-19) in Pakistan. Based on a pledge matching initiative wherein JS Bank equally matched all support pledges made by its partners, this fund was rooted in JS Bank's philanthropic philosophy of collaborative efforts and focused on addressing some of the immediate and long-term issues related to the pandemic.

FINANCIAL STATEMENTS

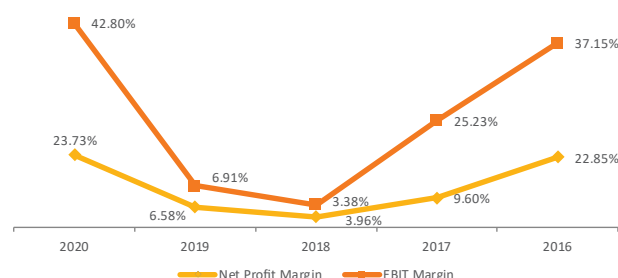


JIS Global

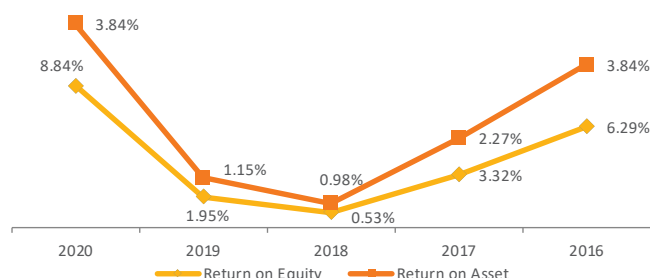
ANALYSIS OF FINANCIAL STATEMENTS FOR THE FIVE YEARS

Key Performance Indicators	UOM	2020	2019	2018	2017	2016
PROFITABILITY RATIOS						
Profit before tax ratio	%	33.21%	14.93%	13.04%	22.27%	31.94%
Return on Equity	%	8.84%	1.95%	0.98%	3.32%	6.29%
Return on Asset	%	3.84%	1.15%	0.53%	2.27%	3.84%
Return on Capital Employed	%	12.25%	5.98%	4.06%	9.72%	9.38%
Net Profit Margin	%	23.73%	6.58%	3.38%	9.60%	22.85%
EBIT Margin	%	42.80%	6.91%	3.96%	25.23%	37.15%
LIQUIDITY RATIOS						
Current Ratio	Times	1.42	2.01	1.93	3.00	2.21
Quick Ratio	Times	1.42	2.00	1.94	2.98	2.20
Operating Cash Flow Ratio	Times	0.13	0.13	0.05	0.20	0.14

PROFITABILITY RATIOS



PROFITABILITY RATIOS



PROFITABILITY RATIOS

JSGCL continued its growth trajectory and recorded excellent results for the year 2020 - with all-around growth. The profitability ratios have seen an upward trend, during the year, the company made a net profit of Rs. 206.95 million compared to a net profit of Rs. 47.25 million in the previous year. The increase in profitability is mainly attributed to the significantly higher volumes at the bourse during the period, daily weighted average traded volumes reached 450.131 million shares up by 100.14% on a YoY basis. The Company continued to maintain its market share by ensuring that customers receive high-quality services.

Key Performance Indicators	UOM	2020	2019	2018	2017	2016
INVESTMENT/MARKET RATIOS						
Earning per Share	Rs.	6.77	1.55	0.67	2.25	4.50
Price Earnings Ratio	%	12.26	47.93	48.18	18.66	12.00
Price to Book Ratio	%	1.04	1.01	0.47	0.61	0.80
Market Value per Share (Year End)	Rs.	83.00	74.11	32.50	42.00	54.00
Market Value per Share (Highest)	Rs.	83.00	123.99	48.00	86.17	58.24
Market Value per Share (Lowest)	Rs.	50.00	24.26	25.01	37.00	37.81
Breakup Value/Book Value per Share	Rs.	80.06	73.09	68.63	68.45	67.24
No. of Shares (mn) - based on par value of 10	Nos.	30,557,000	30,557,000	38,007,000	38,007,000	38,007,000

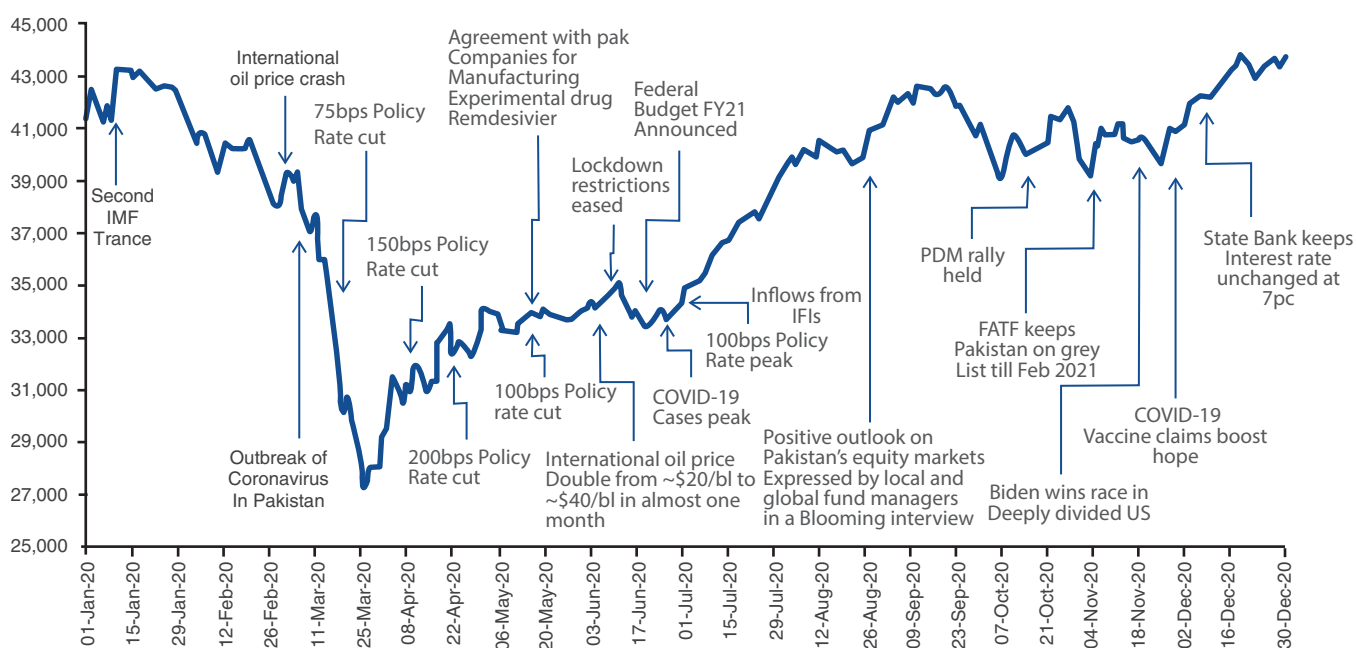
SHARE PRICE SENSITIVITY ANALYSIS

Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events, and interest rates, etc. Being a responsible and law-compliant company, JSGCL circulates price-sensitive information to stock exchanges in accordance with the requirements of listing regulations in a timely manner. During the year 2020, JSGCL's share price touched the peak of Rs. 83 while the lowest recorded price was Rs. 50 with a closing price of Rs. 83 at the end of the year.

SHARE PRICE HISTORY

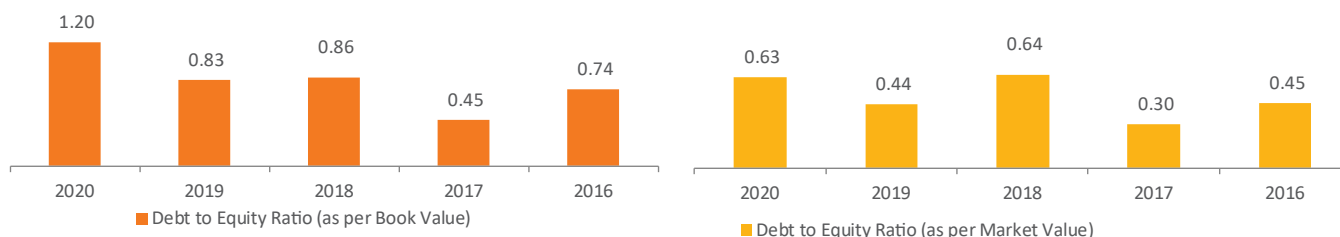


RECAP OF KSE-100 INDEX - FY 2020



Key Performance Indicators	UOM	2020	2019	2018	2017	2016
CAPITAL STRUCTURE						
Debt to Equity Ratio (as per Book Value)	%	1.20	0.83	0.86	0.45	0.74
Debt to Equity Ratio (as per Market Value)	%	0.63	0.44	0.64	0.30	0.45
Interest Coverage Ratio	Times	18.13	3.70	14.89	4.65	386.16
ACTIVITY/TURNOVER RATIOS						
Total Assets Turnover Ratio	Times	0.04	0.01	0.01	0.02	0.04
Fixed Assets Turnover	Times	0.13	0.06	0.08	0.54	1.13

CAPITAL STRUCTURE RATIOS



CAPITAL STRUCTURE

JS Global maintained the sizeable market share, established brand name and a sound operating platform, strong sponsor profile, zero leveraged capital structure, well managed liquidity indicators and improved in efficiency ratios positioned as the top-tier brokerage house in the brokerage industry. During the year boom in traded volumes of stock exchange, the core revenue of the Company from equity brokerage was substantial and the Company maintained its market share. The Company's investment portfolio is compliant to its investment policy and is dominated by bank placements and equity spread transactions which provide stable stream of income. Whereas, the topline of the Company depicts diversified revenue stream supplemented by consultancy income, Ready Buy and Future Sell trade 'RBFS', margin financing and investment return on financial assets.

OWNERSHIP STRUCTURE:

JS Bank Limited (JSBL) is the major shareholder of the company, holding ~83.53% stake, JS Bank is the subsidiary of Jahangir Siddiqui & Co. Limited (JSCL). The remaining stake lies with the general public and other market participants as at December 31, 2020.

BUSINESS ACUMEN:

JS Bank is a medium-sized commercial bank, operating with a network above 200 branches. JS Bank is one of the fastestgrowing Banks in Pakistan, with both a domestic and international presence. The Bank is a leader in the digital financial services, SME & consumer loans space. JS Bank has been recognized on multiple international and national forums including the prestigious AsiaMoney, Asian Banking and Finance, DIGI and Pakistan Banking Awards. The Bank is part of JS Group, one of Pakistan's most diversified and progressive financial services groups.

JSCL is the holding company of JSBL, owning 75.02% of the ordinary shares. JSCL is also the holding company for JS Group's business interest in banking, insurance, investment services, media, textile and port terminal operations.

FINANCIAL:

Strength JS Bank's equity stood at ~PKR 20bIn at end Sep'20. JS Bank has a long-term rating of AA- and short-term rating of A1+.

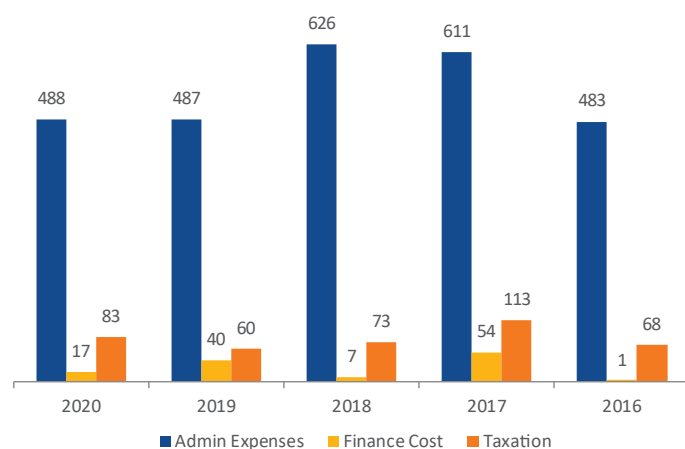
VERTICAL ANALYSIS FOR THE FIVE YEARS

Statement of Profit & Loss	2020		2019		2018		2017		2016	
	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage
Revenue	727.41	100%	526.63	100%	651.70	100%	770.95	100%	669.99	100%
Admin Expenses	(487.85)	67%	(487.31)	93%	(625.96)	96%	(610.92)	79%	(482.79)	72%
EBITDA	239.55	33%	39.32	7%	25.74	4%	160.04	21%	187.20	28%
Depreciation	(77.78)	11%	(84.14)	16%	(25.86)	4%	(27.46)	4%	(25.99)	4%
Other Income	144.75	20%	191.91	36%	106.06	16%	120.27	16%	78.43	12%
EBIT	306.52	42%	147.09	28%	105.95	16%	252.85	33%	239.63	36%
Finance Cost	(16.91)	2%	(39.80)	8%	(7.11)	1%	(54.41)	7%	(0.62)	0%
Profit Before Tax	289.61	40%	107.29	20%	98.84	15%	198.44	26%	239.01	36%
Taxation	(82.66)	11%	(60.04)	11%	(73.20)	11%	(112.91)	15%	(67.97)	10%
Profit After Tax	206.95	28%	47.25	9%	25.64	4%	85.53	11%	171.04	26%

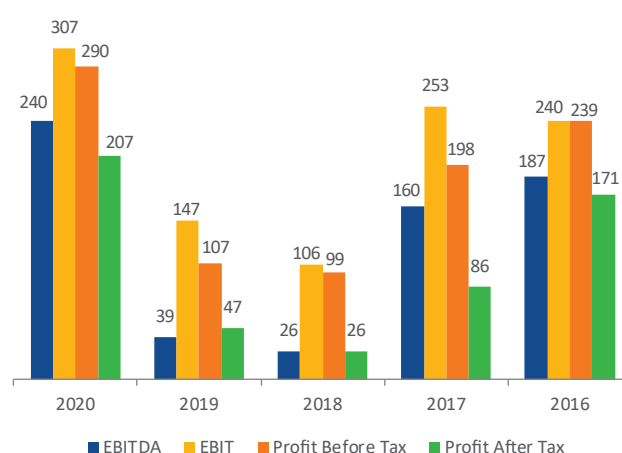
PROFIT AND LOSS VERTICAL ANALYSIS

The topline of the Company depicts diversified revenue stream brokerage income, supplemented by consultancy income, equity spread transactions "RBFS trade", margin financing, and the investment return on financial assets. Topline revenue of the Company has increased by 38% as compared to 2019. The increase is directly attributable to the significantly higher volumes at the bourse during the period. On the other hand, administrative expenses are 67% of the revenue. The company recorded a profit after tax of Rs 206.95 million as compared to Rs 47.25 million a year ago – a growth of 338%. The return on average equity increased to 8.84% while Earnings Per Share clocked at Rs 6.77 per share as compared to Rs 1.55 in 2019.

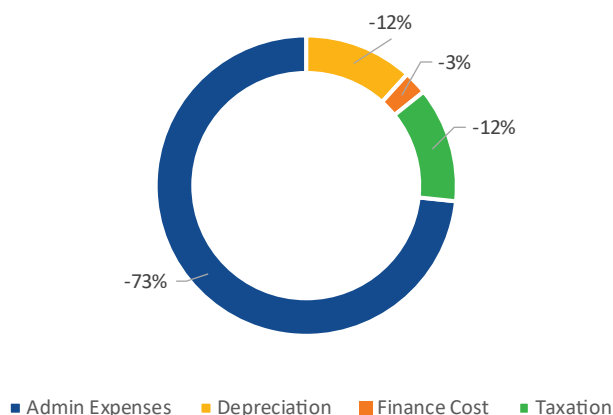
VERTICAL ANALYSIS-EXPENSES (2015-20)



VERTICAL ANALYSIS-PROFITS (2015-20)



VERTICAL ANALYSIS-STATEMENT OF PROFIT & LOSS (2020)



Statement of Financial Position	2020		2019		2018		2017		2016	
	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage	In Mn	Percentage
Non-current assets										
Property and equipment	895.58	16.61%	518.46	12.67%	216.76	4.48%	73.80	1.96%	65.65	1.47%
Investment property	126.50	2.35%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Intangible assets	5.00	0.09%	14.51	0.35%	17.79	0.37%	8.60	0.23%	10.74	0.24%
Long term investment	112.18	2.08%	130.10	3.18%	142.00	2.93%	49.35	1.31%	60.59	1.36%
Long term loans, advances and deposits	32.49	0.60%	32.48	0.79%	26.50	0.55%	26.86	0.71%	20.26	0.45%
Deferred taxation - net	114.77	2.13%	121.37	2.97%	122.10	2.52%	125.46	3.33%	103.49	2.32%
Total Non-current assets	1,286.51	23.87%	816.91	19.96%	525.14	10.85%	284.07	7.55%	260.74	5.85%
Current assets										
Short term investments	237.12	4.40%	518.53	12.67%	1,019.07	21.05%	617.09	16.40%	819.72	18.39%
Trade debts	1,097.30	20.36%	515.71	12.60%	1,085.99	22.44%	561.60	14.93%	922.95	20.70%
Receivable against margin finance	419.52	7.78%	315.47	7.71%	297.73	6.15%	328.17	8.72%	855.46	19.19%
Loans and advances - considered good	21.43	0.40%	17.97	0.44%	13.52	0.28%	14.75	0.39%	11.70	0.26%
Deposits and short-term prepayments	569.43	10.56%	552.88	13.51%	136.24	2.81%	184.25	4.90%	461.94	10.36%
Interest and mark-up accrued	6.37	0.12%	14.95	0.37%	12.68	0.26%	15.15	0.40%	17.28	0.39%
Other receivables	14.59	0.27%	4.31	0.11%	56.94	1.18%	21.72	0.58%	13.42	0.30%
Advance tax	116.92	2.17%	132.06	3.23%	121.13	2.50%	57.13	1.52%	47.25	1.06%
Cash and bank balances	1,621.54	30.08%	1,203.06	29.40%	1,571.60	32.47%	1,678.53	44.61%	1,047.75	23.50%
Total Current assets	4,104.22	76.13%	3,274.94	80.04%	4,314.91	89.15%	3,478.38	92.45%	4,197.47	94.15%
Total Assets	5,390.73	100.00%	4,091.85	100.00%	4,840.05	100.00%	3,762.45	100.00%	4,458.22	100.00%
Capital and reserves										
Issued, subscribed and paid up capital	305.57	5.67%	305.57	7.47%	380.07	7.85%	380.07	10.10%	380.07	8.53%
Share premium	1,810.10	33.58%	1,810.10	44.24%	1,810.10	37.40%	1,810.10	48.11%	1,810.10	40.60%
Re-measurement FV	11.44	0.21%	5.51	0.13%	8.16	0.17%	26.81	0.71%	66.43	1.49%
Accumulated profit / (loss)	319.32	5.92%	112.37	2.75%	410.07	8.47%	384.43	10.22%	298.90	6.70%
Total capital and reserves	2,446.44	45.38%	2,233.55	54.59%	2,608.40	53.89%	2,601.42	69.14%	2,555.50	57.32%
Non current liabilities										
Deferred liability	1.84	0.03%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Long-term financing	37.27	0.69%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Liability against assets subject to finance lease	16.64	0.31%	227.45	5.56%	-	0.00%	-	0.00%	-	0.00%
Total non current liabilities	55.75	1.03%	227.45	5.56%	-	0.00%	-	0.00%	-	0.00%
Current liabilities										
Creditors, accrued expenses and other liabilities	2,807.08	52.07%	1,602.62	39.17%	2,228.28	46.04%	1,157.61	30.77%	1,902.71	42.68%
Unclaimed dividend	3.36	0.06%	3.36	0.08%	3.36	0.07%	3.43	0.09%	-	0.00%
Current maturity of long-term financing	69.59	1.29%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Current maturity of liability against assets subject to finance lease	8.51	0.16%	24.87	0.61%	-	0.00%	-	0.00%	-	0.00%
Taxation - net	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total current liabilities	2,888.54	53.58%	1,630.85	39.86%	2,231.65	46.11%	1,161.04	30.86%	1,902.71	42.68%
Total liabilities and equity	5,390.73	100.00%	4,091.85	100.00%	4,840.05	100.00%	3,762.45	100.00%	4,458.22	100.00%

FINANCIAL POSITION'S VERTICAL ANALYSIS

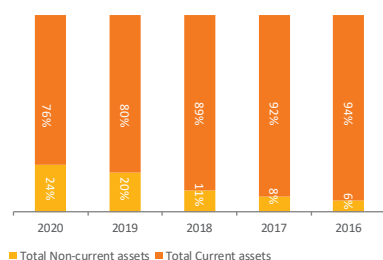
Total assets of the company grew to Rs 5.39 billion in 2020 from Rs 4.09 billion in 2016. Total assets comprises of current and non-current assets. Position at December, 31 2020 depicts that out of the total assets, current assets are 76.13% and non-current assets are 23.87%.

Non-current liabilities mainly constitute long term financing 0.69% and Liabilities against assets subject finance lease 0.31%.

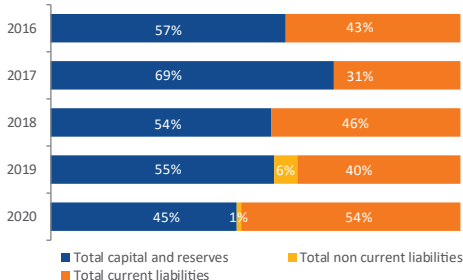
On the other side, equity and liabilities constitute of share capital and reserves of 45.38%, non-current liabilities of 1.03% and current liabilities of 53.58%. Capital and reserves mainly constitutes paid up capital 5.67%, share premium 33.58% and accumulated profits/loss 5.92%.

Current liabilities mainly constitute Creditors, accrued expenses and other liabilities of 52.04% and Current maturity of long-term financings with 1.29%.

