JS Global

JS Global Capital Limited

Annual Report 2013

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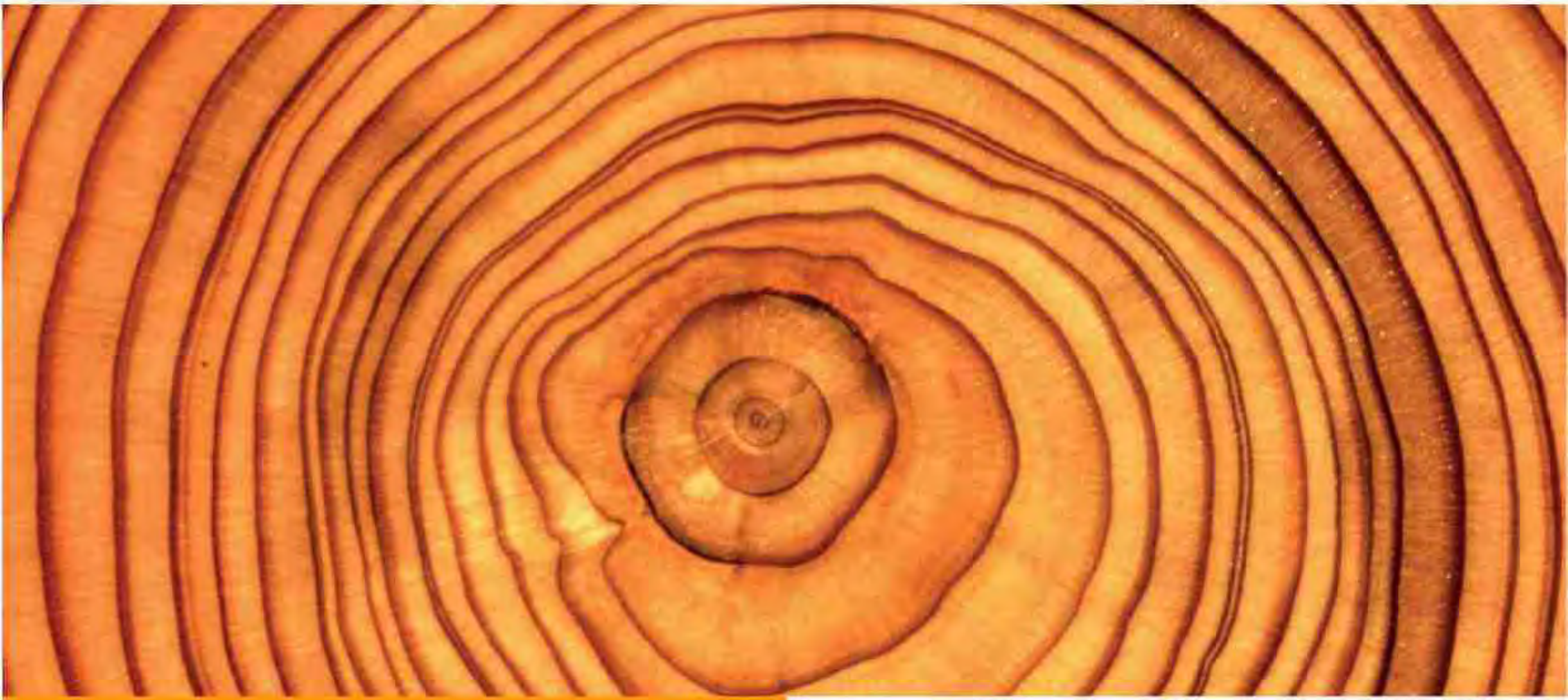


Vision

To be the leader in the Financial Service Sector.

Mission

To ensure growth of various financial services by creating new products and services in the Financial Sector.