VERTICAL ANALYSIS-TOTAL ASSETS



VERTICAL ANALYSIS-TOTAL EQUITY & LIABILITIES



HORIZONTAL ANALYSIS FOR THE FIVE YEARS

Statement of Profit & Loss	2020		2019		2018		2017		2016	
	In Mn	2020 vs 2019 %age	In Mn	2019 vs 2018 %age	In Mn	2018 vs 2017 %age	In Mn	2017 vs 2016 %age	In Mn	2016 vs 2015 %age
Revenue	727.41	38%	526.63	-19%	651.70	-15%	770.95	15%	669.99	100%
Admin Expenses	(487.85)	0.11%	(487.31)	-22%	(625.96)	2%	(610.92)	27%	(482.79)	72%
EBITDA	239.55	509%	39.32	53%	25.74	-84%	160.04	-15%	187.20	28%
Depreciation	(77.78)	-8%	(84.14)	225%	(25.86)	-6%	(27.46)	6%	(25.99)	4%
Other Income	144.75	-25%	191.91	81%	106.06	-12%	120.27	53%	78.43	12%
EBIT	306.52	108%	147.09	39%	105.95	-58%	252.85	6%	239.63	36%
Finance Cost	(16.91)	-58%	(39.80)	459%	(7.11)	-87%	(54.41)	8668%	(0.62)	0%
Profit Before Tax	289.61	170%	107.29	9%	98.84	-50%	198.44	-17%	239.01	36%
Taxation	(82.66)	38%	(60.04)	-18%	(73.20)	-35%	(112.91)	66%	(67.97)	-10%
Profit After Tax	206.95	338%	47.25	84%	25.64	-70%	85.53	-50%	171.04	26%

PROFIT AND LOSS HORIZONTAL ANALYSIS

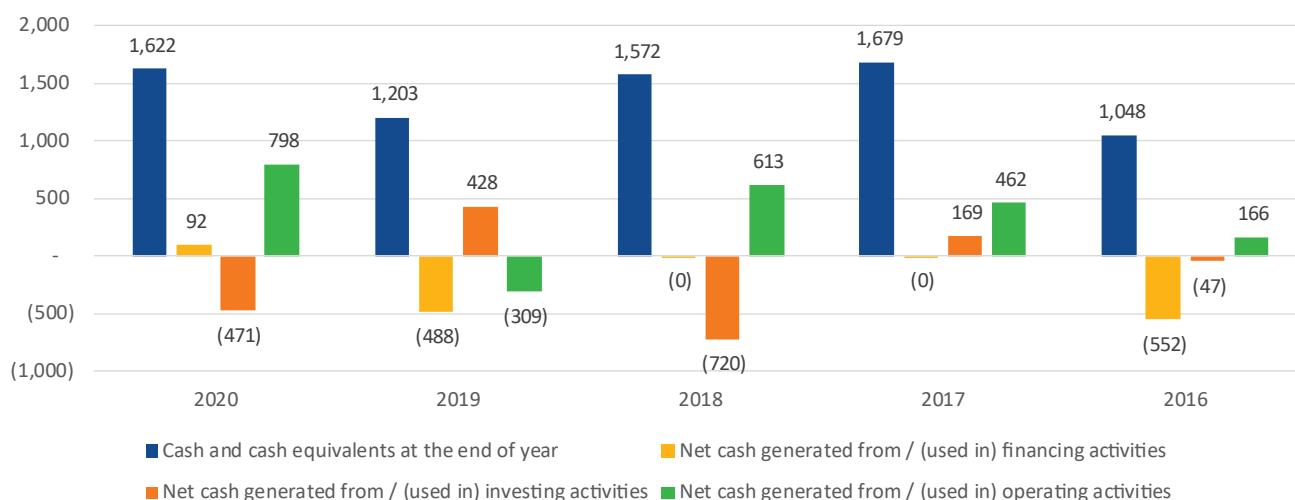
Revenue increased to Rs. 727.41 million as compared to last year's revenue of Rs. 526.63 million Growth in revenue is 38 % and is directly attributable to the significant higher volumes at the bourse during the period. Net profit profit increased by 338% from last year. Total admin expenses, Deprecation and finance cost decreased by Rs. 28.70 million (4.70%) as compared to the last year. The net income increased to Rs. 206.95 million for the year vis-a-vis net income of PKR 47.25 million in the comparative period last year clocking an increase of 338% over the same period.

Other income decreased by Rs. 47.16 million (25%) primariley due to purchase of property during year.

Statement of Financial Position	2020		2019		2018		2017		2016	
	In Mn	2020 vs 2019 %age	In Mn	2019 vs 2018 %age	In Mn	2018 vs 2017 %age	In Mn	2017 vs 2016 %age	In Mn	2016 vs 2015 %age
Non-current assets										
Property and equipment	895.58	72.74%	518.46	139.19%	216.76	193.69%	73.80	12.41%	65.65	9.60%
Investment property	126.50	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Intangible assets	5.00	-65.55%	14.51	-18.42%	17.79	106.85%	8.60	-19.93%	10.74	-26.58%
Long term investment	112.18	-13.78%	130.10	-8.38%	142.00	187.76%	49.35	-18.56%	60.59	296.73%
Long term loans, advances and deposits	32.49	0.03%	32.48	22.58%	26.50	-1.36%	26.86	32.56%	20.26	23.21%
Deferred taxation - net	114.77	-5.44%	121.37	-0.60%	122.10	-2.68%	125.46	21.23%	103.49	-11.49%
Total Non-current assets	1,286.51	57.48%	816.91	55.56%	525.14	84.86%	284.07	8.95%	260.74	16.83%
Current assets										
Short term investments	237.12	-54.27%	518.53	-49.12%	1,019.07	65.14%	617.09	-24.72%	819.72	6.98%
Trade debts	1,097.30	112.77%	515.71	-52.51%	1,085.99	93.37%	561.60	-39.15%	922.95	439.82%
Receivable against margin finance	419.52	32.98%	315.47	5.96%	297.73	-9.28%	328.17	-61.64%	855.46	32.89%
Loans and advances - considered good	21.43	19.25%	17.97	32.91%	13.52	-8.32%	14.75	26.02%	11.70	-9.99%
Deposits and short-term prepayments	569.43	2.99%	552.88	305.81%	136.24	-26.06%	184.25	-60.11%	461.94	142.84%
Interest and mark-up accrued	6.37	-57.38%	14.95	17.88%	12.68	-16.27%	15.15	-12.35%	17.28	-32.55%
Other receivables	14.59	238.54%	4.31	-92.43%	56.94	162.21%	21.72	61.84%	13.42	-31.13%
Advance tax	116.92	-11.47%	132.06	9.02%	121.13	112.01%	57.13	20.92%	47.25	0.00%
Cash and bank balances	1,621.54	34.79%	1,203.06	-23.45%	1,571.60	-6.37%	1,678.53	60.20%	1,047.75	-29.21%
Total Current assets	4,104.22	25.32%	3,274.94	-24.10%	4,314.91	24.05%	3,478.38	-17.13%	4,197.47	26.83%
Total Assets	5,390.73	31.74%	4,091.85	-15.46%	4,840.05	28.64%	3,762.45	-15.61%	4,458.22	26.20%
Capital and reserves										
Issued, subscribed and paid up capital	305.57	0.00%	305.57	-19.60%	380.07	0.00%	380.07	0.00%	380.07	-23.99%
Share premium	1,810.10	0.00%	1,810.10	0.00%	1,810.10	0.00%	1,810.10	0.00%	1,810.10	0.00%
Re-measurement FV	11.44	107.65%	5.51	-32.47%	8.16	-69.57%	26.81	-59.64%	66.43	325.29%
Accumulated profit / (loss)	319.32	184.18%	112.37	-72.60%	410.07	6.67%	384.43	28.61%	298.90	-46.59%
Total capital and reserves	2,446.44	9.53%	2,233.55	-14.37%	2,608.40	0.27%	2,601.42	1.80%	2,555.50	-11.43%
Non current liabilities										
Deferred liability	1.84	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Long-term financing	37.27	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Liability against assets subject to finance lease	16.64	-92.68%	227.45	0.00%	-	0.00%	-	0.00%	-	0.00%
Total non current liabilities	55.75	-75.49%	227.45	0.00%	-	0.00%	-	0.00%	-	0.00%
Current liabilities										
Creditors, accrued expenses and other liabilities	2,807.08	75.16%	1,602.62	-28.08%	2,228.28	92.49%	1,157.61	-39.16%	1,902.71	204.42%
Current maturity of long-term financing	69.59	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Current maturity of liability against assets subject to finance lease	8.51	-65.78%	24.87	0.00%	-	0.00%	-	0.00%	-	0.00%
Unclaimed dividend	3.36	0.00%	3.36	0.00%	3.36	-2.03%	3.43	0.00%	-	0.00%
Taxation - net	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%
Total current liabilities	2,888.54	77.12%	1,630.85	-26.92%	2,231.65	92.21%	1,161.04	-38.98%	1,902.71	193.97%
Total liabilities and equity	5,390.73	31.74%	4,091.85	-15.46%	4,840.05	28.64%	3,762.45	-15.61%	4,458.22	26.20%

CASH FLOWS ANALYSIS FOR THE FIVE YEARS

Summary of Cash Flow Statement	2020	2019	2018	2017	2016
	Amounts in PKR million				
Cash Generated from Operating Activities					
Cash generated from operations	864.93	(237.60)	753.12	641.16	307.31
PAYMENT FOR:					
Finance charges	(5.71)	(4.90)	(7.11)	(54.41)	(0.62)
Taxes	(60.89)	(66.09)	(133.04)	(124.95)	(140.55)
Net cash generated from / (used in) operating activities	798.33	(308.60)	612.97	461.80	166.14
CASH FLOW FROM INVESTING ACTIVITIES					
Capital Expenditure on Property and Equipment (PPE)	(662.57)	(90.66)	(172.15)	(33.52)	(29.90)
Investment in Property	(127.30)	-	-	-	-
Proceeds from Disposal of Fixed Assets	3.87	11.58	15.33	0.25	5.04
Addition intangible	-	-	(9.51)	(0.08)	(0.20)
Long term loans, advances and deposits	(0.01)	(3.48)	0.36	(4.04)	(3.82)
Long Term Investment	20.25	9.22	(124.51)	45.89	-
Short Term Investment	294.39	501.09	(429.35)	160.49	(17.95)
Net cash used in investing activities	(471.36)	427.75	(719.83)	168.99	(46.83)
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend paid / adjustment	-	-	-	-	(0.01)
Lease rentals paid	(17.26)	(77.94)	(0.07)	(0.01)	-
Deferred Liabilities	1.93	-	-	-	-
Long-term financing	106.86	-	-	-	-
Payment of buy back of shares	-	(409.75)	-	-	(551.68)
Net cash generated from / (used in) financing activities	91.52	(487.69)	(0.07)	(0.01)	(551.68)
Net increase / (decrease) in cash and cash equivalents	418.49	(368.54)	(106.93)	630.78	(432.37)
Cash and cash equivalents at the start of year	1,203.06	1,571.60	1,678.53	1,047.75	1,480.13
Cash and cash equivalents at the end of year	1,621.54	1,203.06	1,571.60	1,678.53	1,047.75



OPERATING ACTIVITIES

Cash flow from operating activities showed a positive trend in most of the years from 2015 to 2020. This is primarily due to growth in profitability and focus on maintaining optimal levels of trade receivables.

INVESTING ACTIVITIES

The Company witnessed decrease of 210% in its cash inflows from investing activities as compared to last year. The decrease is mainly due to acquisition of property reflecting as Capital Expenditures.

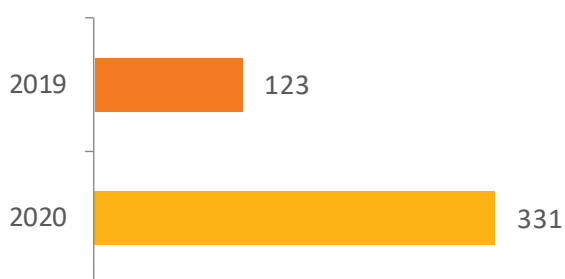
FINANCING ACTIVITIES

The Company has bought back its shares by Rs. 409.75 and Rs. 551.68 in FY19 and FY16 respectively. The buyback payments have resulted in negative cash flow from financing activities. however, in 2020, the company obtained the financing facility from SBP Salary Refinance resulting in positive closing balance.

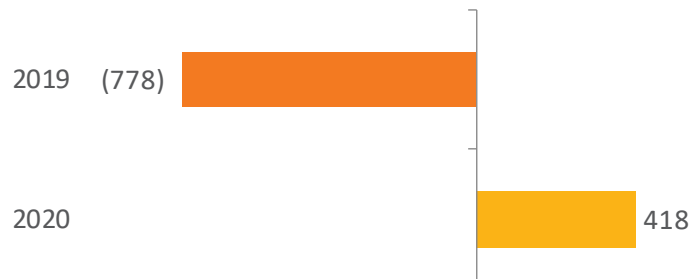
Free Cash Flows to Firm	2020	2019
Cash Flows From Operating Activities	798,326,889.00	(308,597,503.00)
Finance Cost Paid	5,713,944.00	4,900,840.00
Cash Flows From Investing Activities	(471,364,120.00)	427,746,511.00
Tax Savings on Finance Cost	(1,657,043.76)	(1,421,243.60)
Free Cash Flows to Firm	331,019,669	122,628,604

Free Cash Flows to Equity Holders	2020	2019
Flows From Operating Activities	798,326,889	(308,597,503)
Flows From Financing Activities	91,523,582	(487,692,720)
Flows From Investing Activities	(471,364,120)	427,746,511
Paid to Equity Holders (Dividend)	-	(409,750,000)
Free Cash Flows to Equity Holders	418,486,351	(778,293,712)

Free Cash Flows to Firm



Free Cash Flows to Equity Holders



Free cash flow represents the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

DIRECT METHOD CASH FLOWS

2020
2019
Amount in PKR

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received From Customers (including sales tax)
Cash Paid to Employees as Remuneration
Cash Paid to the Vendors
Income Tax Paid
Finance Cost Paid
Zakat Paid

148,470,162
(288,177,342)
1,004,633,571
(60,885,558)
(5,713,944)
-

870,804,610
(270,939,297)
(837,469,870)
(66,092,106)
(4,900,840)
-

Net Cash Flows From Operating Activities

798,326,889

(308,597,503)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment
Purchase of investment property
Proceeds from disposal of operating assets
Long term loans, advances and deposits
Addition to intangible assets
Long term investments - net
Short term investments - net

(662,565,563)
(127,303,650)
3,869,473
(10,219)
-
20,252,889
294,392,950

(90,661,541)
-
11,582,286
(3,482,025)
-
9,220,793
501,086,998

Net cash from / (used in) investing activities

(471,364,120)

427,746,511

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid / adjustment
Lease rentals paid
Deferred Liabilities
Long-term financing
Payment of buy back of shares

-
(17,261,595)
1,929,643
106,855,534
-

-
(77,942,720)
-
-
(409,750,000)

Net cash from / (used in) financing activities

91,523,582

(487,692,720)

Net (decrease) / increase in cash and cash equivalents

418,486,351

(368,543,712)

Cash and cash equivalents at the beginning of the year

1,203,057,736

1,571,601,448

Cash and cash equivalents at the end of the year

1,621,544,087

1,203,057,736

QUARTERLY ANALYSIS FOR THE CURRENT YEAR

Statement of Financial Position

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter
Amounts in PKR million

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital:

150,000,000 (2019: 150,000,000) ordinary shares of Rs.10 each

1,500.00 1,500.00 1,500.00 1,500.00

Issued, subscribed and paid-up share capital

305.57 305.57 305.57 305.57

Share premium

1,810.10 1,810.10 1,810.10 1,810.10

Unrealised gain on revaluation of investments at fair value - OCI

(3.25) 1.90 15.85 11.44

Unappropriated profit

144.35 173.75 248.84 319.32

2,256.78 2,291.33 2,380.36 2,446.44

LIABILITIES

Non-current liabilities

Deferred liability

- - - 1.84

Long-term financing

- - 56.68 106.86

Liability against assets subject to finance lease

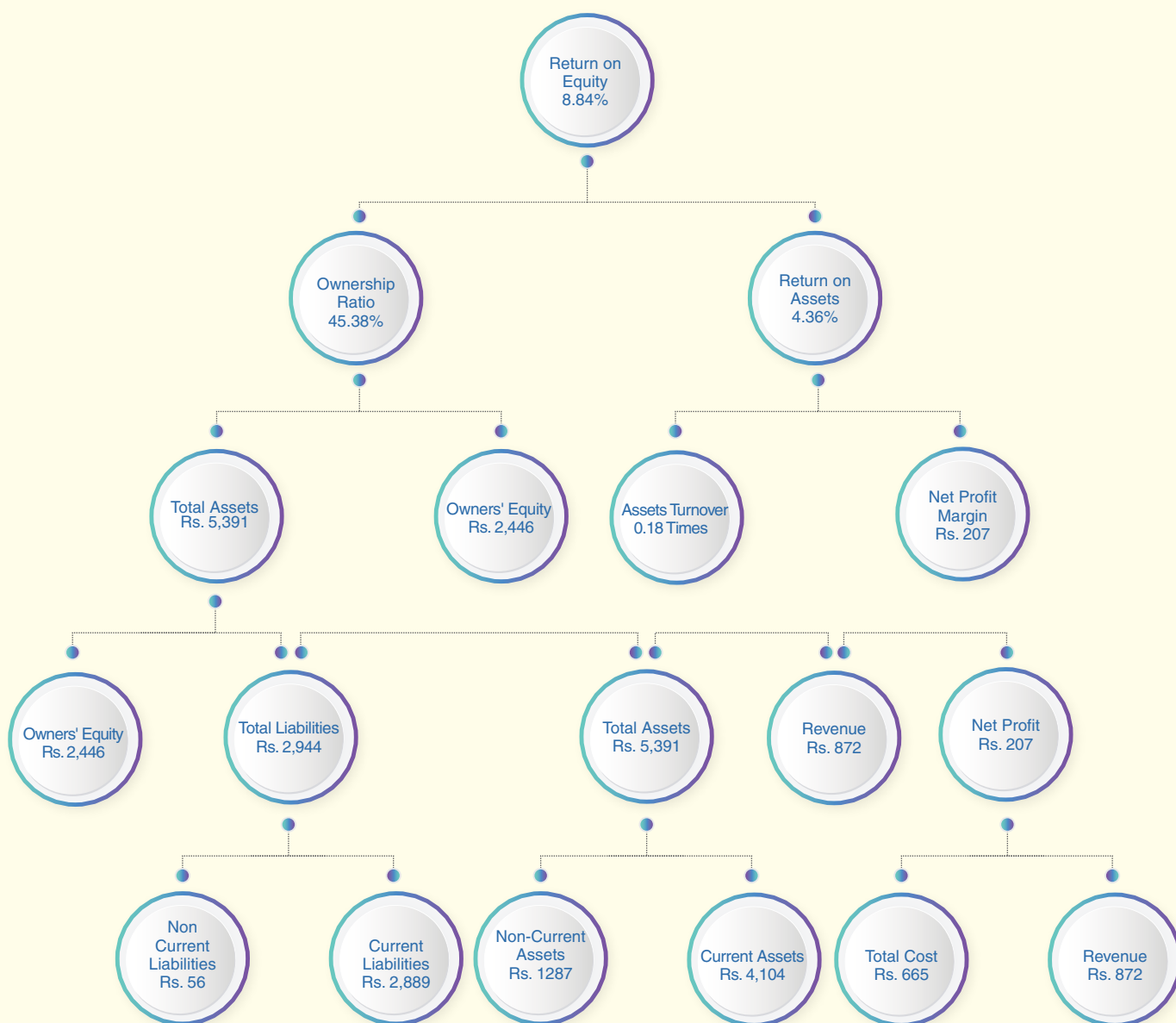
240.07 22.35 20.15 16.64

240.07 22.35 76.84 125.34

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Amounts in PKR million			
Current liabilities				
Creditors, accrued expenses and other liabilities	1,810.13	1,444.98	2,072.22	2,807.08
Unclaimed dividend	3.36	3.36	3.36	3.36
Current maturity of liability against assets subject to finance lease	18.61	8.86	9.36	8.51
	1,832.10	1,457.20	2,084.94	2,818.95
	4,328.95	3,770.88	4,542.14	5,390.73
ASSETS				
Non-current assets				
Property and equipment	507.61	663.74	870.34	884.27
Investment property	-	-	-	137.81
Intangible assets	14.51	14.51	14.51	5.00
Long term investments	120.75	115.43	121.26	112.18
Long term loans, advances and deposits	39.20	33.15	41.16	39.47
Deferred taxation - net	127.04	118.58	119.83	114.77
	809.11	945.41	1,167.10	1,293.49
Current assets				
Short term investments	17.70	125.96	113.43	237.12
Trade debts	473.19	439.76	661.40	1,097.30
Receivable against margin finance	91.11	143.20	362.32	419.52
Loans and advances	13.72	20.04	28.70	14.45
Short-term deposits and prepayments	20.71	299.52	118.58	569.43
Interest and mark-up accrued	8.38	4.04	4.96	6.37
Other receivables	17.65	3.61	11.61	14.59
Advance tax	125.80	132.53	94.20	116.92
Cash and bank balances	2,751.58	1,656.82	1,979.84	1,621.54
	3,519.84	2,825.48	3,375.04	4,097.24
	4,328.95	3,770.88	4,542.14	5,390.73

Statement of Financial Position	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Amounts in PKR million			
Operating revenue	613.34	430.15	233.71	123.55
Capital gain on sale of investments - net	50.81	44.25	15.40	10.44
Unrealised gain / (loss) on revaluation of investments at fair value - p&l - net	12.98	(6.17)	1.60	-
Unrealised gain / (loss) on revaluation of derivatives at fair value - p&l - net	(12.33)	6.98	(1.53)	-
Dividend income	15.17	10.77	9.41	9.40
Margin finance income	47.44	33.70	21.07	16.04
	727.41	519.69	279.66	159.43
Administrative and operating expenses	(559.73)	(394.55)	(264.00)	(132.70)
	167.68	125.14	15.65	26.73
Other operating income - net	144.75	119.22	94.28	36.40
	312.43	244.36	109.93	63.13
Provision for Sindh Workers' Welfare Fund	(5.91)	(4.60)	(1.96)	(1.30)
Finance cost	(16.91)	(14.52)	(12.10)	(9.98)
Profit before taxation	289.61	225.24	95.88	51.84
Taxation - current	(92.22)	(87.34)	(31.19)	(24.94)
- prior year	16.19	-	-	-
- deferred	(6.63)	(1.43)	(3.31)	5.08
	(82.66)	(88.77)	(34.50)	(19.86)
Profit after taxation	206.95	136.47	61.38	31.98
Earnings per share - basic and diluted	6.77	4.47	2.01	1.05

DUPONT ANALYSIS



The operating revenue of JSGCL increased by 65.94% however the administrative and operating expenses decreased by -1.67%. All these factors contributed in overall increase in net profit margin from 6.58% in 2019 to 23.73% in 2020 which is directly attributable to the significant higher volumes at the bourse during the period. This increase in net profit margin also resulted in Return on Asset to be increased to 12.25% with respect to 5.98% in the previous year. On the other hand these were increase in total assets by 31.74% and increase in owners' equity by 9.53% as compared to the last year. On the other hand the current liabilities for the year 2020 have been increased by Rs.77.12% million that is mainly due to the trade payable (Customers' assets held in the designated bank accounts) as compare to the previous year. The ROE that is the ultimate interest factor of the equity providers is 8.84% for the year.

INDEPENDENT AUDITOR'S REPORT

To the members of JS Global Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of JS Global Capital Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
<p>1. Recognition of equity brokerage income</p> <p>As disclosed in note 23 to the accompanying financial statements, the Company's main revenue stream is equity brokerage income which constitutes 95% of the Company's operating revenue.</p> <p>We have identified the recognition of equity brokerage income as a key audit matter mainly due to its significant effect on the Company's profitability and involvement of automated system based controls.</p>	<p>Our key audit procedures in respect of Information Technology (IT) systems and controls of revenue processing and GL application and reporting processes included the following:</p> <ul style="list-style-type: none"> - Obtained a front-to-end understanding of the revenue recognition and reporting processes and identified the automated controls and the corresponding key IT systems that support the processes; - We assessed the IT control environment, reviewed the IT governance framework and tested the IT general controls of the key IT application that support the revenue recognition and reporting to evaluate whether the system dependent controls and information could be relied on throughout the period. Our testing of IT general controls covered access management, change management and IT operations; - We have tested the identified automated application controls, which are critical to the revenue recognition processes. Our testing procedures included the testing of system logics, automated calculations and validations, testing of system generated information, system interfaces and reconciliations; - We have also performed substantive analytical procedures to develop a correlation between the equity brokerage income earned by the Company and the Pakistan Stock Exchange's volumes on monthly basis; and - We have also assessed the adequacy of the Company's disclosures in respect of the operating revenue.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Signature

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

EST Farid Khodir

Chartered Accountants

Date: 03 April 2021

Karachi

021

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2019: 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	305,570,000	305,570,000
Share premium		1,810,104,900	1,810,104,900
Unrealised gain on revaluation of investments at fair value through other comprehensive income - net		11,441,759	5,510,021
Unappropriated profit		319,321,963	112,367,591
		2,446,438,622	2,233,552,512
LIABILITIES			
Non-current liabilities			
Deferred liability	5	1,839,560	-
Long-term financing	6	37,270,010	-
Liability against assets subject to finance lease	7	16,644,533	227,454,320
		55,754,103	227,454,320
Current liabilities			
Creditors, accrued expenses and other liabilities	8	2,807,080,542	1,602,615,025
Unclaimed dividend		3,361,843	3,361,843
Current maturity of long-term financing		69,585,524	
Current maturity of liability against assets subject to finance lease		8,510,261	24,870,804
		2,888,538,170	1,630,847,672
		5,390,730,895	4,091,854,504
Contingencies and commitments	9		

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Finanacial Officer

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
ASSETS			
Non-current assets			
Property and equipment	10	895,577,307	518,456,550
Investment property	11	126,504,547	-
Intangible assets	12	5,000,015	14,512,810
Long term investments	13	112,175,298	130,098,199
Long term loans, advances and deposits	14	32,488,821	32,478,602
Deferred taxation - net	15	114,765,637	121,366,133
		1,286,511,625	816,912,294
Current assets			
Short term investments	16	237,120,103	518,531,954
Trade debts	17	1,097,296,646	515,709,758
Receivable against margin finance		419,521,592	315,474,761
Loans and advances	18	21,427,280	17,967,996
Short-term deposits and prepayments	19	569,432,251	552,876,081
Interest and mark-up accrued	20	6,373,618	14,953,123
Other receivables	21	14,585,585	4,308,396
Advance tax		116,918,109	132,062,405
Cash and bank balances	22	1,621,544,086	1,203,057,736
		4,104,219,270	3,274,942,210
		5,390,730,895	4,091,854,504

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Finanacial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
Operating revenue	23	613,336,946	369,610,717
Capital gain on sale of investments - net	24	50,810,298	29,150,101
Unrealised gain on revaluation of investments at fair value through profit or loss - net	16.1 & 16.2	12,981,099	550,906
Unrealised (loss) / gain on revaluation of derivatives at fair value through profit or loss - net		(12,329,287)	90,189
Dividend income		15,167,445	81,641,160
Margin finance income		47,442,369	45,585,898
		727,408,870	526,628,971
Administrative and operating expenses	25	(559,727,761) 167,681,109	(569,257,744) (42,628,773)
Other operating income - net	26	144,753,358 312,434,467	191,912,273 149,283,500
Provision for Sindh Workers' Welfare Fund		(5,910,475)	(2,189,572)
Finance cost	27	(16,910,732)	(39,804,908)
Profit before taxation		289,613,260	107,289,020
Taxation - current		(92,222,774)	(44,114,043)
- prior year		16,192,920	(11,049,309)
- deferred		(6,629,034)	(4,877,275)
	28	(82,658,888)	(60,040,627)
Profit after taxation		206,954,372	47,248,393
Earnings per share - basic and diluted	29	6.77	1.31

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
Profit for the year		206,954,372	47,248,393
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss subsequently			
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the year - equity securities		5,154,910	(2,401,219)
Less: Related tax		(201,116)	120,641
		4,953,794	(2,280,578)
Items that may be reclassified to statement of profit or loss subsequently			
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the year - debt securities		1,150,522	(433,233)
Less: Related tax		(172,578)	64,985
		977,944	(368,248)
Total comprehensive income for the year		212,886,110	44,599,567

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Flnanacial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain on revaluation of investments at fair value through other comprehensive income - net	Unappropriated profit	Sub-total	Total
	(Rupees)					
Balance as at January 01, 2019	380,070,000	1,810,104,900	8,158,847	400,369,198	2,218,632,945	2,598,702,945
Total comprehensive income for the year						
Profit for the year	-	-	-	47,248,393	47,248,393	47,248,393
Other comprehensive loss - net of tax	-	-	(2,648,826)	-	(2,648,826)	(2,648,826)
Total comprehensive income for the year	-	-	(2,648,826)	47,248,393	44,599,567	44,599,567
Transactions with owners						
Buy back of 7,450,000 shares having face value of Rs.10 each at a price of Rs.55 each	(74,500,000)	-	-	-	-	(74,500,000)
Amount paid in excess of face value of 7,450,000 shares	-	-	-	(335,250,000)	(335,250,000)	(335,250,000)
Balance as at December 31, 2019	<u>305,570,000</u>	<u>1,810,104,900</u>	<u>5,510,021</u>	<u>112,367,591</u>	<u>1,927,982,512</u>	<u>2,233,552,512</u>
Balance as at January 01, 2020	<u>305,570,000</u>	<u>1,810,104,900</u>	<u>5,510,021</u>	<u>112,367,591</u>	<u>1,927,982,512</u>	<u>2,233,552,512</u>
Total comprehensive income for the year						
Profit for the year	-	-	-	206,954,372	206,954,372	206,954,372
Other comprehensive income - net of tax	-	-	5,931,738	-	5,931,738	5,931,738
Total comprehensive income for the year	-	-	5,931,738	206,954,372	212,886,110	212,886,110
Balance as at December 31, 2020	<u>305,570,000</u>	<u>1,810,104,900</u>	<u>11,441,759</u>	<u>319,321,963</u>	<u>2,140,868,622</u>	<u>2,446,438,622</u>

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Flnanacial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		289,613,260	107,289,020
Adjustments for:			
Depreciation of operating assets	10.1	50,087,818	43,331,135
Depreciation of right-of-use assets	10.2	26,894,521	40,760,243
Depreciation of investment property	11	799,103	-
Gain on sale of operating assets	10.1.2	(3,858,414)	(9,560,024)
Gain on modification of lease agreement		(19,797,365)	(12,419,581)
Impairment of TRE Certificate		-	3,227,330
Amortisation of intangible assets	12.2	2,288	49,707
Unrealised gain on remeasurement of investments at fair value through profit or loss - net		(12,981,099)	(550,906)
Unrealised (loss) / gain on revaluation of derivatives at fair value through profit or loss - net		12,329,287	(90,189)
Provision for Sindh Workers' Welfare Fund		5,910,475	2,189,572
Finance cost	27	16,910,732	39,804,908
		76,297,346	106,742,195
Cash generated from operating activities before working capital changes		365,910,606	214,031,215
(Increase) / Decrease in current assets			
Trade debts		(581,586,888)	564,312,371
Receivable against margin finance		(104,046,831)	(17,748,130)
Loans and advances		(3,459,284)	(6,948,751)
Short-term deposits and prepayments		(16,556,170)	(417,734,608)
Interest and mark-up accrued		8,579,505	(2,268,559)
Other receivables		(2,314,808)	45,035,283
		(699,384,476)	164,647,606
Increase / (decrease) in current liabilities			
Creditors, accrued expenses and other liabilities		1,198,400,260	(616,283,378)
Cash generated from operations		864,926,390	(237,604,557)
Finance cost paid		(5,713,944)	(4,900,840)
Taxes paid		(60,885,558)	(66,092,106)
Net cash generated / (used in) from operating activities		798,326,888	(308,597,503)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	10.1	(662,565,563)	(90,661,541)
Purchase of investment property	11	(127,303,650)	-
Proceeds from disposal of operating assets	10.1.2	3,869,473	11,582,286
Long term loans, advances and deposits		(10,219)	(3,482,025)
Long term investments - net		20,252,889	9,220,793
Short term investments - net		294,392,950	501,086,998
Net cash (used in) / generated from investing activities		(471,364,121)	427,746,511
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(17,261,595)	(77,942,720)
Deferred Liabilities		1,929,643	-
Long-term financing		106,855,534	-
Payment of buy back of shares		-	(409,750,000)
Net cash generated from / (used in) financing activities		91,523,582	(487,692,720)
Increase / (decrease) in cash and cash equivalents during the year		418,486,350	(368,543,712)
Cash and cash equivalents at the beginning of the year		1,203,057,736	1,571,601,448
Cash and cash equivalents at the end of the year	22	1,621,544,086	1,203,057,736

The annexed notes 1 to 38 form an integral part of these financial statements.

Director

Cheif Executive Officer

Cheif Flnanacial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced its 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 & Co. Limited. (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 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 July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

During the year 2012, JS Bank Limited (the Parent Company), a subsidiary of JSCL, acquired 25,525,169 shares of the Company from JSCL and other shareholders against issuance of 185,321,537 shares in lieu thereof. As a result, the principal ownership of the Company was transferred to the Parent Company. Presently, the Company is subsidiary of JS Bank Limited, which is a subsidiary of JSCL, the ultimate parent of the Company.

During financial year 2019, the Company made public announcement of buy back for purchase of its own shares up to maximum of 7,450,000 shares through tender offer for the purpose of cancellation.

The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running 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 located at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The Company has eight branches in seven cities of Pakistan which are as follows:

Branch Name	Address
1 Stock Exchange Branch	Room No. 634, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi
2 Gulshan-e-Iqbal Branch	Suite No. 607-A, 6th Floor, Al Ameen Towers, Plot No E-2, Block 10, Gulshan-e- Iqbal, Main NIPA, Karachi
3 Hyderabad Branch	Address: Shop No. 20, Ground Floor, Auto Bhan Towers, Auto Bhan Road, Unit No. 3, Latifabad, Hyderabad
4 Islamabad Branch	Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue , Islamabad
5 Faisalabad Branch	Office no G-04, Ground Floor, Mezan Executive Tower Plot No 4, Liaquat Road, Faisalabad
6 Lahore Branch	Plot No. 434-G/1, MA Johar Town, Lahore
7 Multan Branch	Office No. 608-A, Sixth Floor, The United Mall, Plot No. 74, Abdali Road, Multan
8 Peshawar Branch	First Floor, State life Building No. 34 The Mall Road, Peshawar Cantt, Peshawar

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act, have been followed.

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 Pakistani Rupee, which is also the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

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

The estimates and as other comprehensive income at assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are apparent from other sources. Actual results may differ from these estimates.

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

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

- Investments (notes 3.4, 13 and 16);
- Residual values and useful lives of property and equipment (notes 3.2 and 10);
- Residual values and useful life of investment property (notes 3.15 and 11);
- Useful lives of intangible assets (notes 3.3 and 12);
- Recognition of current and deferred taxation (notes 3.6 and 15);
- Impairment of fair value through other comprehensive income investments (notes 3.4.1, 13 and 16.3);
- Provision for impairment on financial assets (3.4.2 and 16.3); and
- Leases (notes 3.14).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

- 2.5** The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year.

Standard or Interpretation

IFRS 3 - Definition of a Business (Amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments);

IFRS 14 - Regulatory Deferral Accounts;

Standard or Interpretation

IAS 1 / IAS 8 - Definition of Material (Amendments);

IFRS 16 - COVID 19 Related Rent Concessions (Amendments); and

The Conceptual Framework for Financial Reporting - revised

Improvements to Accounting Standards Issued by the IASB (2018 - 2020 cycle)

IFRS 3 Business Combinations - Previously held Interests in a joint operation

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective.

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Standard or Interpretation	Effective date (annual periods beginning on or after)
Covid-19-Related Rent Concessions - Amendment to IFRS 16	01 June 2020
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2023
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39,	01 January 2021
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022

Standard or Interpretation	Effective date (annual periods beginning on or after)
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

The above amendments are not likely to have a material impact on Company's financial statements.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	01 January 2014
IFRS 17 – Insurance Contracts	01 January 2023

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below. These accounting policies have been applied consistently to all periods presented in these financial statements.

3.1 Employee benefits

Defined contribution plan

The Company operates a defined contribution plan, i.e. recognised provident fund scheme for all its eligible employees in accordance with the trust deed and rules made thereunder. Equal monthly contributions at the rate of 7.33% of basic salary are made to the fund by the Company and the employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3.2 Property and equipment

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

Depreciation is calculated on straight line basis over the estimated useful lives 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.

Category of Operating Assets

Useful life

Office equipment - computer related items	03 years
Office equipment - others	04 years
Office furniture	10 years
Leasehold improvements	10 years
Building	40 years
Motor vehicles	05 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits as other comprehensive income with the item will flow to the Company 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 derecognised. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each reporting 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 statement of profit or loss.

3.3 Intangible assets

Intangible assets having finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method taking into account residual value, if any, at the rates specified in note 12 to these financial statements. Amortisation is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3.4 Financial instruments

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

3.4.1 Financial assets

The financial assets are subsequently measured at fair value through profit or loss, amortised cost or fair value through other comprehensive income on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at fair value through other comprehensive income

a) Debt instruments at fair value through other comprehensive income

Debt Instrument at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at fair value through other comprehensive income do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment amount, with a corresponding charge to statement of profit or loss. The accumulated loss recognised in other comprehensive income is recycled to the statement of profit or loss upon de-recognition of the assets.

b) Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at fair value through other comprehensive income when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as fair value through other comprehensive income when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to an impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;
 - (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; and
- or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3.4.2 Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an as other comprehensive income liability. The transferred asset and the as other comprehensive income liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The ECL allowance on financial assets (other than trade debts, receivable against margin finance, loans and advances and other receivables) is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. In order to determine appropriate staging for financial assets (other than trade debts, receivable against margin financing, loans and advances and other receivables) under IFRS 9, the Company applies the Low Credit Risk (LCR) expedient. The Company considers only those balances as LCR that have investment grade rating from an External Rating Agency (BBB- or equivalent or higher) at the reporting date. The LCR balances are considered as stage 1. The Company considers a financial instrument defaulted and therefore, Stage 3 (credit-impaired) for ECL calculations in all cases when there is an objective evidence of impairment of financial assets and Company believes that the counter party will not be able to make its contractual payments. All other balances are considered as stage 2 as at reporting date. For measurement of ECL, PD, EAD and LGD are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective interest rate or an approximation thereof. Forward looking economic information is also included in determining the 12 month and lifetime ECL and economic variables (the "base economic scenario") are obtained from external sources. For ECL estimation, the PDs as other comprehensive income with each rating grade are determined based on realized default rates as published by the rating agency.

The Company holds trade debts, receivable against margin finance and other receivables which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade debts, receivable against margin finance, loans and advances and other receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3.5 Revenue recognition

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

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

Interest income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.

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

Gains / losses arising on sale of investments are included in the statement of profit or loss 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' are included in statement of profit or loss in the period in which they arise.

Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.

Gains / losses arising on revaluation of derivatives to fair value are taken to statement of profit or loss under other income / other expense in the period in which they arise.

3.6 Taxation

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

Current

Provision for current taxation is based on taxability of certain income streams of the Company under minimum / 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 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 arise, 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 statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3.7 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks.

3.8 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax asset and intangible assets with indefinite useful life is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in statement of profit or loss immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Pakistani 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 statement of profit or loss.

3.10 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss directly.

3.11 Provisions

A provision is recognised in the statement of financial position 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 reporting date and adjusted to reflect current best estimate.

3.12 Earnings per share

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

3.13 Dividend distributions and appropriations

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

3.14 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of one to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of Company's head office and branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on operations if a replacement is not readily available.

3.15 Investment property

Investment property is stated at cost less accumulated depreciation and impairment, if any. Depreciation on investment property is charged on straight line method at 2.5% per annum. Depreciation on additions is charged from the month of addition and incase of deletion up to the month of disposal. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred while major repairs and renewals are capitalised. Any gains or losses on disposal of an investment property are recognised in the profit and loss account in the year of disposal. The carrying values of investment properties are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3.16 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

The brokerage activities include services provided in respect of share brokerage, money market brokerage, forex brokerage, commodity brokerage and share subscription commission.

Investment and treasury

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

Other operations

It consists of advisory and consultancy function.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2020 (Number of shares)	2019		2020 (Rupees)	2019
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 each issued as bonus shares	299,903,000	299,903,000
(11,993,000)	(11,993,000)	First buy back of 11,993,000 shares having face value of Rs.10 each	(119,930,000)	(119,930,000)
(7,450,000)	(7,450,000)	Second buy back of 7,450,000 shares having face value of Rs.10 each	(74,500,000)	(74,500,000)
<u>30,557,000</u>	<u>30,557,000</u>		<u>305,570,000</u>	<u>305,570,000</u>

4.1 The Parent company held 25,525,169 (2019: 25,525,169) ordinary shares of Rs.10 each at year end.

4.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
5. DEFERRED LIABILITY			
Government Grant			
Opening balance		-	-
Received during the year		6,509,030	-
Released to the statement of profit or loss		-	-
Closing balance		6,509,030	-
Current portion of Government Grant		4,669,470	-
Non-current portion of Government Grant		1,839,560	-
	5.1	6,509,030	-

- 5.1** The government grant has been recorded against subsidized rate loan against State Bank of Pakistan's Refinance Scheme for Salaries and Wages to provide working capital loan at concessional interest rates for businesses to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

	Note	2020 ----- (Rupees) -----	2019 -----
6. LONG-TERM FINANCING			
Salaries and Wages	6.1	106,855,534	-
Short-term maturity		(69,585,524)	-
		37,270,010	-

- 6.1** During the year, the Company utilized Rs.113.365 million against Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020. This carries interest at the subsidised rate of 3% and is repayable latest by September 2022. The differential interest has been recognised as government grant (as mentioned in note 5.1) which will be amortised to interest income over the period of facility. The facility is secured against 1st pari passu charge over Current Assets i.e. Account Receivable with 30% Margin.

	Note	2020 ----- (Rupees) -----	2019 -----
7. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE			
As at January 01		227,454,320	312,063,235
Interest expense		11,196,788	34,904,068
Disposal	10.1.1	(196,234,720)	(16,699,459)
Payment of rentals		(17,261,594)	(77,942,720)
As at December 31		25,154,794	252,325,124
Less: Current maturity		(8,510,261)	(24,870,804)
		16,644,533	227,454,320

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Trade creditors	8.1	2,353,304,413	1,384,491,188
Accrued expenses		62,576,919	41,646,010
Staff Provident Fund	8.2	2,149,526	2,372,570
Current portion of Government Grant	5	4,669,470	-
Provision for staff bonus	8.3	36,117,950	17,000,000
Provision for Sindh Workers' Welfare Fund		35,088,229	29,177,754
Others	8.4	313,174,035	127,927,503
		<u>2,807,080,542</u>	<u>1,602,615,025</u>

8.1 This includes payable to Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.311 (2019: Rs.0.131) million and Rs.216.417 (2019: Rs.327.858) million respectively in respect of trading in securities settled subsequent to the year end.

8.2 Investments out of Provident fund have been made in compliance with the Provisions of section 218 of the Act and the rules formulated for this purpose.