Company Information

Board of Directors

Mr. Basir Shamsie
Chairman

Mr. Fouad Fahmi Darwish
Vice Chairman

Mr. Khurshid Hadi
Director

Mr. Farid Arshad Masood
Director

Mr. Ammar Talib Hajeyah
Director

Mr. Abdul Hamid Mihrez
Director

Mr. Muhammad Yousuf Amanullah
Director

Mr. Muhammad Kamran Nasir
Chief Executive Officer

Company Information

Audit Committee

Mr. Muhammad Yousuf Amanullah
Chairman

Mr. Basir Shamsie
Member

Mr. Ammar Talib Hajeyah
Member

Mr. Muhammad Umair Arif
Secretary

Executive Committee

Mr. Muhammad Kamran Nasir
Chairman

Mr. Abdul Hamid Mihrez
Member

Mr. Basir Shamsie
Member

Mr. Muhammad Yousuf Amanullah
Member

Mr. Fouad Fahmi Darwish
Member

Human Resource & Remuneration Committee

Mr. Muhammad Yousuf Amanullah
Chairman

Mr. Muhammad Kamran Nasir
Member

Mr. Abdul Hamid Mihrez
Member

Mr. Mohammad Imtiaz A. Aziz
Chief Financial Officer

Mr. Muhammad Umair Arif
Company Secretary

External Auditor

M. Yousuf Adil Saleem & Co.
Chartered Accountants
(A member firm of Deloitte)

Cavish Court, A-35, Block 7 & 8, K.C.H.S.U.,
Shahrah-e-Faisal, Karachi

Internal Auditor

Ernst & Young Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Bankers

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

Legal Advisors

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

Share Registrar

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

Registered Office

6th Floor, Faysal House
Main Shahra-e-Faisal, Karachi
UAN: +92 21 111-574-111
Fax: +92 21 328 00167
www.jsgcl.com
www.jsglobalonline.com

Chairman's Message

Basir Shamsie
Chairman

On behalf of the Board of Directors, I am pleased to present the Annual Report of JS Global Capital Limited for the year ended December 31, 2013.

Your Company made good progress in 2013. We earned PKR 151 million profit after tax; grew our major businesses; and capitalized on our position of being Pakistan's largest brokerage house (in terms of capital base) with the ability to execute orders up to US$500 million per day. We broadened and deepened our relations with the international investment community and are confident that we have positioned ourselves extremely well for 2014 and beyond.

Looking ahead, we will keep our core values of best-in-class service; the highest level of integrity and above all, our focus on creating value for all stakeholders of JS Global at the forefront of everything we do.

Let me close with expressing my gratitude to our shareholders who have placed their faith in us. I thank our Board of Directors for their support and wisdom and our parent company JS Bank for providing us with both a growing geographical footprint and an extra layer of vigilance. Lastly, I thank all our clients in and outside Pakistan for giving us the opportunity to serve them.

CEO's Message

I am pleased to report that despite myriad macro and socio-economic concerns in Pakistan over the last 12 months, the year 2013 was a strong one for the country's financial markets where the Karachi Stock Exchange continued its bull run and notched up an enviable 49.6% return for the year alongside higher trading volumes. Much of this can be attributed to a re-awakening of foreign investors' interest in Pakistan, partly as a result of a global shift in interest from Emerging Markets to Frontier Markets (where Pakistan is part of the MSCI Frontier Market Index), and also in part due to Pakistan's first smooth democratic transition via General Elections held country wide in May 2013.

The market euphoria coupled with our untiring efforts at maximizing shareholder value resulted in JS Global earning a net profit of PKR 151 million in 2013. The last 12 months also saw us renew our focus on expanding our international presence and footprint. Your Company organized and participated in two international investor conferences in 2013 (in New York on June 10, 2013, followed by London on July 05, 2013), pitching the Pakistan investment story to some of the world's largest asset managers.

At the heart of everything we do are our core principles of transparency, integrity and total commitment. The entire team at JS Global works on these principles to ensure we provide the best service to our clients and maximize returns for all our stakeholders. We believe we have accomplished a great deal over the last year and we are proud of our progress in 2013. That said, we continue to believe that our best days still lie ahead of us, and we are excited about our plans for 2014. JS Global has always played a key role in bringing international investment flows to Pakistan and we hope to do the same in the years to come.

I will conclude by extending my gratitude to all the stakeholders in JS Global - our shareholders, sponsors, Board of Directors, employees and of course our clients, for giving us the opportunity to serve them. We have a strong strategic position in Pakistan's Equity Brokerage Market, a renowned brand name and a team of motivated and diligent employees. I am confident that these will deliver a remarkable future for your Company.