	2020	2019
	----- (Rupees) -----	
8.3 Movement in provision for staff bonus is as follows:		
Balance at the beginning of the year	17,000,000	20,780,276
Paid during the year	(13,882,050)	(14,896,558)
Charged during the year	33,000,000	11,116,282
Balance at the end of the year	<u>36,117,950</u>	<u>17,000,000</u>

8.4 This includes tax withheld on capital gain of customers amounting to Rs. 84.673 million. During the current year, the NCCPL through it's circular no. NCCPL/CM/December 20/12 Dated December 1, 2020 has deferred the payment of tax on capital gain collected on behalf of customers.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no outstanding contingencies as at December 31, 2020 other than those disclosed in note 28 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

9.2 Commitments

Future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding - net

Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 24, 2021

Outstanding settlements against margin financing contracts - net

Note	2020 ----- (Rupees) -----	2019 -----
	201,052,200	493,102,995
	400,000,000	400,000,000
	57,411,186	5,304,801
10.1	874,531,953	262,065,267
10.2	21,045,354	256,391,283
	895,577,307	518,456,550

10. PROPERTY AND EQUIPMENT

Operating assets
Right-of-use assets

10.1 Operating assets

	2020				2019			
	Cost		Rate (%)	As at December 31, 2020	Accumulated Depreciation		As at December 31, 2019	Written down value as at December 31, 2020
	As at January 01, 2020	Additions / (disposals) (Rupees)			As at January 01, 2020	Charge for the year / (disposals) (Rupees)		
Building on leasehold land (note 10.1.1)	-	639,421,535	2.5	639,421,535	-	3,995,516	3,995,516	635,426,019
Office equipment	129,695,922	3,068,165 (935,945)	25 & 33	131,828,142	105,047,348	12,581,279 (924,892)	116,703,735	15,124,407
Office furniture	49,157,579	572,586 (355,000)	10	49,375,165	15,883,856	4,163,025 (354,996)	19,691,885	29,683,280
Leasehold improvements	196,148,414	19,503,277	10	215,651,691	14,711,130	21,004,181	35,715,311	179,936,380
Motor vehicles	52,628,820	- (3,717,217)	20	48,911,603	29,923,134	8,343,817 (3,717,215)	34,549,736	14,361,867
	427,630,735	662,565,563		1,085,188,136	165,565,468	50,087,818	210,656,183	874,531,953

	2019				2019			
	Cost		Rate (%)	As at December 31, 2019	Accumulated Depreciation		As at December 31, 2019	Written down value as at December 31, 2019
	As at January 01, 2019	Additions / (disposals) (Rupees)			As at January 01, 2019	Charge for the year / (disposals) (Rupees)		
Office equipment	105,174,630	27,451,292 (2,930,000)	25 & 33	129,695,922	93,520,892	14,289,148 (2,762,692)	105,047,348	24,648,574
Office furniture	25,857,538	23,300,041	10	49,157,579	12,115,500	3,768,356	15,883,856	33,273,723
Leasehold improvements	-	196,148,414	10	196,148,414	-	14,711,130	14,711,130	181,437,284
Motor vehicles	64,474,880	- (11,846,060)	20	52,628,820	29,351,739	10,562,501 (9,991,106)	29,923,134	22,705,686
	195,507,048	246,899,747 (14,776,060)		427,630,735	134,988,131	43,331,135 (12,753,798)	165,565,468	262,065,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

10.1.1 During the year, the Company purchased three floors in a building from JS Lands (Private) Limited (a related party), the approval of which was given by the shareholders in their meeting held on April 22, 2020. Up until the date of purchase, these floors were accounted for under IFRS 16 'Leases', as they were in the use of the Company under a rental arrangement. The Company had to modify the lease contract pursuant to the aforementioned shareholders' approval and consequent to the lease modification, the right of use asset and corresponding lease liability earlier recorded had been reduced by Rs.206.165 million and Rs.225.932 million respectively. As a result, the Company recorded a gain on lease modification amounting to Rs.19.797 million in other operating income (refer note 26).

10.1.2 Disposal of Operating assets

	Cost	Accumulated depreciation	Written down value	Proceeds / settlement	Gain on disposal
December 31, 2020	5,008,162	(4,997,103)	11,059	3,869,473	3,858,414
December 31, 2019	14,776,060	(12,753,798)	2,022,262	11,582,286	9,560,024

10.1.3 Operating assets include items having an aggregate cost of Rs.114.633 million (2019: Rs. 101.175 million) which have been fully depreciated. and still in use of the Company.

10.1.4 The details of Company's immovable operating assets is as under:

	Covered area (square feet)
14th, 16th and 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan	29,025

10.2 Right-of-use assets

	Note	2020 ----- (Rupees)	2019 -----
As at January 01		256,391,283	313,161,074
Additions		-	-
Depreciation		(26,894,521)	(40,760,243)
Deletion	10.1.1	(208,451,408)	(16,009,548)
		21,045,354	256,391,283

11. INVESTMENT PROPERTY

	Note	2020 ----- (Rupees)	2019 -----
Opening balanceV		-	-
Additions	11.1 & 11.2	127,303,650	-
Depreciation		(799,103)	-
Closing balance		126,504,547	-

11.1 On the acquisition of the building from JS Lands (Private) Limited (refer note 10.1.1) the Company vis-à-vis rented out a portion of the property to JS Investments Limited, a related party, under a rental arrangement.

11.2 Investment property comprises of 5,805 square feet of 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan, the fair value of which has been determined on the basis of valuations carried out by independent professional valuers as of December 31, 2020 which amounts to Rs. 131.580 million (2019: nil). The valuations were carried out on the basis of market intelligence, indexation of the original cost, year of construction and present condition and location.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
12. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX) Less: Impairment	12.1	2,500,000 -	5,727,330 (3,227,330)
Membership card - Pakistan Mercantile Exchange Limited		2,500,000 2,500,000 5,000,000	2,500,000 2,500,000 5,000,000
Softwares	12.2	15	2,303
Advance against acquisition of software	21.1	-	9,510,507
		5,000,015	14,512,810

12.1 This represents TREC received from PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. The Company has also received shares of PSX after completion of the demutualization process.

12.2 Softwares

2020							
Cost		As at December 31, 2020	Rate (%)	Accumulated Amortisation		As at December 31, 2020	Written down value as at December 31, 2020
As at January 01, 2020	Additions			As at January 01, 2020	Charge for the year		
(Rupees)				(Rupees)			
12,929,278	-	12,929,278	33.33	12,926,975	2,288	12,929,263	15

2019							
Cost		As at December 31, 2019	Rate (%)	Accumulated Amortisation		As at December 31, 2019	Written down value as at December 31, 2019
As at January 01, 2019	Additions			As at January 01, 2019	Charge for the year		
(Rupees)				(Rupees)			
12,929,278	-	12,929,278	33.33	12,877,268	49,707	12,926,975	2,303

12.2.1 Softwares include items having an aggregate cost of Rs. 0.20 million (2019 : Rs.0.20 million) which are fully amortized and still in use of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
13. LONG TERM INVESTMENTS			
Classified as 'at fair value through Other Comprehensive Income'			
Shares of PSX - at cost (2019: 2,202,953 shares)		23,060,884	23,060,884
Term finance certificates and Sukuks - at cost	13.1	106,871,667 129,932,551	112,100,000 135,160,884
Surplus on revaluation - net	13.2	10,309,414	4,003,982
Current maturity	16	(28,066,667)	(29,066,667)
Advance against subscription of sukuk certificate		-	20,000,000
		112,175,298	130,098,199

13.1 Term finance certificates and sukuku

Number of Certificates 2020	2019	Name of term finance certificates and sukuku	Note	Carrying value 2020 ----- (Rupees) -----	2019 -----
		Listed			
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	13.1.1	12,500,000	15,000,000
520	520	Dawood Hercules Corporation Limited - Sukuk - I		31,200,000	41,600,000
600	600	Dawood Hercules Corporation Limited - Sukuk - II		42,000,000	54,000,000
20	20	BYCO Petroleum Pakistan Limited - Sukuk	13.1.3	1,166,667	1,500,000
4,001	-	Bank Islami Pakistan Limited - Ehad Sukuk	13.1.4	20,005,000 106,871,667	- 112,100,000

13.1.1 Significant terms and conditions of term finance certificates outstanding at the year end are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Name of security	Face Value per Certificates	Unredeemed face value Per Certificates	Mark-up rate (per annum)	Maturity	Rating
----- (Rupees) -----					

Listed debt securities - secured (note 13.1.2)

Jahangir Siddiqui & Co. - Limited term finance certificate XI - related party	5,000	4,167	6 months KIBOR +1.40%	March 6, 2023	AA+
Dawood Hercules - Corporation Limited Sukuk - I	100,000	60,000	3 months KIBOR +1.00%	November 16, 2022	AA
Dawood Hercules - Corporation Limited Sukuk - II	100,000	70,000	3 months KIBOR +1.00%	March 01, 2023	AA
BYCO Petroleum - Pakistan Limited Sukuk	100,000	58,333	3 months KIBOR +1.05%	January 18, 2023	AAA

Listed Debt Security - unsecured

Bank Islami - Pakistan Limited Ehad Sukuk	5,000	5,000	3 months KIBOR +2.75%	Perpetual	A-
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13.1.2 These term finance certificates and sukuk held by the Company are secured against either marketable securities of the issuer or a charge on the shares of the issuer's core investments inclusive of 50% margin or a ranking charge over present and future fixed assets of the issuer with a 25% margin. The maximum aggregate amount of term finance certificates and sukuk loans due from related party at the end of any month during the year was Rs.12.500 million (2019: Rs.15) million.

13.1.3 During the year, the issuer has proposed rescheduling which was resulted in a grace period of July 2020 to July 2021 and has extended the tenure of debt security from 5 years to 6 years.

13.1.4 This is measured at its initial purchase price as the market value is not available.

13.2 Movement of surplus on revaluation of investments classified as at fair value through Other Comprehensive Income is as follows:

	2020 ----- (Rupees) -----	2019 -----
Balance at the beginning of the year	4,003,982	6,838,434
Surplus / (deficit) on revaluation of investments during the year	6,305,432	(2,834,452)
Balance at the end of the year	10,309,414	4,003,982

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
14. LONG TERM LOANS, ADVANCES AND DEPOSITS - considered good			
Long term loans - secured			
- Executives	14.1	10,489,176	10,127,309
- Employees		11,490,557	8,455,226
	14.2	21,979,733	18,582,535
Current maturity	18	(6,978,180)	(7,026,401)
		15,001,553	11,556,134
Advance for purchase of office		2,500,000	2,500,000
Security deposits	14.3	14,987,268	18,422,468
		32,488,821	32,478,602
14.1 Reconciliation of carrying amount of loans to executives are as follows:			
Balance at the beginning of the year		10,127,309	5,307,367
Disbursements		4,332,000	7,837,000
Repayments		(3,970,133)	(3,017,058)
Balance at the end of the year		10,489,176	10,127,309
14.2 Loan to executives and employees are given for purchase of house, home appliances and other personal goods at variable interest rates per annum in accordance with the Company's policy and terms of employment. The loans are repayable over a period of two to ten years and are secured against their final settlement.			
14.3 This includes Rs.1.55 (2019: Rs.1.55) million deposited with PSX, Rs.1.05 (2019: Rs.1.05) million with NCCPL, Rs.0.20 (2019: Rs.0.20) million with Central Depository Company of Pakistan Limited (CDC), Rs.10.42 (2019: Rs.10.42) million with Pakistan Mercantile Exchange Limited (PMEX) and Nil (2019: Rs.3.035) million with JS Lands (Private) limited (related party).			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

		2020		
	Opening	(Charge) / reversal to statement of profit or loss	Reversal to statement of comprehensive income	Closing
(Rupees)				
15. DEFERRED TAXATION - NET				
Taxable temporary differences				
Difference in accounting and tax base of				
- intangible assets	491	(496)	-	(5)
- operating assets and investment property	363,375	(8,839,301)	-	(8,475,926)
Government grant	-	(1,887,619)	-	(1,887,619)
Deductible temporary differences				
Liability against assets subject to finance lease - net	(1,179,186)	2,370,923	-	1,191,737
Revaluation of investments	1,258,151	(3,183)	28,538	1,283,506
Allowance for expected credit losses	120,923,302	1,730,642	-	122,653,944
	121,366,133	(6,629,034)	28,538	114,765,637

		2019				
	Opening	Impact of adoption of IFRS 9	Opening - adjusted	(Charge) / reversal to statement of profit or loss	Reversal to statement of comprehensive income	Closing
(Rupees)						
DEFERRED TAXATION - NET						
Taxable temporary differences						
Liability against assets subject to finance lease - net	-	-	-	(1,179,186)	-	(1,179,186)
Deductible temporary differences						
Difference in accounting and tax base of:						
- operating assets	4,517,397	-	4,517,397	(4,154,022)	-	363,375
- intangible assets	(3,101)	-	(3,101)	3,592	-	491
Unused tax losses	3,355,917	-	3,355,917	(3,355,917)	-	-
Revaluation of investments	1,297,447	-	1,297,447	(224,922)	185,626	1,258,151
Allowance for expected credit losses	112,929,036	3,961,086	116,890,122	4,033,180	-	120,923,302
	122,096,696	3,961,086	126,057,782	(4,877,275)	185,626	121,366,133

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

		2020	2019
		----- (Rupees) -----	
16. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities - RBFS	16.1	198,970,125	487,185,287
Exchange Traded Fund	16.2	8,438,561	-
Advance against subscription of right shares	16.4	1,644,750	2,280,000
		209,053,436	489,465,287
At fair value through other comprehensive income			
Privately placed term finance certificates - unsecured	16.3	-	-
Current maturity of long term investments - secured	13	28,066,667	29,066,667
		237,120,103	518,531,954

16.1 Quoted equity securities (note 16.1.1)

Fully paid ordinary shares of Rs. 10 each (unless stated otherwise)

Number of shares		Name of company	2020		2019
2020	2019		Average cost	Fair value	
			----- (Rupees) -----		
-	598,500	The Bank of Punjab	-	-	6,781,005
145,500	227,500	Amreli Steels Limited	6,948,053	7,021,830	8,217,300
-	6,000	Habib Bank Limited	-	-	944,520
		Cherat Cement			
2,000	-	Company Limited	294,000	292,380	-
4,000	519,500	National Bank of Pakistan	175,600	171,840	22,494,350
31,500	211,500	Fauji Fertilizer Bin Qasim Limited	775,625	797,580	4,128,480
-	40,500	Nishat Chunian Limited	-	-	1,727,325
-	5,000	National Refinery Limited	-	-	705,400
		Oil & Gas Development			
12,000	153,000	Company Limited	1,294,500	1,245,240	21,774,960
		Pakistan State Oil			
3,500	382,500	Company Limited	761,262	753,550	73,302,300
11,500	319,500	The Searle Company Limited	2,819,125	2,866,145	60,302,430
-	12,000	The General Tyre and Rubber	-	-	669,120
5,000	61,000	The Hub Power Company Limited	390,250	396,650	5,694,350
1,000	3,500	United Bank Limited	130,000	125,860	575,750
19,000	420,000	Attock Refinery Limited	3,359,237	3,458,950	46,909,800
321,500	1,985,500	K-Electric Limited *	1,222,772	1,257,065	8,676,635
		D. G. Khan Cement			
-	633,000	Company Limited	-	-	47,012,910
		Mughal Iron and Steel			
-	19,000	Industries Limited	-	-	778,430
75,500	75,500	NetSol Technologies Limited	13,589,200	14,973,160	4,972,430
8,500	85,000	Pakistan Petroleum Limited	788,708	767,805	11,656,900
-	316,500	Engro Fertilizers Limited	-	-	23,240,595
-	3,500	Engro Foods Limited	-	-	277,550
		Engro Polymer &			
-	549,000	Chemicals Limited	-	-	18,232,290
		Fatima Fertilizer			
-	21,500	Company Limited	-	-	2,181,605
-	253,000	Fauji Cement Company Limited	-	-	3,936,680
-	158,500	Fauji Foods Limited	-	-	2,293,495

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

119,500	935,000	International Steels Limited	11,256,270	11,140,985	54,127,150
		Lotte Chemical			
77,000	227,000	Pakistan Limited	1,209,135	1,159,620	3,182,540
		Maple Leaf Cement			
-	190,000	Factory Limited	-	-	4,396,600
1,000	17,000	Nishat Mills Limited	101,000	101,770	1,804,380
130,000	513,000	Pak Elektron Limited	5,018,545	5,216,900	13,886,910
1,000	153,500	Pioneer Cement Limited	106,100	103,300	4,680,215
-	18,000	Pakistan Oilfields Limited	-	-	8,040,960
1,000,000	-	Power Cement Limited	9,470,000	9,880,000	-
		Sui Northern Gas			
6,000	-	Pipelines Limited	268,190	266,520	-
		Sui Southern Gas			
-	559,500	Company Limited	-	-	12,040,442
358,000	-	Pakistan Refinery Limited	7,543,795	8,516,820	-
288,500	-	Avanceon Limited	26,626,525	26,787,225	-
800,000	-	Hascol Petroleum Limited	11,786,500	11,752,000	-
		Pakistan International			
1,020,000	-	Bulk Terminal Limited	13,107,820	13,117,200	-
2,395,500	468,000	Unity Foods Limited	67,422,880	76,799,730	7,539,480
			186,465,092	198,970,125	487,185,287
		Unrealised gain on revaluation of investments at fair value through profit or loss - net	12,505,033	-	-
			198,970,125	198,970,125	487,185,287

* This has a face value of Rs.3.5 per share.

16.1.1 These shares have been Pledged with NCCPL against ready and future exposure.

16.2 Exchange Traded Fund

Fully paid ordinary shares / units of Rs. 10 each (unless stated otherwise)

Number of shares/fund		Name of company	2020		2019
2020	2019		Average cost	Fair value	
			(Rupees)		
8	-	Bank Alfalah Limited	257	283	-
252	-	D.G. Khan Cement Company Limited	28,476	28,874	-
380	-	Engro Fertilizers Limited	22,148	24,027	-
318	-	Engro Corporation Limited	90,817	97,740	-
413	-	Fauji Fertilizer Company Limited	41,797	44,811	-
501	-	Habib Bank Limited	72,239	66,272	-
799	-	The Hub Power Company Limited	59,571	63,385	-
191	-	Lucky Cement Limited	128,210	132,953	-
220	-	MCB Bank Limited	39,132	40,762	-
413	-	United Bank Limited	52,349	51,980	-
	-	UBL Pakistan Enterprise			-
16,500	-	Exchange Traded Fund	224,946	225,390	-
1,539	-	D.G. Khan Cement Company Limited	165,484	176,339	-
3,889	-	Engro Fertilizers Limited	241,762	245,901	-
1,376	-	Engro Corporation Limited	417,677	422,927	-
6,837	-	Hascol Petroleum Limited	111,507	100,436	-
931	-	Lucky Cement Limited	608,994	648,060	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

3,429	-	Maple Leaf Cement Factory Limited	132,507	154,339	-
2,396	-	Oil & Gas Development Company Limited	239,848	248,633	-
589	-	Pakistan Oilfields Limited	226,167	232,896	-
2,371	-	Pakistan Petroleum Limited	207,947	214,172	-
1,566	-	Pakistan State Oil Company Limited	315,310	337,160	-
2,088	-	Sui Northern Gas Pipelines Limited	117,697	92,749	-
931	-	The Searle Company Limited	234,533	232,033	-
		Meezan Pakistan			-
251,000	-	Exchange Traded Fund	2,597,072	2,675,660	-
434	-	Bank Al Habib Limited	23,884	30,206	-
347	-	Dawood Hercules Corporation Limited	44,106	42,174	-
472	-	Engro Fertilizers Limited	30,309	29,845	-
470	-	Engro Corporation Limited	129,522	144,459	-
619	-	Fauji Fertilizer Company Limited	59,109	67,162	-
620	-	Habib Bank Limited	63,504	82,014	-
648	-	The Hub Power Company Limited	46,624	51,406	-
200	-	Lucky Cement Limited	76,305	139,218	-
284	-	Mcb Bank Limited	42,501	52,620	-
614	-	Oil & Gas Development Company Limited	56,399	63,715	-
377	-	Pakistan Oilfields Limited	107,782	149,070	-
475	-	Pakistan Petroleum Limited	38,765	42,907	-
350	-	Pakistan State Oil Company Limited	45,823	75,355	-
481	-	United Bank Limited	50,387	60,539	-
		NIT Pakistan Gateway			-
17,000	-	Exchange Traded Fund	164,409	200,430	-
440	-	Bank Alfalah Limited	15,195	15,545	-
147	-	Bank Al Habib Limited	9,355	10,231	-
175	-	Engro Fertilizers Limited	10,351	11,065	-
260	-	Engro Corporation Limited	76,557	79,914	-
173	-	Fauji Fertilizer Company Limited	18,216	18,771	-
172	-	Habib Bank Limited	22,260	22,752	-
181	-	The Hub Power Company Limited	13,699	14,359	-
94	-	Lucky Cement Limited	59,194	65,432	-
97	-	MCB Bank Limited	16,778	17,972	-
104	-	Meezan Bank Limited	8,064	10,862	-
80	-	Pakistan Oilfields Limited	32,169	31,633	-
301	-	Pakistan Petroleum Limited	26,118	27,189	-
223	-	Pakistan State Oil Company Limited	43,440	48,012	-
201	-	United Bank Limited	23,416	25,298	-
252	-	Oil & Gas Development Company Limited	25,220	26,150	-
20,500	-	NBP Pakistan Growth Exchange Traded Fund	206,587	224,474	-
			7,962,495	8,438,561	-
		Unrealised gain on			-
		revaluation of investments at fair			-
		value through profit or loss - net	476,066	-	-
			8,438,561	8,438,561	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

16.3 Privately Placed Term Finance Certificates (PPTFCs) - Unsecured

Number of certificates	Mark-up rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11	Azgard Nine Limited (Privately Placed Term Finance Certificates) Provision for impairment	16.3.1	October 19, 2020	326,456,184 <u>(326,456,184)</u> <u>-</u>

16.3.1 Considering the financial position of the issuer, the Company has fully provided outstanding amount of the PPTFCs and records mark-up on receipt basis.

16.4 This represents advance against subscription of right shares of The Searle Company Limited (the investee company). These shares were released by the investee company subsequent to the year end.

	Note	2020 ----- (Rupees)	2019 -----
17. TRADE DEBTS			
Considered good			
Purchase of shares on behalf of clients		982,592,995	459,764,044
Advisory services		5,671,699	2,799,786
Forex and fixed income commission		4,610,898	7,887,494
Commodity		104,421,054	45,258,434
		<u>1,097,296,646</u>	<u>515,709,758</u>
Considered doubtful		<u>409,285,717</u>	<u>409,285,717</u>
		<u>1,506,582,363</u>	<u>924,995,475</u>
Allowance for expected credit losses	17.1	(409,285,717)	(409,285,717)
	17.2	<u>1,097,296,646</u>	<u>515,709,758</u>
17.1 Movement during the year is as follows:			
Balance at beginning of the year		409,285,717	403,317,987
Impact of adoption of IFRS-9		-	5,967,730
Balance at beginning of the year - adjusted		<u>409,285,717</u>	<u>409,285,717</u>
Provision recognised during the year		-	-
Reversal due to recoveries during the year		-	-
Balance at the end of the year		<u>409,285,717</u>	<u>409,285,717</u>

17.2 Included herein is a sum of Rs. 101.696 (2019: Rs. 215.397) million receivable from related parties.

	Note	2020 ----- (Rupees)	2019 -----
18. LOANS AND ADVANCES - considered good			
Current maturity of long term loans - secured	14	6,978,180	7,026,401
Advances to staff		7,413,030	3,962,796
Advances to suppliers		7,036,070	6,978,799
		<u>21,427,280</u>	<u>17,967,996</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
19. SHORT-TERM DEPOSITS AND PREPAYMENTS			
Deposits	19.1	564,181,917	543,335,326
Prepayments		5,250,334	9,540,755
		569,432,251	552,876,081

19.1 This includes Rs. 561.382 (2019: Rs. 540.535) million given to NCCPL against ready and future exposure.

	Note	2020 ----- (Rupees) -----	2019 -----
20. INTEREST AND MARK-UP ACCRUED			
Accrued mark-up on margin finance		5,146,280	12,133,320
Accrued mark-up on term finance / sukuk certificates		1,181,018	2,435,978
Interest receivable on bank deposits		46,320	383,825
		6,373,618	14,953,123

21. OTHER RECEIVABLES

Unrealised gain on revaluation of future equity transactions		-	90,189
Dividend receivable		1,102,500	-
Sales tax paid on account of forex and advisory		16,009,999	16,009,999
Others	21.1	21,174,271	11,909,393
		38,286,770	28,009,581
Provision made against sales tax paid and others	21.2	(23,701,185)	(23,701,185)
	21.3	14,585,585	4,308,396

21.1 This includes an amount of Rs. 9.511 million equivalent to USD 75,000 previously advanced to Saudi National Technology Group Company Limited (the vendor) situated in Riyadh, Kingdom of Saudi Arabia, for the acquisition of software. Due to inability of the vendor to perform in accordance with the contract, the vendor agreed with the Company for reimbursement of said amount which was received fully subsequent to year end.

21.2 The movement in provision during the year is as follows:

	2020 ----- (Rupees) -----	2019 -----
Balance at beginning of the year	23,701,185	16,009,999
Impact of adoption of IFRS-9	-	7,691,186
Balance at beginning of the year - adjusted	23,701,185	23,701,185
Provision recognised during the year	-	-
Reversal due to recoveries during the year	-	-
Balance at the end of the year	23,701,185	23,701,185

21.3 Included herein is a sum of Rs.1.616 (2019: Rs.1.607) million receivable from related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

22. CASH AND BANK BALANCES

	Note	2020 ----- (Rupees) -----	2019 -----
Bank balances in:			
- Current accounts		2,843,231	4,043,558
- Deposit accounts	22.1	1,618,475,655	1,198,257,740
		1,621,318,886	1,202,301,298
Cash in hand:		225,200	756,438
	22.2	1,621,544,086	1,203,057,736

22.1 These carry interest at the rates ranging from 2.75% to 12.75% (2019: 6.75% to 12.75%) per annum.

22.2 These include balances with the Parent Company amounting to Rs.1,602.391 (2019: Rs.1,191.917) million.

22.3 Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

Customers' assets held in the designated bank accounts	1,494,532,456	1,002,724,903
Customers' assets held in the CDC	45,502,752,237	33,921,514,583
22.4 Securities pledged with financial institutions	10,104,355,587	3,748,885,157

	Note	2020 ----- (Rupees) -----	2019 -----
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23. OPERATING REVENUE

Brokerage income	581,874,101	331,363,628
Advisory and consultancy fee	31,462,845	38,247,089
	613,336,946	369,610,717

24. CAPITAL GAIN ON SALE OF INVESTMENTS - NET

Gain on redemption of investment in units of open-end mutual funds - net	-	55,104
Gain on sale of quoted equity securities - net	15,164,575	6,347,393
Gain on sale of Exchange Traded Fund - net	852,488	-
Gain on sale / redemption of term finance certificates and sukuks - net	32,831,908	21,370,062
Gain on sale of government securities - net	1,961,327	1,377,542
	50,810,298	29,150,101

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- (Rupees) -----	2019
25. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and benefits	25.1	274,900,267	257,343,483
Contribution to provident fund	25.2	13,277,075	13,595,814
Fee for directors / committee meetings	30	2,250,000	2,700,000
Printing and stationery		2,473,246	2,072,309
Telephone, fax, telegram and postage		9,409,201	11,249,863
Amortisation of intangible assets	12.2	2,288	49,707
Rent, rates and taxes		2,813,019	11,690,284
Vehicle running expenses		16,535,500	16,548,915
Utilities		12,340,750	11,434,010
Legal and professional charges		14,402,047	15,876,115
Insurance		10,584,385	10,841,211
Newspaper and periodicals		356,670	299,801
Entertainment		789,687	991,125
Advertisement and business promotion		4,949,118	2,670,123
Office supplies		2,789,690	2,307,070
Depreciation expense	10.1, 10.2 & 11	77,781,442	84,091,378
Auditors' remuneration	25.3	1,654,300	1,570,800
Fees and subscription		21,185,670	27,660,838
Conveyance and traveling		15,256,362	21,945,875
Repairs and maintenance		16,747,113	15,760,671
Computer expenses		15,041,258	12,405,814
PSX, NCCPL, SECP and CDC charges		24,688,673	27,425,208
Royalty	25.4	15,000,000	15,000,000
Contract and consultancy charges		-	300,000
Donation	25.5	4,500,000	200,000
Impairment against TREC-PSX		-	3,227,330
		559,727,761	569,257,744
25.1 Number of employees at the end of the year		170	185
Average number of employees during the year		172	194

25.2 Investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2020 ----- (Rupees) -----	2019
25.3 Auditors' remuneration		
Statutory audit fee	599,500	545,000
Half year review	319,000	290,000
Review of code of corporate governance	85,000	85,000
Other certifications	370,000	370,000
Out of pocket expenses and sales tax on services	280,800	280,800
	1,654,300	1,570,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

25.4 This represents the royalty payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Company's name under an agreement dated February 07, 2007 which has been amended through addendum dated April 23, 2018 whereby the Company agreed to pay Rs.15 million per annum (previously Rs. 10 million per annum) effective from April 01, 2018. His registered address is D-185, Block 5, Clifton, Karachi.

25.5 This represents donation extended to Future Trust, a related party. None of the directors of the Company have any interest in the aforementioned donee.

	Notes	2020 ----- (Rupees) -----	2019 -----
26. OTHER OPERATING INCOME - NET			
Income from financial assets:			
Mark-up on debt and government securities		13,633,548	16,795,796
Return on cash margin on future contracts		14,168,760	10,793,456
Exchange gain on foreign currency transactions		-	18,365
Interest earned on deposit accounts		85,589,130	140,046,997
		113,391,438	167,654,614
Income from non-financial assets:			
Gain on sale of operating assets	10.1.2	3,858,414	9,560,024
Reversal of provision against Federal Workers' Welfare Fund		-	11,730,325
Gain on modification of lease agreement		19,797,365	-
Other income	26.1	7,706,141	2,967,310
		31,361,920	24,257,659
		144,753,358	191,912,273

26.1 This includes rental income from JS investments Limited, a related party, amounting to Rs.4,249,280 (2019: Rs.Nil).

		2020 ----- (Rupees) -----	2019 -----
27. FINANCE COST			
Commission charges on bank guarantee	27.1	4,541,379	4,631,832
Bank and other charges		140,421	269,008
Interest expense on SBP Re-Finance Scheme for Salaries and Wages		1,032,144	-
Interest expense on assets subject to finance lease		11,196,788	34,904,068
		16,910,732	39,804,908

27.1 During the year, the Company renewed bank guarantee from a commercial bank, to meet exposure requirements, amounting to Rs.400 (2019: Rs.400) million. It was priced at 1.15% (2019: 1.15%) per annum and will be expiring on May 25, 2021 (2019: May 25, 2020).

28. TAXATION

28.1 Except for tax year 2009, 2014, 2015, 2016, 2017 and 2018 income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 (the Ordinance) unless selected by taxation authorities for audit purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

- 28.2** For tax year 2009, an ITRA no. 07/2013 was filed by the Commissioner Inland Revenue against an order passed by the Learned Appellate Tribunal Inland Revenue (ATIR) in ITA no. 923/KB/2011 dated August 28, 2012 which was related to the apportionment of expenses, allowability of expenses and claiming of tax deducted at source aggregating to Rs. 61.16 million. However, the same is pending for decision before the Sindh High Court (SHC).
- 28.3** For tax year 2014, an amended assessment order dated April 28, 2016, has been passed under section 122(5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through said order, the ACIR raised demand amounting to Rs. 20.081 million. The Company has filed rectification application identifying various errors / details not considered by the ACIR and requested ACIR to rectify the same. In addition to that, the Company has also filed an appeal to the Commissioner Inland Revenue Appeals (CIR-A) which is pending. The Company has also obtained stay against recovery of demand from SHC till the decision of CIR-A.
- 28.4** For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue (DCIR). Through said order, an income of Rs.810.584 million was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24.318 million was raised. An appeal was filed against the above order before CIR-A on December 01, 2016 identifying various errors / details not considered. The CIR-A, has confirmed DCIR's order vide his order dated May 30, 2017. In pursuance of the order of CIR-A, the Company has filed appeal before ATIR along with application for stay against recovery of demand. The appeal before ATIR has been heard and order is reserved whilst ATIR vide order dated July 18, 2017 has granted stay for 60 days and subsequently the said stay was further extended vide various orders by ATIR. Subsequently, recovery of aforesaid tax demand was previously stayed by the Honorable Sindh High Court (SHC) through C.P No 4915 of 2018 vide order dated June 28, 2018 with direction to the Department not to enforce recovery of tax demand till the decision of ATIR. However, based on its order dated July 21, 2020, the SHC has dismissed the aforementioned C.P and has declared the super tax for TY 2015 to be constitutionally vires. The Company has however filed an Income Tax Reference Application (ITRA) No. 52 of 2020 before SHC which is pending adjudication.
- 28.5** For tax year 2016 and 2017, notices dated December 27, 2016 and January 03, 2018 were issued under section 4B of the Ordinance by the DCIR. In the said notices the DCIR has contended that the Company is liable to pay Super Tax amounting to Rs. 24.483 million and Rs. 19.490 million on 'income' of Rs. 816.122 million and Rs. 649.676 million for Tax Years 2016 and 2017 respectively. The Company has challenged both notices through writ petition before SHC on constitutional grounds wherein the SHC has, vide its orders dated January 16, 2017 and January 11, 2018 for Tax Years 2016 and 2017 respectively, has stated that no coercive action shall be taken against the Company. The DCIR passed the orders under section 4B vide order dated April 23, 2018 and May 4, 2018 for tax years 2016 and 2017 respectively to levy Super tax of above mentioned amounts under the view that SHC has not restrained the department from passing the orders. In pursuance of the said orders, Company filed appeals which were rejected by CIR-A vide its order dated October 12, 2018 for both years. As a result, the Company has filed appeals before Appellant Tribunal Inland Revenue (ATIR) against the orders of CIR-A. Meanwhile, the Company paid 50% of tax demand of both tax years to maintain the above suits in light of judgment of Hon'able Supreme Court of Pakistan (Civil Appeals No. 1171/2017 and other connected appeals) wherein, the pending suits are declared to be entertained on the condition that a minimum of 50% of tax demand is deposited with tax authorities during the pendency of appeal. During the year the appeal has been heard before ATIR and is reserved for order. The Company has however filed an Income Tax Reference Application (ITRA) No. 53 and 54 of 2020 before SHC which is pending adjudication.
- 28.6** For tax year 2018, a notice under section 4B of the Ordinance by the DCIR dated December 7, 2018 was issued, contending that the Company is liable to pay Super Tax amounting to Rs. 45.211 million on 'income' of Rs. 1,507.039 million. The Company had challenged the notice on constitutional grounds before SHC through C.P. No. 8670 of 2018. The SHC, vide its order dated December 14, 2018, had stated that no coercive action shall be taken against the Company. However the SHC based on its order issued in September 2020 has dismissed the aforementioned C.P. The Company is hence awaiting the conclusion of ATIR on the above matter before it files a reference application for TY 2018. To date, no order has been passed by the Department, consequently, no outstanding tax demand exists to date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

28.7 For tax year 2016, an amended assessment order has been passed under section 122(5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through the said order, the ACIR raised demand amounting to Rs. 241.217 million. Upon appeal filed, CIR-A confirmed the ACIR's order vide its order dated December 12, 2017. In pursuance of the order of CIR-A, the Company had filed an appeal before ATIR. During last year ATIR vide its order dated March 29, 2019 had annulled CIRA's action on confirming disallowances made in the order passed by ACIR dated November 02, 2017, with directions to CIRA to pass speaking and reasoned order after providing due opportunity of being heard. As a result, the likely assessment position after appeal effect of ATIR's order under section 124 of the Ordinance is that only tax demand on account of undistributed reserves is outstanding, which has also been stayed by SHC vide interim order in CP No. 0-2343 of 2019 dated April 09, 2019. Furthermore during last year, a rectification application was filed for erroneously considered share premium reserves while computing excess reserves under section 5A of the Ordinance by the ACIR, in its order dated November 2, 2017. As a result of which tax demand under section 5A would be reduced to Rs. 7.523 million.

28.8 "For tax year 2017, an amended assessment order has been passed under section 122(5A) of the Ordinance by the Tax Officer. Through the said order, the Tax Officer raised a demand amounting to Rs. 17.649 million. The Company has filed an appeal before CIR-A which has been heard, however, no order has been passed till date. The total tax demand was partially stayed by the order of SHC vide CP No. 5431 of 2017 dated August 16, 2017, while the remaining liability was adjusted from the available refunds as declared in the return for tax year 2017.

Furthermore, the case of the Company has been selected for income tax audit under section 214C of the Ordinance and a notice dated April 12, 2019 under section 177 of the Ordinance has been issued requiring submission of details and documents. Partial details have been submitted and extension is requested for submission of remaining details."

28.9 For tax year 2017, a show-cause notice under section 161/205 of the Ordinance has been issued by tax authority. Through the said order, the Company was alleged for non-deduction of tax under section 150 of the Ordinance on payment made to shareholders in respect of buy back of shares. The said notice has been challenged before Sindh High Court (SHC) through legal counsel of the Company and SHC has prohibited tax department from passing any order without its permission. On the directions of court, detailed reply to show-cause notice has also been submitted vide our letter dated January 26, 2018. Tax authorities have issued a subsequent notice dated March 6, 2018, requesting to provide certain factual details which have also been submitted vide our letter dated March 16, 2018 and the matter is now pending adjudication before the SHC.

28.10 During 2013, the Company received a show cause notice from the Sindh Revenue Board (SRB) under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed reducing the demand to Rs. 9.86 million along with default surcharge. The Company filed an appeal before the CIR-A and after being decided against the Company, it subsequently filed an appeal before Appellate Tribunal SRB. During the year 2014, the Company paid an amount of Rs. 7.15 million in respect of the abovementioned liability before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption from application of penalty and 75% of default surcharge. Appellate Tribunal SRB vide order dated November 29, 2017 decided the issue of Sindh Sales Tax (SST) in favor of the Company. However, the issue of SST on advisory and consultancy services and commission earned on purchase/sale of mutual funds have been remanded back whilst the issue relating to SST on commission on foreign exchange dealing, services rendered outside Sindh and levy of default surcharge and penalty have been decided against the Company. The Company has filed a reference application before SHC in respect of the issues decided against the Company and remanded back.

During 2014, the Company also received another show cause notice from SRB under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed raising a tax demand amounting to Rs. 10.77 million. The Company has filed an appeal against the order with CIR-A which is pending. Further, in respect of the same, rectification application has also been filed with the department. The Company and other stock brokers have also filed petition with the SHC and has been granted interim stay against recovery of demand. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of penalty and 75% of default surcharge.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Furthermore, for fiscal year 2014 and 2015, SRB alleged short payment of SST vide Notice dated February 02, 2017. The Company has submitted all the required details in response to the notice and no order in this respect has been passed.

28.11 SRB has also issued an order in another proceeding for tax periods January 2014 to December 2016, which were confronted, vide notice dated August 15, 2017, levying sales tax on certain services and disallowance of input tax of Rs. 35,877,012. In pursuance of the said order the Company filed an appeal before Commissioner (Appeals), SRB which has been partly heard. However the recovery of the of aforesaid tax demand has been stayed by the Hon'able SHC in Suit no 767 of 2018 vide order dated April 13, 2018.

28.12 Tax department issued a show cause notice dated June 08, 2015 confronting (alleged) non payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005 and subsequently issued an order raising a demand amounting to Rs.78.003 million for tax year 2010 to tax year 2013. The Company filed a rectification appeal, in addition, to filing an appeal to the SHC, through Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently, disposed of the order in Company's favor. However, CIR-A on the matter of appeal filed by the Company issued an order in favor of the department vide its order dated January 31, 2017. In pursuance of the order of CIR-A the Company had filed an appeal before Appellate Tribunal SRB along with application for stay of demand which was granted initially for 30 days and was subsequently extended vide various orders. Appellate Tribunal SRB has decided the matter vide order dated December 20, 2017, received by the Company on April 09, 2018, whereby ATIR decided that FED is applicable only on the commission earned from trading of shares and no other type of commission comes under the ambit of FED. With this opinion, ATIR has remanded back the issue related to pre amendment era. For post amendment era, ATIR has relied upon the decision of SHC (stated above) and declared the charge of FED after July 01, 2011 null and void.

	2020	2019
	----- (Rupees) -----	
28.13 Reconciliation of tax charge for the year		
Profit before taxation	289,613,260	107,289,020
Tax at the applicable tax rate of 29% (2019: 29%)	83,987,845	31,113,816
Tax effect of income under Presumptive Tax Regime	-	(8,657,348)
Tax effect of prior year tax charge	(16,192,920)	11,049,309
Tax effect of non-deductible expenses	46,783,369	11,251,189
Tax effect of exempt income / permanent differences	(82,997,377)	(3,333,758)
Tax effect of change in tax rate	-	-
Tax effect of minimum tax and alternate corporate tax (ACT)	51,077,971	18,617,419
	82,658,888	60,040,627

29. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	206,954,372	47,248,393
	----- (Number) -----	
Weighted average number of shares	30,557,000	36,065,665
	----- (Rupees) -----	
Earnings per share - basic and diluted	6.77	1.31

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits to the Chief Executive Officer, Directors and Executives of the Company is as follows:

		Chief Executive		Directors		Executives	
		2020	2019	2020	2019	2020	2019
Note		(Rupees)					
Managerial remuneration	30.1	24,315,161	26,670,978	-	-	117,431,472	115,679,206
Medical allowance		-	-	-	-	9,357,372	9,331,053
House rent allowance		1,268,177	1,580,722	-	-	-	-
Utilities allowance		140,911	175,633	-	-	-	-
Staff retirement benefits		1,387,999	1,296,000	-	-	6,862,073	6,389,821
Medical		155,152	289,005	-	-	-	-
Fees for attending meetings		-	-	2,250,000	2,700,000	-	-
		27,267,400	30,012,338	2,250,000	2,700,000	133,650,917	131,400,080
Number of persons		1	1	7	7	36	35

30.1 Managerial remuneration includes Rs.13.763 (2019: Rs.9.670) million charged in the statement of profit or loss in respect of bonus to chief executive Officer and executives of the Company.