Muhammad Kamran Nasir
Chief Executive Officer

Board of Directors

Profile of
Board of Directors

Basir Shamsie
Chairman

Mr. Shamsie is a Money and Bond Markets specialist and since 1999 he has successfully led and closed over 60 debt capital market transactions, many of which have been landmark transactions in Pakistan. Under his leadership, JS Bank has been ranked as the #1 Primary Dealer for the years 2011 and 2012 by the State Bank of Pakistan.

Mr. Shamsie has a BBA from the University of Texas, Austin. He is also a graduate of the Program for Leadership Development from Harvard Business School. He has participated in various programs covering Private Equity, Derivatives in Emerging Markets, and Bond and Fixed Income Markets. Mr. Shamsie joined JS Group in 1994 prior to which he worked in the Finance Function at Upjohn Pakistan.

Fouad Fahmi Darwish
Vice Chairman

Mr. Fouad Fahmi Darwish joined Global Investment House, Kuwait (Global) in 2010 to head its brokerage business, oversee its regional network and introduce and implement Global's multi-market and multi-currency trading platform.

Fouad leads and works with a management team across the primary MENA markets; he is also in close coordination with Global's brokerage partners in India, Pakistan, Tunisia and Palestine. Fouad has been very effective in transforming Global's brokerage network from a retail oriented broker to a more customer focused and institutional service provider. Fouad is involved in assessing Global's competitive position and monitoring the groups' market share and rank in addition to streamlining the day-to-day operations and effecting pre-set strategic objectives.

Fouad has developed strategies to better utilize Global's geographical distribution and DMA network in addition to amalgamating the trading platforms offering clients the convenience of multi-market, multi-currency trading capabilities. Fouad has been focussed on establishing a true "One-Stop-Shop" service highlighting the importance of account maintenance, pre and post-trade follow up, developing and instituting marketing strategies, incorporating Global's cross-selling culture across the diverse brokerage operations, establishing problem/error avoidance controls and procedures adhering to best practices in compliance and risk management in addition to bringing all policies and procedures up-to-date all and in-sync with regulations.

Fouad is a member of Global's Information Technology Committee in addition to sitting on several boards including Global Securities Egypt, Global Jordan, First Securities Brokerage Company -Kuwait, MAPE Advisory Group-India and Lotus Investment Financial Company-Palestine, Shurooq Securities Company-Oman and FinaCorpTunisia.

Fouad has a total experience of 16 years in the financial industry between Canada, UAE and Kuwait. He previously worked for Equion Securities (Toronto), CM Oliver Financial Services (Toronto) & ING Bank of Canada, Central Bank of the UAE and National Bank of Abu Dhabi, brokerage arm of Abu Dhabi Financial Services Company. He has been very successful in incorporating his financial services know?how, experience and knowledge gained during his time at the Central Bank of the UAE to improve policies and procedures, compliance, code of conduct and proper streamlining in his later employments. Fouad is a regular panelist/speaker in regional leading conferences/seminars on key topics related to the capital markets including regulations and introduction of new products.

Khurshid Hadi
Director

Mr. Khurshid Hadi's schooling was in the UK and later he graduated from the Institute of Chartered Accountants in England and Wales. Subsequently, he was admitted as a Fellow of that Institute as well as the Institute of Chartered Accountants of Pakistan.

Mr. Hadi is the Founder Partner of the accounting practice of Taseer Hadi Khalid & Co. (THK) which, today, is one of the largest accounting and consultancy institution in Pakistan. THK is the member firm of KPMG, one of the largest accounting firms in the world. Until 1977 Mr. Hadi was the Senior Operating Partner in Pakistan and then he moved to Dubai to assume the responsibility of managing the joint practice of Peat Marwick Taseeer Hadi & Co. These firms have provided training, professional education and job and career opportunities to thousands of Pakistani and other South Asian professionals.

After ten years in the Middle East and the US, Mr. Hadi returned to Pakistan to launch a series of investments over the next 10 years in the fields of financial, industrial and commercial inter alia; First Leasing Corporation, Saitex Pharmaceuticals, Newsline Publications and the Pizza Hut and Nandos franchise concepts in the food area.