31. RELATED PARTY TRANSACTIONS

31.1 Following are the name of associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements in place during the year:

Name of Related parties	Relationship	Aggregate shareholding by related parties in the Company
JS Bank Limited	Parent company	83.53%
Trustee - Future Trust	Group Company	5.95%
The Eastern Express Company (Private) Limited	Group Company	2.81%
Jahangir Siddiqui & Co. Limited	Ultimate parent company	0.00%

Name of Related parties	Relationship	Aggregate shareholding by related parties in the Company
EFU Life Assurance Limited	Major shareholding of ultimate parent company	1.11%
Mr. Jahangir Siddiqui	Controlling person	0.03%
EFU General Insurance Limited	Major shareholding of ultimate parent company	0.00%
JS Bank Limited - Staff Gratuity Fund	Post Employment Benefit plan of parent company	0.00%
Jahangir Siddiqui & Sons Limited	Major shareholding of controlling person	0.00%
JS Global Capital Limited - Staff Provident Fund	Post Employment Benefit plan of company	0.00%
Energy Infrastructure Holding (Private) Limited	Group Company	0.00%
Jahangir Siddiqui Securities Services Limited	Major shareholding of controlling person	0.00%
JS Lands Private Limited	Major shareholding of controlling person	0.00%
Mr. Muhammad Kamran Nasir	Key Management Personnel of company	0.00%
Mr. Tanzeel ur Rehman	Key Management Personnel of company	0.00%
Mr. Syed Faran Haider Rizvi	Key Management Personnel of company	0.00%
Mr. Khalilullah Usmani	Key Management Personnel of company	0.00%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

	2020		2019	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	(Rupees)			
Trade debts				
Opening balance	711,750	133,527,922	751,152	126,548,025
Invoiced during the year	6,117,459	9,477,352,451	36,535,541	12,197,459,991
Received during the year	(6,749,257)	(9,583,532,161)	(36,574,943)	(12,190,480,094)
Closing balance	79,952	27,348,212	711,750	133,527,922
Trade payable				
Opening balance	4,819,790	777,619	908,271	20,887,955
Invoiced during the year	6,273,449,209	(6,162,739,837)	23,706,106	1,013,526,640
Paid during the year	(6,271,954,550)	6,162,745,310	(19,794,587)	(1,033,636,976)
Closing balance	6,314,449	783,092	4,819,790	777,619
Loans and advances				
Opening balance	9,951,648	-	4,068,315	-
Disbursements during the year	3,632,000	-	9,837,000	-
Repayments during the year	(3,970,133)	-	(3,953,667)	-
Closing balance	9,613,515	-	9,951,648	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 ----- (Rupees) -----	2019 -----
Balances with Parent Company		
Trade debts	811,692	902,218
Bank balances with parent company	1,602,390,716	1,191,916,629
Other payable	6,960	6,960
Long-term financing	113,364,534	-
Interest Payable	730,892	-
Balances with ultimate Parent Company		
Trade debts	73,455,500	80,255,294
Other receivables	281,050	272,757
Mark-up receivable on term finance certificates	344,027	736,044
Principal outstanding on term finance certificates	12,500,000	15,000,000
Balances with associated entities of group companies		
Other receivables	1,334,459	1,334,459
Principal outstanding on term finance certificates	20,005,000	-
Security deposit	-	3,035,200
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	40,154,924	19,948,421
Lease rentals paid	-	63,471,854
Donation Payable	4,500,000	-
Purchase of property	748,845,000	-
Refund of security deposit	3,035,200	-
Security Deposit received	1,011,733	-
Rent Received	5,311,600	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

2020 2019
----- (Rupees) -----

Transactions with the Parent Company

Nature of transactions

Brokerage income	5,978,097	3,787,822
Purchase of Pakistan Investment Bonds	-	83,215,938
Sale of sukuk certificates	-	25,044,918
Gain on sukuk certificates	-	25,000
Purchase of term deposit	-	3,500,000,000
Sale of term deposit	-	3,504,007,233
Mark-up income on term deposit	-	4,671,232
Rent, utilities and consultancy charges	-	4,500,000
Bank charges	64,898	166,458
Mark-up on deposit accounts	82,394,484	130,322,447

Transactions with ultimate Parent Company

Nature of transactions

Brokerage income	8,203,551	859,679
Reimbursement of expenses by the ultimate parent company	-	75,897
Reimbursement of expenses to the ultimate parent company	4,807,650	20,171,489
Market maker fee received	506,800	506,800
Mark-up received on term finance certificates	1,522,411	1,911,634
Principal received on term finance certificates	2,500,000	5,250,000

Transactions with key management personnel of the Company and its Parent Company

Nature of transactions

Brokerage income	3,773,386	214,599
Directors' remuneration	2,500,000	2,700,000
Remuneration paid to Chief Executive Officer	31,060,945	30,723,332
Remuneration paid to key management personnel	120,472,272	86,901,060

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	(Rupees)	
Transactions with other related parties		
Nature of transactions		
Royalty expense	15,000,000	15,000,000
Brokerage expense	-	454,535
Insurance expense	10,584,385	14,412,319
Insurance claim	132,473	1,900,000
Purchase of Pakistan investment bonds	514,936,022	-
Sale of term finance certificates	49,893,880	1,313,762,758
Capital gain on sale of term finance certificates	344,800	1,229,597
Purchase of sukuk certificates	-	20,000,000
Sale of sukuk certificates	1,439,131,260	4,774,037,224
Mark-up on sukuk certificates	-	128,668
Capital gain on sale of sukuk certificates	8,697,900	6,499,413
Contributions to staff provident fund	13,277,075	13,295,814

	2020			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
OPERATING SEGMENTS				
Segment revenues	581,874,101	200,313,503	53,337,746	835,525,350
Gain on revaluation of investments	-	12,981,099	-	12,981,099
Administrative and operating expenses (other than depreciation and amortization)	(276,078,594)	(45,245,934)	(160,619,503)	(481,944,031)
Depreciation	(27,638,397)	(16,338,238)	(33,804,807)	(77,781,442)
Amortisation of intangible assets	-	(2,000)	(288)	(2,288)
Finance cost	(16,910,732)	-	-	(16,910,732)
	261,246,378	151,708,430	(141,086,852)	271,867,956
Gain on sale of operating assets				3,858,414
Gain on modification of lease agreement				19,797,365
Provision for Sindh Workers' Welfare Fund				(5,910,475)
Taxation				(82,658,888)
Profit after tax				206,954,372
Segment assets	3,540,349,468	1,208,619,047	641,762,379	5,390,730,894
Segment liabilities	2,394,762,840	-	549,529,432	2,944,292,272
Capital expenditure	637,236,134	8,767,582	16,561,847	662,565,563
Non cash items other than depreciation and amortisation				
-Gain on revaluation of investments	-	12,981,099	-	12,981,099
-Loss on revaluation of future equity transactions	-	(12,329,287)	-	(12,329,287)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

There were no major customer of the Company which derived 10 percent or more of the Company's revenue. All non-current assets of the Company as at December 31, 2020 and December 31, 2019 are located and operating in Pakistan.

		2019		
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	331,363,628	314,670,141	62,396,545	708,430,314
Loss on remeasurement of investments	-	550,906	-	550,906
Administrative and operating expenses (other than depreciation and amortization)	(268,805,768)	(69,270,001)	(147,040,890)	(485,116,659)
Depreciation	(22,105,398)	(8,371,177)	(53,614,803)	(84,091,378)
Amortisation of intangible assets	-	-	(49,707)	(49,707)
Finance cost	(39,804,908)	-	-	(39,804,908)
	647,554	237,579,869	(138,308,855)	99,918,568
Gain on sale of property and equipment				9,560,024
Provision for Sindh Workers' Welfare Fund				(2,189,572)
Taxation				(60,040,627)
Profit after tax				47,248,393
Segment assets	2,519,806,655	1,330,535,680	241,512,064	4,091,854,399
Segment liabilities	1,407,517,097	-	450,824,790	1,858,341,887
Capital expenditure	65,332,112	8,767,582	16,561,847	246,899,747
Non cash items other than depreciation and amortisation				
-Loss on revaluation of investments	-	550,906	-	550,906
-Gain on revaluation of future equity transactions	-	90,189	-	90,189

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Financial instruments by category

33.1.1 Financial assets

	2020		
	At fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
	(Rupees)		
			Total
Long term loans and deposits	-	-	32,488,821
Long term investments	-	112,175,298	-
Short term investments	209,053,436	28,066,666	-
Trade debts	-	-	1,097,296,646
Receivable against margin finance	-	-	419,521,592
Loans	-	-	14,391,210
Short-term deposits	-	-	564,181,917
Interest and mark-up accrued	-	-	6,373,618
Other receivables	-	-	14,585,585
Cash and bank balances	-	-	1,621,544,086
	<u>209,053,436</u>	<u>140,241,964</u>	<u>3,770,383,475</u>
			<u>4,119,678,876</u>

	2019		
	At fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
	(Rupees)		
			Total
Long term loans and deposits	-	-	32,478,602
Long term investments	-	130,098,199	-
Short term investments	518,531,954	-	-
Trade debts	-	-	515,709,758
Receivable against margin finance	-	-	315,474,761
Loans	-	-	10,989,197
Short-term deposits	-	-	543,335,326
Interest and mark-up accrued	-	-	14,953,123
Other receivables	90,189	-	4,218,207
Cash and bank balances	-	-	1,203,057,736
	<u>518,622,143</u>	<u>130,098,199</u>	<u>2,640,216,710</u>
			<u>3,288,937,052</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

33.1.2 Financial liabilities	2020		
	Amortised cost	At fair value through profit or loss (Rupees)	Total
Creditors, accrued expenses and other liabilities	2,807,080,542	-	2,807,080,542
Liability against assets subject to finance lease	25,154,794	-	25,154,794
Unclaimed dividend	3,361,843	-	3,361,843
	<u>2,835,597,179</u>	<u>-</u>	<u>2,835,597,179</u>

	2019		
	Amortised cost	At fair value through profit or loss (Rupees)	Total
Creditors, accrued expenses and other liabilities	1,573,437,271	-	1,573,437,271
Liability against assets subject to finance lease	252,325,124	-	252,325,124
Unclaimed dividend	3,361,843	-	3,361,843
	<u>1,829,124,238</u>	<u>-</u>	<u>1,829,124,238</u>

33.2 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

33.2.1 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.

Exposure to credit risk

Credit risk of the Company arises principally from the financial assets listed below. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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 and other receivables amounting to Rs. 409.286 million and Rs. 23.701 million respectively (refer note 17 and 21 to the financial statements) and impairment against investment in Privately Placed Term Finance Certificates amounting to Rs.326.456 million (refer note 16.3 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:

	2020	2019
	----- (Rupees) -----	
Financial Assets		
Long term loans and deposits	32,488,821	32,478,602
Short term investments	38,149,977	31,346,667
Long term investments	78,805,000	83,033,333
Trade debts	1,097,296,646	515,709,758
Receivable against margin finance	419,521,592	315,474,761
Loans and advances	14,391,210	10,989,197
Short-term deposits	564,181,917	543,335,326
Interest and mark-up accrued	6,373,618	14,953,123
Other receivables	14,585,585	4,218,207
Bank balances	1,621,318,886	1,202,301,298
	<u>3,887,113,252</u>	<u>2,753,840,272</u>

33.2.1.1 The maximum exposure to credit risk for trade debts and margin finance at the reporting date by geographic region is as follows:

Local clients	1,511,000,480	829,757,780
Foreign clients	5,817,758	1,426,739
	<u>1,516,818,238</u>	<u>831,184,519</u>

The ageing of trade debts as at year end reporting date is as follows:

	2020			2019		
	Gross	Impairment	Net	Gross	Impairment	Net
	----- (Rupees) -----					
Past due 1-30 days	1,057,090,881	-	1,057,090,881	504,715,729	-	504,715,729
Past due 31 days -180 days	15,265,360	-	15,265,360	9,919,981	-	9,919,981
Past due 181 days -1 year	24,940,403	-	24,940,403	1,074,048	-	1,074,048
More than one year	409,285,717	409,285,717	-	409,285,717	409,285,717	-
Total	<u>1,506,582,361</u>	<u>409,285,717</u>	<u>1,097,296,644</u>	<u>924,995,475</u>	<u>409,285,717</u>	<u>515,709,758</u>

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 considered to be adequate.

As of December 31, 2020, receivable against purchase of shares on behalf of clients amounting to Rs. 982.593 million, out of which Rs.794.025 million pertains to receivable on account of T+2 trades which was subsequently settled/cleared with National Clearing Company Limited (NCCPL) and clients.

The ageing of trade debts, other receivables and loans and advances from related parties as at year reporting date is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Total	Past due 1-30 days	Past due 32 days -180 days	Past due 181 days - 1 year	More than one year
2020					
trade debts	62,656,325	61,484,489	211,167	6,849	953,820
Other receivables	1,615,509	8,293	-	-	1,607,216
Loans and advances	11,816,717	-	1,379,596	2,389,451	8,047,670
2019					
trade debts	212,087,863	211,201,702	51,693	243,430	591,038
Other receivables	1,607,216	39,292	-	-	1,567,924
Loans and advances	9,951,648	87,187	449,627	570,960	8,843,874

No provision has been recognized in respect of these trade debts, other receivables and loans and advances in these financial statements.

332.1.2 Bank balances

The analysis below summarizes the credit quality of the Company's bank balances: credit risk at the reporting date is as follows:

	2020 ----- (Rupees)	2019 -----
AA+	13,311,946	5,742,080
AA	10,757	10,588
AAA	5,605,168	4,623,728
A+	300	300
AA-	1,602,390,715	1,191,924,602
	<u>1,621,318,886</u>	<u>1,202,301,298</u>

332.1.3 Investment in debt securities

Exposure of the Company through investment in Term Finance Certificates and sukuks according to credit ratings is as follows:

Term finance certificates and sukuks	2020 (Rupees)	Percentage
Credit rating		
AA+	12,500,000	11.70%
AA	73,200,000	68.49%
AAA	1,166,667	1.09%
A-	20,005,000	18.72%
	<u>106,871,667</u>	<u>100.00%</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Term finance certificates and sukuk	(Rupees)	2020 Percentage
Credit rating		
AA+	15,000,000	13.38%
AA	95,600,000	85.28%
AAA	1,500,000	1.34%
	112,100,000	100.00%

33.2.1.4 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 and margin finance are as follows:

	2020 (Rupees)		2019 (Rupees)	
Services (including insurance)	71,951,903	4.74%	26,939,102	3.24%
Manufacturing	10,916,772	0.72%	18,900,843	2.27%
Banking and financial institutions	63,493,426	4.19%	85,054,309	10.23%
Individuals	1,370,456,137	90.35%	700,290,265	84.25%
	1,516,818,238	100.00%	831,184,519	100.00%

33.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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:

	2020					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Creditors, accrued expenses and other liabilities	2,807,080,542	2,807,080,542	2,807,080,542	-	-	-
Liability against assets subject to finance lease	25,154,794	25,154,794	4,179,176	4,331,085	16,644,533	-
Unclaimed dividend	3,361,843	3,361,843	3,361,843	-	-	-
	2,835,597,179	2,835,597,179	2,814,621,561	4,331,085	16,644,533	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2019					
	Carrying amount	Contractual cash flows *	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Creditors, accrued expenses and other liabilities	1,573,437,271	1,573,437,271	1,573,437,271	-	-	-
Liability against assets subject to finance lease	252,325,124	394,059,862	5,615,536	42,635,545	197,707,032	148,101,749
Unclaimed dividend	3,361,843	3,361,843	3,361,843	-	-	-
	<u>1,829,124,238</u>	<u>1,970,858,976</u>	<u>1,582,414,650</u>	<u>42,635,545</u>	<u>197,707,032</u>	<u>148,101,749</u>

* The amounts disclosed in the table are the contractual undiscounted cash flows.

On the reporting date, the Company has cash and bank balances of Rs.1,621.514 (2019: Rs.1,203.058) million as mentioned in note 22 and unutilised credit lines of Rs.400 (2019: Rs.400) million against the investments of the Company.

33.2.3 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, management 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 is not faced with any foreign currency risk.

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. The Company also invests in fixed rated bank accounts and Government securities such as Market Treasury Bills and Pakistan Investment Bonds.

As at December 31, 2020 and 2019, investments in term finance certificates and sukuks exposed to interest rate risk are detailed in notes 13.1 and 16.3 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Carrying amount	
	2020	2019
	----- (Rupees) -----	
Fixed rate investments (notes 16.3 and 22)	1,618,475,655	1,198,257,740
Variable rate investments (note 13)	140,241,965	427,574,761

Cash flow sensitivity analysis for variable rate instruments

The Company holds KIBOR based interest bearing investments in term finance certificates and sukuks 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.

	Impact on profit before tax	
	100 bp increase	100 bp decrease
	----- (Rupees) -----	
As at December 31, 2020		
Cash flow sensitivity - variable rate instruments	1,402,420	(1,402,420)
As at December 31, 2019		
Cash flow sensitivity - variable rate instruments	4,275,748	(4,275,748)

Fair value sensitivity analysis for fixed rate instruments

As at December 31, 2020, the Company held no fixed rate financial instruments.

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 is exposed to other price risk on investments in listed equity securities. The Company manages the risk through portfolio diversification, as per recommendation of Investment Committee of the Company. The Committee regularly monitors the performance of investees and assess their financial performance on an on-going basis.

However, the Company is not exposed to other price risk in equity securities as Ready Buy Future Sale (RBFS) securities are not exposed to any price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

33.2.4 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 behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

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 responsibility;
- 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; and
- risk mitigation, including insurance where this is effective.

33.3 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

Financial assets at fair value through profit or loss	Note	2020			Total
		Level 1	Level 2	Level 3	
Quoted equity securities		198,970,125	-	-	198,970,125
Exchange Traded Fund		8,438,561	-	-	8,438,561
		<u>207,408,686</u>	<u>-</u>	<u>-</u>	<u>207,408,686</u>
Fair value through other comprehensive income					
Quoted securities	33.3.1	140,241,965	-	-	140,241,965
	33.3.2	<u>140,241,965</u>	<u>-</u>	<u>-</u>	<u>140,241,965</u>
2019					
Financial assets at fair value through profit or loss		Level 1	Level 2	Level 3	Total
Quoted equity securities		487,185,287	-	-	487,185,287
		<u>487,185,287</u>	<u>-</u>	<u>-</u>	<u>487,185,287</u>
Fair value through other comprehensive income					
Quoted equity securities		139,164,866	-	-	139,164,866
		<u>139,164,866</u>	<u>-</u>	<u>-</u>	<u>139,164,866</u>

33.3.1 Investment in term finance certificates and sukuks issued for the purpose of raising funds are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

33.3.2 The carrying values of remaining financial assets and liabilities reflected in these financial statements approximate to their fair values.

33.4 Capital risk management

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

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

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

Net Capital requirements of the Company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis. Net Capital Balance as at December 31, 2020 is Rs. 873.265 (2019: Rs.1,281.716) million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

		2020	2019
	Note	----- (Rupees) -----	
34. CAPITAL ADEQUACY LEVEL			
Total assets	34.1	5,390,730,894	4,091,854,504
Less: Total liabilities		(2,944,292,272)	(1,858,301,992)
Capital Adequacy Level		<u>2,446,438,622</u>	<u>2,233,552,512</u>

34.1 While determining the value of the total assets of the Company, Notional value of the TREC certificate held by the Company as at year ended December 31, 2020 as determined by the Pakistan Stock Exchange has been considered.

35. DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015

At present, JSGCL employs nine members in its research department (including head of research, three senior analysts, two junior analyst, a technical analyst, a librarian and a data administrator). All members report to Head of Research who in turn reports to CEO.

Compensation structure of research analysts is flat and is subject to qualification, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents / outcome of research report.

During the year ended December 31, 2020, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.20.852 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

36. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors have proposed cash dividend of Nil (December 31, 2019: Nil) amounting to Rs. Nil (December 31, 2019: Rs.Nil) in their meeting held on February 18, 2021. This appropriation will be approved in the forthcoming Annual General Meeting.

37. GENERAL

37.1 Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report.

37.2 All figures have been rounded off to the nearest rupee, unless otherwise stated.

38. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors' meeting held on February 18, 2021.

Director

Chief Executive Officer

Chief Financial Officer

PATTERN OF SHAREHOLING

as at December 31, 2020

# Of Shareholders	Shareholdings'Slab			Total Shares Held
467	1	to	100	5,147
184	101	to	500	59,020
96	501	to	1000	86,181
151	1001	to	5000	343,441
21	5001	to	10000	162,830
7	10001	to	15000	88,008
4	20001	to	25000	91,596
3	25001	to	30000	84,493
1	35001	to	40000	38,091
2	45001	to	50000	97,650
2	50001	to	55000	107,000
1	70001	to	75000	72,000
1	295001	to	300000	300,000
1	340001	to	345000	340,323
1	475001	to	480000	478,000
1	855001	to	860000	858,551
1	1815001	to	1820000	1,819,500
1	25525001	to	25530000	25,525,169
945				30,557,000

S. No.	Categories of Shareholders	No: of Shareholders	Total Shares held	Percentage
1	Individuals	916	1,942,988	6.36%
2	Insurance Companies	1	340,323	1.11%
3	Joint Stock Companies	15	913,092	2.99%
4	Charitable trust	1	1,819,500	5.95%
5	Financial Institutions	1	25,525,169	83.53%
6	Others	11	15,928	0.05%
		945	30,557,000	100%

PATTERN OF SHAREHOLDING

as at December 31, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Mr. Muhammad Kamran Nasir	1	1	0.00%
Mr. Abdul Hamid Mihrez	1	4	0.00%
Mr. Munir Hassan Tahir	1	4	0.00%
Mr. Muhammad Yousuf Amanullah	1	1	0.00%
Mr. Shahab Anwar Khawaja	1	1	0.00%
Ms. Shireen Raza	1	1	0.00%
Mr. Iftikhar Ahmed Rao	1	1	0.00%
Mr. Khusro Iqbal Mumtaz	1	1	0.00%
Associated Companies, undertakings and related parties			
JS Bank Limited	1	25,525,169	83.53%
Mr. Jahangir Siddiqui	1	8,944	0.03%
Mr. Mahboob Ahmed	1	2,658	0.01%
The Eastern Express Company (Private) Limited	1	858,551	2.81%
Trustee - Future Trust	1	1,819,500	5.95%
Executives	-	-	0.00%
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	1	340,323	1.11%
Mutual Fund	-	-	0.00%
General Public - Local	906	1,931,372	6.32%
Foreign Investors	-	-	0.00%
Others including Joint Stock Companies	25	70,469	0.23%
Total	945	30,557,000	100%

PATTERN OF SHAREHOLDING

as at December 31, 2020

Share holders holding 5% or more	Shares Held	Percentage
JS Bank Limited		
Trustee - Future Trust	25,525,169	83.53%
	1,819,500	5.95%
	<u>27,344,669</u>	<u>89.49%</u>

The Directors, CEO, COO, CFO, Head of Internal Audit, Company Secretary and their spouses and minor children had reportedly carried out no trading in the shares of the Company during the year ended December 31, 2020.