Mr. Hadi is currently the Chairman of the THK Technology Group which comprises customized software development, CRM and Compliance services and HR management and systems, focusing on the financial and banking industries. Mr. Hadi serves on several boards in the public and private sectors.

Mr. Hadi periodically contributes to several national and international publications including Dawn and Newsline. His work has also been published in the International Herald Tribune, New York Times and the Boston Globe. Mr. Hadi was also the correspondent for the Far Eastern Economic Review for several years.

Muhammad Yousuf Amanullah
Director

Mr. Muhammad Yousuf Amanullah was appointed Director in JS Global Capital Limited in 2012. He joined JS Group in 2003 and is presently the Chief Financial Officer and Company Secretary at JS Bank as the Senior Executive Vice President. He was previously the Chief Executive Officer of Jahangir Siddiqui Investment Bank Limited (JSIBL). Prior to this, he was Chief Financial Officer of JSIBL. He was the elected Director on the Boards of Jahangir Siddiqui Investment Bank Limited and JS Value Fund Limited.

Mr. Amanullah 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. Chartered Accountants, he worked with Ernst & Young Ford Rhodes Sidat Hyder.

He is a fellow member of the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

Farid Arshad Masood
Director

Mr. Farid Arshad Masood is the Head of Advisory Services and Asset Management for the Islamic Corporation for the Development of the Private Sector (ICD, Islamic Development Bank's private sector arm) with operations spanning Africa, Middle East and Asia. He is also a member of the management committee and investment committee of ICD and represents ICD on the board of several investee companies and investment funds. He is actively involved in the creation, management and oversight of several new investment fund initiatives including a USD400 million private equity platform, a USD250 million SME platform and a USD300 million income fund platform.

Before joining ICD, he was CEO of KASB Securities (affiliation with Merrill Lynch) in Pakistan, where he was responsible for the brokerage, investment banking, private equity and proprietary trading business of the firm. He was also actively involved in advising governments and corporations on financial restructuring, privatization, project finance and mergers and acquisitions and completed transactions over USD5 billion. Prior to his return to the Middle East region, he worked as a principal consultant / investment banker for PricewaterhouseCoopers in the US, advising energy and telecommunication companies on new venture development and cross-border M&A.

Mr. Masood holds a Bachelors and Masters in Systems and Information Engineering from the University of Virginia (USA) and a Masters from the University of Cambridge (UK).

Abdul Hamid Mihrez, CFA
Director

Mr. Abdul Hamid Mihrez has over 12 years of experience in Investment Banking, Asset Management and Capital Markets. He is currently Senior Vice President of in Global Investment House, where he is currently responsible for managing a portfolio of special situation assets worth USD625 million. His role entails macro and micro managing of the underlying assets through board representations and continuous communication with the underlying management. He focuses on enhancing the value of the underlying assets with a primary objective of value creation through synergies creation, business integration, financial restructuring, revenues revamping, and ensuring orderly dispositions of the assets. During his career, he has led or co-led a number of investment banking transactions worth USD700 million covering valuations, financial advisory, mergers & acquisitions, capital raising, bond issuance, financial restructuring and listing assignments.

He holds a CFA and MBA degree. He started his career in the asset management field where he was a member of the management team of two mutual funds. Besides JS Global, he is a board member of the Real Estate Development Company (Jordan), Al Manara Insurance Company (Jordan), National Company for Consumer Industries (Kuwait) and Mazaya Holding Company (Kuwait).

Ammar Talib Hajeyah
Director

Mr. Ammar Talib Hajeyah has over 11 years of experience in Asset Management and Banking. He is currently Vice President of GCC Asset management in Global Investment House, co-managing GCC Asset Management Business. He joined Global in February 2005 as an Investment Analyst. Prior to Global, he worked in Gulf Bank, Kuwait as a senior customer service representative from 2002 to 2005. He holds an MBA degree from Kuwait Maastricht Business School (2008) and a BSc degree in Business Administration (Finance) from Kuwait University (2004).

Ammar is a member of the Board of Directors of Arzan Financial Group for Financing & Investment (K.P.S.C) - Kuwait.