چیئرمین کا جائزہ

قابل احترام شیر ہولڈرز

میں JS گلوبل کیپیٹل لمیٹڈ (کمپنی) کے شیئر ہولڈرز کو مالی سال FY 2020 کی رپورٹ پیش کرتے ہوئے بے حد مسرت محسوس کر رہا ہوں۔ کمپنی نے ایک بار پھر پاکستان کی کیپیٹل مارکیٹ کے لیڈر رہنے کی روایت کو برقرار رکھا ہے۔

2020 بلاشبہ نہ صرف پاکستان بلکہ پوری دنیا کے لیے ایک انوکھا سال رہا۔ کورونا وائرس وبائی مرض نے لاکھوں لوگوں کی ذہنی اور جسمانی صحت کو متاثر کیا اور اسکے نتیجے میں عالمی معاشی مارکیٹ بھی اثر انداز ہوئی ہے۔ حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کے ہر وقت فیصلوں نے معاشی استحکام فراہم کیا۔ اس پورے عرصے میں بورڈ اور اسکی کمیٹیوں نے انتظامیہ کو اسٹریٹجک نگرانی کی فراہمی جاری رکھی تاکہ اس بات کو یقینی بنایا جاسکے کہ کمپنی کامیابی کیساتھ پائیدار ترقی کی راہ پر گامزن رہے جیسا کہ وہ کئی دہائیوں سے کرتی آرہی ہے

AA (طویل مدتی) اور A1+ (مختصر مدت) انٹیٹی ریٹنگز اور BMR 1 مینیجمنٹ ریٹنگز - پورے ملک کے ایکویٹی بروکریج فرم میں سب سے زیادہ - PACRA سے نہ صرف کمپنی کے آپریشنل اور ساختی اعتبار سے انڈسٹری لیڈر اور ٹیم کے محنتی ہونے کے عزم کی سند ہے، جسکی وجہ سے جے ایس گلوبل آج بھی مارکیٹ لیڈر مانا جاتا ہے۔

مارکیٹ میں رسائی کہ کم مواقع پاکستان کی معاشی مارکیٹ کی ترقی کی راہ میں ہمیشہ ایک بڑا مرحلہ ثابت ہوا ہے۔ دوران سال متعلقہ حکام نے متعدد اقدامات کا آغاز کیا ہے جو ان معاملات کو حل کرنے میں بہت آگے بڑھیں گے جبکہ جے ایس گلوبل نے ملک کی معاشی مارکیٹ کی ترقی میں اہم کردار ادا کیا ہے۔ 2020 زرمبادلہ کہ تبادلے کا سال کہا جاسکتا ہے۔ جس میں ہم واحد مارکیٹ میکر رہے۔ اس کے ساتھ روشن ڈیجیٹل اکاؤنٹ کا اجراء ملک میں معاشی مارکیٹ کی ترقی کی طرف ایک بڑا قدم رہا ہے۔ آخر میں ایک اہم بات، کہ مجموعی طور پر احتسابی اقدامات میں بہتری لانے سے سرمایہ کاروں اور مارکیٹ کہ مابین اعتماد ہمیں بہت آگے تک لے کر جائے گا۔

میں انتظامیہ کی لگن اور محنت پر انکو داد دیتا ہوں اور اسٹاک ہولڈرز کو جے ایس گلوبل پر اپنا اعتماد برقرار رکھنے پر شکریہ ادا کرتا ہوں۔ میں انکو یقین دلاتا ہوں کہ کمپنی تمام اخلاقی اور قانونی ذمہ داریوں کے ساتھ آگے بڑھنے کیلئے پرعزم ہے۔ میں بورڈ اور انتظامیہ کی جانب سے آپ کو کامیابی، خوشحالی اور صحت کے ایک اور سال کی خواہشات پیش کرتا ہوں۔

محمد یوسف امان اللہ

چیئر مین

مورخہ: فروری 18، 2021

آڈیٹرز EY Ford Rhodes پانچ سال کی میعاد ختم ہونے کی وجہ سے ریٹائرڈ اور مالی سال 2021 کے لئے دوبارہ تقرری کے اہل نہیں ہیں۔ پی اے سی نے میسرز کے پی ایم جی تاثیر بادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹر کے طور پر تقرری کی سفارش کی ہے اور اس کے معاوضے کے ساتھ بورڈ کو بھی مشورہ دیا گیا ہے جو آئندہ سالانہ جنرل میٹنگ میں ممبروں کی منظوری کے لئے اسے تجویز کرے گا۔

شیئر ہولڈنگ کا نمونہ

جے ایس گلوبل کیپیٹل لمیٹڈ کے بڑے شیئردارک جے ایس بینک لمیٹڈ ہیں جو 83.53% حصہ رکھتے ہیں۔ دوسرے حصے یافتگان میں مقامی ادارے اور عام عوام شامل ہیں۔

کچھ حصوں کے حصے یافتگی کے انداز کے ساتھ حصص یافتگی کے عام نمونوں کا بیان ریگولیٹری فریم ورک اور خرید و فروخت کے بیان کے تحت جن حصہ یافتگان کا انکشاف ضروری ہے سال کے اختتام پر، ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے حصص، اگر کوئی ہیں تو 31 دسمبر 2020 کے بعد، سالانہ رپورٹ میں پیش کیا جاتا ہے۔

کریڈٹ ریٹنگ اور بروکر مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے کمپنی کی طویل مدتی اور قلیل مدتی درجہ بندی برقرار رکھی ہے۔ AA (ڈبل A) اور A1 + (A-One) Plus) بالترتیب، FY 2020 کیلئے۔ یہ ریٹنگ کمپنی کی اچھی مالی حالت کی عکاسی کرتی ہے۔ ایک مضبوط کیپیٹل اسٹرکچر کے نتیجے میں نقصان کم اور مالی وعدوں کی بروقت ادائیگی ہوتی ہے۔ یہ گنجائش قابلیت قابل قیاس نہیں ہے۔

FY 2020 کے دوران، پی اے سی آر اے نے بروکر مینجمنٹ (بی ایم) ریٹنگ کی اور بی آر 1 کو ایک 'مستحکم' آؤٹ لک تفویض کیا۔ اس ریٹنگ سے کمپنی کی ملکیت ٹریڈنگ اسٹاک کی مانعیت کی پالیسی سے راحت حاصل ہوئی، اور اس طرح یہ مارکیٹ کا خطرہ اور لیکویڈیٹی کا خطرہ محدود ہو گیا۔ یہ ریٹنگ مضبوط ضابطہ تعمیل، کنٹرول ماحول، مالی انتظام کی بھی عکاسی کرتی ہے؛ گورننس اور رسک مینجمنٹ فریم ورک انتہائی موثر ہیں۔ HR، IT، اور صارف خدمات انتہائی فعال ہیں۔

مستقبل کا نظریہ

اس طاقت کے ساتھ جو ہماری بیلنس شیٹ اور ذخائر سے ملتی ہے، مستحکم اور حاصل کرنے کی ہماری مستقل خواہش سے ہم اپنی خدمات کو مستحکم اور بہتر بنانا جاری رکھیں گے اور ساتھ ہی ساتھ مالیاتی مصنوعات تیار کرتے رہیں گے اور خدمات پیش کرتے رہیں گے۔ ملک اور معیشت کو درپیش بے شمار چیلنجز کے باوجود ہم پراعتماد ہیں کہ ہم طویل عرصے تک اپنی ترقی کی رفتار کو برقرار رکھیں گے اور ہمارے شیئر ہولڈرز کی قدر کو جاری رکھیں گے۔ جیسا کہ ہمیشہ ماضی میں کرتے آئے ہیں۔

ہمارا ارادہ ہے ادارے کی ترویج کو مد نظر رکھتے ہوئے، مستقل مزاجی سے بنیادی کاروبار کو مستحکم بنائینگے اور اپنی بڑھتی مارکیٹ شیئر کی بر ڈومین میں مستقل جدید فائینیشل پروڈکٹ اور خدمات کی تلاش کرتے رہیں گے۔

اعتراف

ہم اپنے ملازمین کی لگن اور محنت کے لئے، اپنے مؤکلین کو، کاروباری شراکت داروں اور شیئر ہولڈرز کو ان کی حمایت اور اعتماد کیلئے خلوص دل سے تعریف کا اظہار کرتے ہیں۔ بورڈ اس موقع پر جے ایس گلوبل کیپیٹل لمیٹڈ کے تمام ملازمین کی انتھک کوششوں پر اظہار تشکر کرتا ہے۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کو تسلیم کرنا چاہیں گے جنہوں نے کیپٹل مارکیٹ کو مضبوط اور سرمایہ کاروں کے حقوق کے تحفظی اقدامات کئے۔

ومنجانہ بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر

مورخہ: فروری 18، 2021

بورڈ آف ہیومن ریسورس کمیٹی

FY 2020 کے دوران ، بورڈ آف ہیومن ریسورس نے 4 میٹنگز رکھیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے

سیریل نمبر	ڈائریکٹر کے نام	اہلیت	میٹنگز میں شرکت
1	افتخار احمد راؤ	4	3
2	محمد یوسف امان اللہ	4	4
3	محمد کامران ناصر	4	3
4	خسرو اقبال ممتاز	4	4

بورڈ آف رسک مینجمنٹ کمیٹی

FY 2020 کے دوران ، بورڈ آف رسک مینجمنٹ کمیٹی نے 4 میٹنگز رکھیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے

سیریل نمبر	ڈائریکٹر کے نام	اہلیت	میٹنگز میں شرکت
1	خسرو اقبال ممتاز	4	4
2	محمد یوسف امان اللہ	4	4
3	محمد کامران ناصر	4	4
4	عبدل حامد مہرین	4	1

داخلی مالیاتی کنٹرول کی قابلیت

بورڈ آف ڈائریکٹرز نے تاثیر اور حصول کے اندرونی مالی کنٹرول کا مستحکم نظام وضع کیا ہے۔ اس کی کارروائیوں میں کارکردگی ، قابل اعتماد مالی رپورٹنگ اور قابل اطلاق قوانین اور ضوابط کی تعمیل ہے۔ کمپنی کی آزاد آؤٹ سورس باقاعدگی سے مالیاتی عمل درآمد کی نگرانی کرتی ہے۔ جبکہ آڈٹ کمیٹی سہ ماہی بنیاد پر داخلی کنٹرول فریم ورک اور مال کی تاثیر کا جائزہ لیتی ہے۔

کارپوریٹ کی سماجی ذمہ داری

کارپوریٹ اور معاشرتی ذمہ داری کے بیان کا انکشاف سالانہ رپورٹ کے متعلقہ حصے میں کیا گیا ہے۔

مالی ذمہ داری اور اہم خدشات اور غیر یقینی صورتحال کے انتظام کے بارے میں تبادلہ خیال

سالانہ رپورٹ میں کمپنی کی انتظامیہ مالی بیانات اور اس سے متعلق نوٹس کو تیار کرنے کی ذمہ دار ہے۔ بورڈ آڈٹ کمیٹی (بی اے سی) آؤٹ سورس کے کاموں کی نگرانی کرتی ہیں۔ داخلی آڈٹ ڈیپارٹمنٹ اور اندرونی کنٹرول کی نگرانی اور خدشات سے نمٹنے کا انتظام کرنے میں بورڈ کی مدد کرتی ہے ، (بشمول کریڈٹ رسک ، لیکویڈیٹی رسک ، مارکیٹ رسک ، آپریشنل رسک ، قانونی / ریگولیٹری رسک اور ریپوٹیشنل رسک) جو کیپیٹل مارکیٹ کی صنعت میں کام کرنے کا نتیجہ ہے۔ انٹرنل آڈٹ کاروباری عمل آڈٹ کی منصوبہ بندی اور انعقاد کے لئے رسک پر مبنی نقطہ نظر ، جو قائم شدہ فریم ورک سے مطابقت بھی رکھتا ہے ، اختیار کرتا ہے۔ کمیٹی کمپنی کے بیرونی آڈیٹرز کی کارکردگی کا بھی جائزہ لیتی ہے ان کی تقرری اور ان کی شرائط پر بھی نظر رکھتی ہے۔

بی اے سی درج کمپنیوں (کارپوریٹ گورننس کا کوڈ) ریگولیشنز ، 2019 کے مطابق کام کرتی ہے جو سیکیورٹیز ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے جاری کیا۔ ریفرنس کی شرائط جیسا کہ بورڈ نے منظور کیا ہے۔ کمیٹی چار غیر ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ چیئرمین جو ایک آزاد ، نان ایگزیکٹو ڈائریکٹر ہے۔ بی اے سی کے چیئرمین کی ضرورت کو پورا کرتے ہیں۔ کم از کم ایک مالی خواندگی کا رکن ، پیشہ ورانہ اکاؤنٹنٹ کی ایک تسلیم شدہ باڈی کا ممبر ہونے کے ناطے۔ داخلی آڈٹ کی تقریب یوسف عادل ، چارٹرڈ اکاؤنٹنٹ کے لئے آؤٹ سورس ہے ، جو براہ راست رپورٹ کرتے ہیں۔ بی اے سی کے چیئرمین ، اور چیف فنانشل آفیسر کو اجلاس میں شرکت کے لئے مدعو کیا گیا ہے۔ سال کے دوران ، کمیٹی نے چار اجلاس کیے۔ بیرونی آڈیٹر بھی خصوصی امور پر تبادلہ خیال کے لئے حاضر تھے۔ بورڈ کی منظوری سے قبل کمپنی کے مالی بیانات کا بی اے سی نے جائزہ لیا۔

بورڈ دو آزاد ڈائریکٹرز، پانچ دوسرے دیگر نان ایگزیکٹو ڈائریکٹرز اور سی ای او ڈائریکٹر پر مشتمل ہے۔ بورڈ ایک خاتون ممبر کے علاوہ تمام مرد ارکان پر مشتمل ہے۔ بورڈ مرکب ہے صحیح مہارت اور ضروری تجربے کے حامل افراد کا جنکی زیرنگرانی ضروری کام انجام پاسکیں۔ بورڈ کاروباری مہارت اور تجربے کے تنوع کو اہمیت دیتا ہے جیسا کہ ڈائریکٹرز متنوع مہارت کے سیٹ، صلاحیتوں اور آج کے مسابقتی کاروبار میں مختلف جغرافیائی اور ثقافتی پس منظر سے حاصل کردہ تجربہ کے حامل ہیں۔

چیئرمین اور سی ای او کے عہدے ضابطہ اخلاق اور حکمرانی کے بہترین طریقوں کے مطابق ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے فکسنگ کے لئے باضابطہ پالیسی اور شفاف طریقہ کار کی منظوری دی۔ تمام ڈائریکٹرز، فی الحال جے ایس گروپ کے کسی بھی ادارے میں کام کرنے والے ڈائریکٹرز کے علاوہ، مقررہ معاوضہ وصول کرتے ہیں۔ جس میں، بورڈ اور اس کی کمیٹیوں کے ہر اجلاس میں شرکت کیلئے سفر، رہائش وغیرہ شامل ہیں۔ اس مقررہ معاوضے کا مقصد پیانہ اور پیچیدگی کی عکاسی اور مسابقتی بیرونی مارکیٹ ہے۔ کسی بھی غیر ایگزیکٹو ڈائریکٹروں کے لئے، ریٹائرمنٹ، پنشن، گریپائٹی، پروویڈنٹ فنڈ یا انشورنس جیسے کوئی فوائد نہیں۔ غیر ایگزیکٹو ڈائریکٹر کسی بھی مراعات یا کارکردگی پر مبنی معاوضے کے منصوبوں، اور ذاتی انعام نہیں وصول کرسکتے۔ کمپنی انہیں قرض یا گارنٹی نہیں دے گی۔

کمپنی کے سی ای او، ڈائریکٹرز اور ایگزیکٹوز کو کچھ فوائد سمیت مجموعی طور پر معاوضہ ہے، مالی بیانات میں انکشاف کیا گیا ہے۔

مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کی تشخیص کا سالانہ باقاعدہ جائزہ لیا جاتا ہے، مشغول بیرونی آزاد مشیر کی مدد سے - پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) - وہ ادارہ جو ایس ای سی پی کا منظور شدہ ہے، اور اسی مقصد کے لیے اس سے منظور شدہ فیس پر کام کرتا ہے۔

بورڈ کے پاس آڈٹ کمیٹی، رسک مینجمنٹ کمیٹی اور ہیومن ریسورسز پر مشتمل تین ذیلی کمیٹیاں ہیں۔ یہ وسائل اور معاوضہ میں بورڈ کو اس کے افعال کی کارکردگی میں مدد کرتی ہیں۔

بورڈ مینٹننگز اور حاضری

FY 2020 کے دوران، بورڈ آف ڈائریکٹرز نے 5 مینٹننگز رکھیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے

سیریل نمبر	ڈائریکٹر کے نام	اہلیت	مینٹننگز میں شرکت
1	محمد یوسف امان اللہ	5	5
2	محمد کامران ناصر (سی۔ ای۔ او)	5	5
3	منیر حسن طاہر	5	3
4	عبدل حامد مہر	5	2
5	خسرو اقبال ممتاز	5	5
6	شیرین رضا	5	4
7	افتخار احمد راؤ	5	5
8	شہاب انور خواجہ	5	5

بورڈ آڈٹ کمیٹی

FY 2020 کے دوران، بورڈ آف آڈٹ کمیٹی نے 4 مینٹننگز رکھیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے

سیریل نمبر	ڈائریکٹر کے نام	اہلیت	مینٹننگز میں شرکت
1	شہاب انور خواجہ	4	4
2	خسرو اقبال ممتاز	4	4
3	منیر حسن طاہر	4	2
4	شیرین رضا	4	3

مندرجہ ذیل کمپنی کے اہم P&L اشیا کے مالیاتی اثرات پر روشنی ڈالی گئی ہے:

کمپنی نے 613 PKR ملین کی رقم آپریٹنگ آمدنی حاصل کی جبکہ پچھلے سال اسی مدت میں 370 PKR ملین تھی، اس طرح 66% کا اضافہ ہوا۔

لاگت کے حساب سے، اس سال کمپنی نے 560 PKR ملین (2% YoY) منتظامی اور آپریٹنگ اخراجات پر خرچ کئے کمپنی اپنی لاگت پر قابو پانے والی پالیسی کو کامیابی کے ساتھ نافذ کر رہی ہے جیسا کہ اعداد و شمار سے واضح ہے۔

منافع میں اضافہ زیر غور مدت کے دوران بورس میں نمایاں طور پر بڑھنے والے حجم سے منسوب ہے۔ یہ مارکیٹ سے متعلق عوامل تھے جبکہ کمپنی ایک بار پھر تمام چیلنجوں کے باوجود مجموعی مارکیٹ شیئر برقرار رکھنے میں کامیاب رہی ہے۔ آگے بڑھنے کے ساتھ ہی، جیسے جیسے بورس بہتر ہو رہا ہے، کمپنی اپنے بڑھتے ہوئے مارکیٹ شیئر کے فائدہ اٹھانے کے لئے تیار ہے۔

مزید یہ کہ، کمپنی طویل مدت کیلئے اپنی نمو کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ اس کے حصے داروں کے لئے زیادہ سے زیادہ فوائد حاصل کرنے کیلئے وسائل پر خاص نگرانی کر رہی ہے۔ محصول کو بہتر بنانے کیلئے ٹریڈری مینجمنٹ، کور بروکریج اور فیس پر مبنی کارروائیوں سے لاگت کی بنیاد کو متنازعہ کرنا شامل ہے۔

منافع کی تخصیص

سال کے آخر میں تقسیم شدہ منافع کے ساتھ ختم شدہ سال کے منافع کو مندرجہ ذیل طور پر مختص کیا گیا ہے:

	Year ended December 31, 2020	Year ended December 31, 2019
	----- Rupees -----	
Un-appropriated profit brought forward	112,367,591	400,369,198
Distribution of profits through buy back of shares	-	(335,250,000)
Profit after tax	206,954,372	47,248,393
Un-appropriated profit carried forward	319,321,963	112,367,591
Other Comprehensive Income		
Un realized gain on revaluation of investments at fair value through other comprehensive income - net	11,441,759	5,510,021

کمپنی کے بورڈ آف ڈائریکٹرز نے آئندہ لیکویڈیٹی تقاضوں کی بنا پر 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے حصص یافتگان کو کسی بھی تقسیم کی تجویز نہیں کی ہے۔

کارپوریٹ گورننس اور مالی رپورٹنگ کا فریم ورک

ڈائریکٹرز مندرجہ ذیل امور کی تعمیل کی تصدیق کرتے ہیں۔

- کمپنی کی انتظامیہ کے تیار کردہ مالی بیانات، اس کی کارروائیوں، نقد بہاؤ، ایکویٹی میں بدلاؤ کے نتیجے اور صورتحال منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی کتابوں کو باقاعدہ برقرار رکھا گیا ہے۔
- مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئیں ہیں اور حساب کتاب کا تخمینہ معقول محتاط فیصلے پر مبنی ہوتا ہے۔
- انٹرنیشنل فائننشل رپورٹنگ اسٹینڈرڈز (IFRS)، جس کا اطلاق پاکستان میں ہوتا ہے مالی بیانات کی تیاری اور اس کے بعد کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف کیا گیا ہے اور وضاحت بھی دی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسکی موثر انداز میں نافذ اور نگرانی کی جا رہی ہے۔
- کمپنی کے جاری رہنے کی صلاحیت پر کوئی اہم شبہات نہیں ہیں۔
- کمپنی نے سال کے دوران کسی بھی قرض کی ادائیگی میں ڈیفالٹ نہیں کیا ہے۔
- گذشتہ سال کے آپریٹنگ نتائج سے اہم انحراف کی وجوہات ڈائریکٹرز رپورٹ کے سیکشن میں بیان کی گئیں
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی روانگی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں بیان کیا گیا ہے۔
- سالانہ رپورٹ میں پچھلے چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار دیئے گئے ہیں۔
- بقایا ٹیکسوں، ڈیوٹیوں، محصولات اور محصولات کے بارے میں معلومات، اگر کوئی ہے تو، اکاؤنٹس کے نوٹ میں دی گئی ہے۔
- کمپنی اپنے اہل ملازمین کے لئے ایک منظور شدہ کنٹری بیوٹوری پروویڈنٹ فنڈ چلاتی ہے۔ 30 جون 2020 کو ختم ہونے والے سال کے لئے غیر آڈٹ مالیاتی بیانات کے مطابق سرمایہ کاری کی قدر تقریباً 93 PKR ملین ہے (30 جون، 2019: 99 PKR ملین)۔
- مادی تبدیلیاں اور وعدے (اگر کوئی ہیں) جو کمپنی کی مالی حیثیت کو متاثر کرتے ہیں۔ بیلنس شیٹ کی تاریخ اور ڈائریکٹر کی رپورٹ کی تاریخ کے مابین واقع ہوا ہے اکاؤنٹس میں مناسب طور پر انکشاف کر دئے گئے ہیں۔

جنوری 2020 میں تبدیل شدہ اوسط شرح 1 ماہ، 3 ماہ اور 6 ماہ میں PKR 3.50، PKR 1.40، اور PKR 6.35 پر بالترتیب رہی۔ COVID-19 کے بعد سے، تبادلوں کی شرح میں نمایاں کمی واقع ہوئی کیونکہ سرمایہ کاروں نے غیر یقینی صورتحال کی بدولت اسپاٹ مارکیٹ کو ترجیح دی۔ ادل بدلنے کی شرح میں کمی اپریل 2020 میں 1 ماہ، 3 ماہ اور 6 ماہ کیلئے بالترتیب PKR 0.61، PKR 1.67 اور PKR 3.11 رہی۔ زیادہ دباؤ مالیاتی نرمی سے ہوا (13.25% سے 7.00% تک)۔

تاہم، جیسے ہی امدادی اقدامات سے پاکستان میں کورونا وائرس کے نئے کیسوں کی تعداد میں کمی آنے لگی، تبادلہ کی شرح بازیاب ہونے لگی۔ ستمبر 2020 کے مہینے میں اوسط تبدیلیاں PKR 1.03، PKR 2.82 اور PKR 4.78 بالترتیب 1 ماہ، 3 ماہ اور 6 ماہ کیلئے تھیں۔

FY 21 کیلئے آئی ایم ایف اور ورلڈ بینک کا اشتراک ہے پاکستان کی جی ڈی پی نمو، مختلف مالک کی طرح، سست ہوگی۔ یہ پیش گوئیاں شاید تھوڑی بہت قدامت پسند بھی ہوں، خاص طور پر جب حکومت کے اشتراک سے موازنہ کیا جائے، جب کہ پاکستان اس وبائی بیماری سے نمٹنے میں دوسرے مالک کے مقابلے میں بہت خوش قسمت رہا ہے۔

منی مارکیٹ

FY 20 کے دوران منی مارکیٹ غیر مستحکم رہی، اسٹیٹ بینک نے COVID-19 کے معاشی اثرات کا مقابلہ کرنے کے لئے پالیسی شرح کو مجموعی طور پر 625 بیس پوائنٹس سے کم کر دیا۔ تاہم، بیرونی سطح پر استحکام حاصل کرنے کے بعد، پالیسی کی شرح میں کوئی تبدیلی نہیں کی گئی ہے۔ آگے بڑھتے ہوئے یہ دیکھنا ہے کہ باقی ہے کہ سود کی شرح اسٹیٹ بینک کب بڑھاتا ہے۔

دسمبر 2020 کے آخر تک ٹی بلوں کی آخری کٹ آف پیداوار 3 ماہ میں 7.15%، 6 ماہ میں 7.20% اور 12 ماہ میں 7.29% تینر بالترتیب تھیں۔ ٹی بلوں میں مجموعی طور پر شرکت زیادہ رہی۔ چونکہ پہلی لھر کے بعد صورتحال بہتر ہونا شروع ہوگئی، کووڈ جون میں کم رہا، معاشی سرگرمیاں بڑھ گئیں، PIBs میں شرکت ہونا کم ہوگئی، جسکی وجہ سے yield آگے بڑھی۔ 2020 کی آخر میں، 3Y PIBs کی کٹ آف 8.24% yield رہی جبکہ 5 سال اور 10 سال ٹینر مسترد ہوگئے۔ مزید یہ کہ، سہ ماہی کوپن کے ساتھ فلوئر بانڈ کا تعارف اس سال کی اہم بات تھی۔ وہاں سیمی اینیوی فلوئنگ کوپن بانڈز کی شرکت میں کمی ہوئی۔

اجناس کی مارکیٹ

کورونا وائرس جیسے وبائی مرض کے باوجود، مقامی مرکٹنائل ایکسچینج (پی ایم ای ایکس) پاکستان میں تجارت شدہ مقدار میں بہت برا اثر نہیں آیا جو کے ابتدائی بری توقع سے بہتر تھا۔ پچھلے سال کے مقابلے میں، کل پی ایم ای ایکس کے حجم میں صرف 6% کی کمی واقع ہوئی، کیونکہ پہلی سہ ماہی میں بھاری کمی کے بعد سال کے آخری سہ ماہی میں اضافہ ہوا۔ سرگرمی کی قیادت معاہدوں کے ذریعے کی گئی تھی، خاص طور پر سونے اور چاندی کے معاہدے، لیکن یہ بہت حد تک خام تیل اور مارکیٹ پر مبنی (DJ اور NSDQ100) معاہدوں میں تجارت میں زبردستی کمی سے متاثر ہوا۔ سستی کے باوجود، جے ایس گلوبل کے اجناس کے شعبے نے پی ایم ای ایکس کو 21% YOY نمو جلد کے مقابلے میں آگے رہا پچھلے سال کے مقابلے میں بھی، جس عرصے میں GOIOZ چھوٹے سرمایہ کاروں کے لئے ترجیحی معاہدہ رہا۔ موثر ویکسین کے بنائے جانے پر یہ امید کی جارہی ہے کہ عالمی اجناس کی تجارت کی مارکیٹ کو ممکنہ طور پر ایک مستحکم سال کا سامنا کرنا پڑے جو مارکیٹ کی سرگرمی کے لئے مثبت ثابت ہوسکتی ہے۔

بنیادی سرگرمیاں

یہ کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) کی ٹریڈنگ رائٹ انشائیٹامنٹ سرٹیفکیٹ (ٹی آر سی) ہولڈر اور پاکستان مرکٹنائل ایکسچینج لمیٹڈ (پی ایم ای ایکس) کی ممبر بھی۔ کمپنی کی بنیادی سرگرمیوں میں، بروکریج، منی مارکیٹ کی بروکریج، فاریکس بروکریج، اجناس کی بروکریج، ایڈوائزری، انڈر رائٹنگ، بک رینگ اور مشاورتی خدمات شامل ہیں۔ دیگر سرگرمیوں میں درج فہرست اور غیر فہرست ایکوئٹی، سیکیورٹیز، ریورس ریپرچیز ٹرانزیکشنز اور قرض کے مرکب میں سرمایہ کاری شامل ہے۔

مالی کارکردگی کا جائزہ

خلاصہ نتائج نیچے دیئے گئے ہیں:

	Year ended December 31, 2020	Year ended December 31, 2019
	Rupees	
Profit before tax	289,613,260	107,289,020
Profit after tax	206,954,372	47,248,393
Earnings per share	6.77	1.31

ڈائریکٹر کی رپورٹ

JS گلوبل کیپیٹل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی مورخہ 31 دسمبر 2020 کو ختم ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی تفصیلات مع آڈیٹر کی رپورٹ پیش کرتا ہوں۔

معیشت

2020 میں جو صورتحال زیادہ تر ممالک میں تھی، پاکستان اور اسکی معیشت بھی عالمی کورونا وائرس سے اسی طرح متاثر ہوئی۔ وبائی امراض، ہلاکتوں، کارخانوں اور کاروباری اداروں کی معاشرتی تباہی کے علاوہ، بینک، اسکول وغیرہ اپریل اور مئی کے دوران بند کردیئے گئے تھے۔ معاشی منظرنامہ تباہ کن ہوسکتا تھا۔ (جیسا کہ کچھ علاقائی ممالک میں ہوا) اگر یہ لاک ڈاؤن اور مراعات نہ ہوتے، خاص طور پر اسٹیٹ بینک آف پاکستان ("SBP") جسکی بروقت پالیسی کی شرح میں مجموعی 625bps سے (13.2% سے 7.00% تک) کی کمی، کارکنوں کی چھٹیوں کو روکنے کیلئے مراعات والے قرض وغیرہ۔

FY 20 کے دوران جی ڈی پی 0.38% رہی، جبکہ اس سے پچھلے سال میں 1.91% اضافہ دیکھنے میں آیا تھا۔ تینوں بڑے شعبوں میں سے، فزراعت نے 2.67% اضافے سے معیشت کو سہارا دیا، جبکہ صنعتی اور خدمات کے شعبوں میں بالترتیب 2.64% اور 0.59% کی کمی واقع ہوئی۔ اس کے علاوہ، صنعتی شعبے کے اندر FY20، میں لارج اسکیل مینوفیکچرنگ (ایل ایس ایم) میں 7.78% کی کمی واقع ہوئی ہے، جب کہ دوران لاک ڈاؤن کے مہینوں میں یہ کمی زیادہ واضح ہوئی۔ ایک مثبت نوٹ پر، ایل ایس ایم جولائی تا نومبر 2020 کے دوران 7.41% مجموعی بنیاد پر بڑھی۔ گذشتہ سال کے مقابلہ میں، جبکہ نومبر میں 14.46% رہی۔ دوسری طرف FY21، میں مون سون بارشوں، کیڑوں کے حملوں اور وبائی امراض کی وجہ سے کلیدی فصلوں میں پیداوار کی کمی سے ترقی پر نیچے کی طرف دباؤ پیدا ہوسکتا ہے۔ اس کے علاوہ، 2020 میں مہنگائی معیشت کیلئے ایک سنگین نقطہ رہا، پچھلے سال کے مقابلہ میں 9.48% کا اضافہ ہوا۔ اشیائے خوردونوش کی مہنگائی سب سے بڑا مسئلہ تھا، جس میں پچھلے سال کے مقابلہ میں 15.38% کا اضافہ ہوا۔ حکومت کے unified base tariff کو بڑھانے کے فیصلہ کو دھیان میں رکھتے ہوئے، آئی ایم ایف پروگرام کے دوبارہ آغاز کے ساتھ، 2021 میں مہنگائی پر کچھ دباؤ پیدا ہوسکتا ہے۔ اسکے علاوہ، high base effect کے پیش نظر، مہنگائی کی شرح 2020 سے کم ہونے کی امید ہے۔

شاید خوشی کی سب سے بڑی وجہ بیرونی محاذ پر تھی، جہاں کرنٹ اکاؤنٹ نے پانچ مہینے، جولائی سے نومبر 2020، لگاتار مابانہ سرپلس ریکارڈ ہوا۔ اس کی بڑی وجہ ترسیلات زر میں غیر معمولی اضافہ تھا، جو جولائی سے دسمبر کے دوران 2 بلین امریکی ڈالر سے اوپر رہا، اس عرصے میں 24.9% اضافہ ہوا جہاں پہلے وبائی بیماری کی وجہ سے مارکیٹ میں کمی کی توقعات تھیں۔ موجودہ اکاؤنٹ کے بہتر منظر نامے کے نتیجے میں، 2020 میں مالی اکاؤنٹ میں آمدنی میں کمی کے باوجود بیلنس آف پیمنٹ مثبت خطے میں رہا۔

ایکویٹی کیپٹل مارکیٹ

اگرچہ کے ایس ای 100 انڈیکس نے مثبت نوٹ پر 2020 کا آغاز کیا، لیکن وبائی مرض نے اس پر ایسا منفی اثر ڈالا کے جس بنیاد پر 31 دسمبر، 2019 اختتام پذیر ہوا تھا، مارچ 2020 تک انڈیکس میں 33% کمی واقع ہوگئی۔ تاہم، انڈیکس اس وقت سے بہتر ہوگئی ہے، یہ جزوی طور پر درج کمپنیوں اور ملک کے وبائی مرض کی پہلی اور دوسری لہروں کو صحیح طرح سنبھالنے کی بدولت ہوا۔ اس کے نتیجے میں، انڈیکس سال کے آخر میں 43,755 levels کی سطح پر، جو پچھلے سال کے مقابلہ میں 7% (یا 61% مارچ سے) بہتر ہوا ہے۔

سال کے دوران مارکیٹ کی سرگرمی میں کافی بہتری آئی، پاکستان کے اس وبائی مرض کی پہلی اور دوسری لہروں کو نیویگیٹ کرنے میں کامیابی اور بیرونی اکاؤنٹ میں بہتری آنے نے سرمایہ کاروں کے اعتماد کو پختہ کیا۔

سال 2020 میں حجم 330 ملین یومیہ تک پہنچ گیا جو 2019 میں 159 ملین تھا، جس سے 107% کا اضافہ ریکارڈ کیا گیا، جبکہ اوسط قیمت میں (ڈالر کے لحاظ سے) تجارت میں اسی طرح کا اضافہ (91%) ظاہر ہوا۔ کلیدی شعبے جن سے ظاہر ہوا سال کے دوران ترقی میں ساکلیکل شعبے جیسے انجینئرنگ (YoY 96%)، سیمنٹ (YoY 74%) شامل تھے۔ ریفائنریز (YoY 67%) اور آٹوموبائل اسمبلرز (YoY 27%)۔ بیوی ویٹ سیکٹر، مثال کے طور پر، کارکردگی دکھانے میں ناکام رہے، بینکوں (YoY 5%-) کوویڈ 19 کے دوران سود کی شرح میں کمی اور اثاثوں کے معیار میں خرابی کے خدشات کی وجہ سے جوہر میں رہے۔

فارین ایکسچینج مارکیٹ

پچھلے سال کے 11.0% ~ کی کمی کے مقابلہ میں 2020 میں کرنسی 3.2% to close at 159.83 کی کمی سے مستحکم رہی۔ سب سے زیادہ اگست 2020 میں پیریٹی (168.60) رہی اور سب سے کم پیریٹی فروری 2020 میں 154.16 رہی۔

ABOUT US

JS Global is one of Pakistan's oldest and arguably the largest brokerage firm by paid up capital and market share. JS Global is backed by reputable domestic shareholders major namely JS Bank In addition to being a subsidiary of JS Bank, JS Global is also a listed company on the Pakistan Stock Exchange. JS Global has been awarded with the BMR 1 (Brokerage Management Rating 1) by PACRA (Pakistan's leading credit rating agency).

JS Global remains a market leader in both Pakistan's fixed income and equity brokerage markets, handling major market share of foreign fund business in the country.





EXCELLENCE BEYOND PAR

2020 ACHIEVEMENTS

2020 Asiamoney Brokers Poll

JS Global Capital was accoladed with five awards in 2020 AsiaMoney Brokers Poll including Best Strategist (Pakistan) - Hussain Haider, Best Economist (Pakistan) - Hussain Haider, Best Analyst for Energy (Pakistan) - Arsalan Ahmed, Best Analyst for Insurance (Pakistan) - Amreen Soorani and Best Analyst for Materials (Pakistan) - Arsalan Ahmed.

Exchange Traded Funds (ETF) Market Making

JS Global Capital Limited (JSGCL) has for decades been credited for the development of new products and services for investors in Pakistan's capital market. It played a leading role in the recent launch of Pakistan's first ever Exchange Traded Funds (ETFs). Being the Designated Market Maker for all ETFs launched till date at Pakistan Stock Exchange, JSGCL provides the essential service of ensuring liquidity for this investment product.

Implementation of Internationally Acclaimed Software "Mubasher"

All in One World Class Digital Investment Experience

JS Global has recently undertaken an ambitious project by acquiring an internationally acclaimed software solution "Mubasher" with the objective of integrating PSX, PMEX, PSX- BATs, Research, NCS (NCCPL) and DSS (CDC) into a single point of contact for our customers. The rollout of the professional desktop application TradePro allows our clients to conveniently invest in the capital markets of Pakistan.

Roshan Digital Account's Integration with JS TradePro

Innovating for a Digital Future

JS Global is one of the first TREC Holders of Pakistan Stock Exchange (PSX) to electronically link up CDC Investor Account and its Direct Settlement Service (DSS) with its Digital Trading Solution and integrate it with all banks offering Roshan Digital Account.

24/7 Instant Funds Transfer

Real Time Fund Transfer feature for total financial control by the clients of JS Global and JS Bank. JS Global has integrated its real time Risk Management module with JS Bank internet banking interface. With all technical aspects and requirements locked in, JS Global and JS Bank have integrated a channel which allows customers of both organizations to transfer idle funds from their capital market account to their commercial banking account and vice versa on real time basis 24x7x365.

Best Investment Idea Award by CFA Society Pakistan

JS Global's Head of Research won the Best Investment Idea Award FY 2019 at the 17th Annual Excellence Awards Ceremony held by the CFA Society Pakistan.

UAN: (+92-21) 111-574-111

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JS Global
A subsidiary of JS Bank



INVEST WITH THE BEST!

JS Global Capital Limited, one of the largest Broking and Investment Banking firm in Pakistan with a continued leadership position in the domestic capital markets, is rated as

BROKERAGE MANAGEMENT RATING¹ (BMR 1) AA FOR LONG TERM AND A1+ FOR SHORT TERM

by PACRA (Pakistan's leading credit rating agency). This rating differentiates brokers based on quality of management and services provided to investors.

The rating reflects the strong standards of corporate governance, business & financial stability, management quality, client services, IT infrastructure, risk management standards and strict adherence to the regulatory compliance framework. We further aim to provide unmatched services and highly effective management expertise to retain our position as the unchallenged market leader.

FORM OF PROXY

The Company Secretary
JS Global Capital Limited
17th & 18th Floor, The Center, Plot No. 28
S.B.5, Abdullah Haroon Road, 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) _____
_____ of failing him/her Mr. / Mrs. / Miss _____ of
(full address) _____
as my / our proxy in my / our absence 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 **April 28, 2021** and / or any Adjournment thereof.
As witness my / our hand / seal this _____ day of 2021.

Signed by _____

in the presence of _____

Witness:

1. Name _____

Signature _____

Address _____

CNIC or Passport No.: _____

Witness:

2. Name _____

Signature _____

Address _____

CNIC or Passport No.: _____

**Signature on
Rs.5/-
Revenue Stamp**

The Signature should
agree with the
specimen registered
with Company.

FORM OF PROXY

Important:

1. 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.
2. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 17th & 18th Floor, The Center, Plot No. 28, S.B.5, Abdullah Haroon Road, Karachi, not less than 48 hours before the time of holding meeting.
3. 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.
4. If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. The form of Proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose name, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature shall be submitted along with Proxy form.

**AFFIX
CORRECT
POSTAGE**

The Company Secretary
JS Global Capital Limited
17th & 18th Floor, The Center,
Plot No. 28, S.B.5,
Abdullah Haroon Road,
Karachi-

فارم برائے پراسی

اہم:

- 1- کمپنی کا ممبر اپنی جگہ شرکت اور ووٹ دینے کے لئے ممبر کو بطور پراسی منتخب کرنے کا حق رکھتا/رکھتی ہے۔
- 2- مکمل اور دستخط شدہ پراسی فارم کمپنی کے آفس بمقام سٹریوں اور اٹھارویں منزل، دی سینٹر، پلاٹ نمبر 28، ایس۔ بی۔ 5، عبداللہ ہارون روڈ، کراچی پر اجلاس کے انعقاد سے 48 گھنٹے قبل ضرور موصول ہو جانے چاہئیں۔
- 3- کوئی فرد بطور پراسی اجلاس میں شرکت نہیں کر سکتا/کر سکتی بشرطیکہ وہ خود کمپنی کا/کی ممبر نہ ہو، ماسوائے کارپوریشن کے جو اس فرد کو پراسی نامزد کر سکتا/کر سکتی ہو جو ممبر نہ ہو۔
- 4- اگر ممبر ایک سے زائد پراسی نامزد کرتا/کرتی ہے اور/یا کمپنی کے کسی ممبر کی جانب سے پراسی کے ایک سے زائد انسٹرمنٹس جمع کروائے جاتے ہیں تو ایسے تمام انسٹرمنٹس غیر مستند تصور کئے جائیں گے۔
- 5- پراسی فارم کمپنی کو مقررہ وقت پر، دو افراد کی گواہی کے ساتھ جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) نمبرز فارم پر بیان کئے گئے ہوں، جمع بینیفیشل اوزار اور پراسی کے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقول یا پاسپورٹ جمع کروادیئے جائیں۔ کارپوریٹ اینٹیلٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جمع نمونے کے دستخط پراسی فارم کے ساتھ جمع ہوگی۔

درست ٹکٹ چیکائیں

کمپنی سیکریٹری

JS گلوبل کنپینل لمیٹڈ

سٹریوں اور اٹھارویں منزل، دی سینٹر،

پلاٹ نمبر 28، ایس۔ بی۔ 5،

عبداللہ ہارون روڈ، کراچی۔

فارم برائے کسی

کمپنی سیکریٹری

JS گلوبل کیپیٹل لمیٹڈ

سترویں اور اٹھارویں منزل، دی سینٹر،

پلاٹ نمبر 28، ایس۔ بی۔ 5،

عبداللہ ہارون روڈ، کراچی۔

[illegible]

رجسٹرڈ فیلو نمبر / CDC نمبر (دوممبران جو CDC میں شینئر رکھتے ہوں)۔۔۔۔۔ عام حصص رکھتے ہیں، بذریعہ ہذا مسٹر / مسز / اس

..... کا (کامل پتہ) ----- یا ان کی عدم موجودگی کی صورت

میں مس / مسز / مسٹر _____ کا (مکمل پتہ)۔ کو میری / ہماری غیر موجودگی میں 28 اپریل 2021 کو منعقد ہونے اور ایاماتوں ہونے

والے کمپنی کے سالانہ اجلاس عام میں میری / ہمارے جانب سے حاضری، فعالیت اور میری / ہمارے جانب سے ووٹ دینے کے لئے میری / ہمارے پر کسی مقرر کرتا ہوں / کرتے ہیں۔

بطور گواہ میں / ہم نے ----- 2021 کو میرے / ہمارے ہاتھ سے دستخط کئے / مہر لگائی۔

_____ کی موجودگی میں _____ نے دستخط کئے۔

گواہ:

-1

نام: _____

..... دستخط:

کمپیوٹرائزڈ قومی شناختی کارڈ یا سپورٹ نمبر:

دستخط بعوض

5 روپے

ریونیواسٹیمپ

دستخط کمپنی کے رجسٹر میں نمونے کے

دستخط کے مطابق ہونے چاہئیں۔

-2

نام: _____

دستخط: _____








کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: _____










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