Muhammad Kamran Nasir
Chief Executive Officer

Mr. Muhammad Kamran Nasir is a Fellow Chartered Certified Accountant who brings with him rich experience in Investment Banking and handling complex financial matters. He has worked with a Leading Investment Bank as its Investment Banking Head. His Investment Banking experience ranges from advising companies on mergers, acquisitions, divestitures, debt raising and re-profiling, as well as 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.

Details of Different Committees of the
Board of Directors

1. Audit Committee
2. Executive Committee
3. Human Resource & Remuneration Committee

1. Audit Committee

The Audit Committee comprises of three members including the Chairman. All the members of the Committee are Non-Executive Directors.

The members of Committee are as follows:

Mr. Muhammad Yousuf Amanullah	**Chairman**
Mr. Basir Shamsie	**Member**
Mr. Ammar Talib Hajeyah	**Member**
Mr. Muhammad Umair Arif	**Secretary**

Terms of Reference of Audit Committee

- Recommendation to Board of Directors regarding the appointment of external auditors subject to shareholders' ratification.
- Considerations of any question of resignation/removal of external auditors, audit fee and provision of any service to the Company in addition to the audit of its financial statements as are allowed under the Code of Corporate Governance.
- Determination of appropriate measures to safeguard the Company's assets.
- Review of preliminary announcements of results prior to publication.
- Review of quarterly, half-yearly and annual financial statements, prior to their approval by the Board of Directors.
- Facilitating the external auditors and discussion with them of major observations arising from interim and final audit.
- Review of management letter issued by the external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors.
- Review of the scope and extent of the internal audit and ensuring that internal audit function has adequate resources.
- Consideration of major findings of internal investigations and management response thereto.
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
- Review of the management statement on internal control system prior to endorsement by the Board of Directors.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with the best practices of Corporate Governance and identification of significant violations thereof.
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

2. Executive Committee

The Executive Committee ("the Committee") comprises of five members including the Chairman of the Executive Committee.

The members of Committee are as follows:

Mr. Muhammad Kamran Nasir	**Chairman**
Mr. Abdul Hamid Mihrez	**Member**
Mr. Basir Shamsie	**Member**
Mr. Muhammad Yousuf Amanullah	**Member**
Mr. Fouad Fahmi Darwish	**Member**

Terms of Reference of Executive Committee

- The Committee is appointed by the Board of Directors. There must be at least three members, of whom one must be the Chief Executive Officer (CEO). In the event of any casual vacancy, appointment is made immediately in the following Board meeting.
- Quorum of the meeting is at least two members present in person, of whom one must be the CEO. The meeting is compulsorily convened once each quarter to evaluate and recommend to management and Board for approval of new lines of business, underwriting, major additions /deletions in assets and changes in investment mix.
- Review the Company's adherence to the mission and vision statement and, if needed, make recommendation to the Board for change as a result of new developments.
- Regularly review the Company's operations based on operating reports and present to the Board any shortfalls or significant changes in financial conditions, operations, prospects or business plan of the Company.
- Implement or as appropriate, delegate to the CEO to implement, the Company's capital expenditure budget approved by the Board.

3. Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee comprises of three members including the Chairman of the Committee

The members of Committee are as follows:

Mr. Muhammad Yousuf Amanullah	**Chairman**
Mr. Muhammad Kamran Nasir	**Member**
Mr. Abdul Hamid Mihrez	**Member**

Terms of Reference of Human Resource & Remuneration Committee

- The Committee is appointed by the Board of Directors. There must be at least three members, of whom one must be the CEO. In the event of any casual vacancy, appointment is made immediately in the following Board meeting.

- Quorum of the meeting is at least two members present in person, of whom one must be the CEO. The meeting is compulsorily convened once a year.

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

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

- The Committee, in consultation with the CEO, reviews the CEO's assessment of Senior Executives (including CFO, Company Secretary & Internal Auditor), oversees an evaluation of the performance of the Company's Senior Executive Officers and approve the annual compensation, including salary, bonus, incentive and equity compensation for the Executive Officers and reviews the structure and competitiveness of the Company's Executive Officers compensation programs considering the following factors:

  (i) the attraction and retention of Executive Officers

  (ii) the motivation of Executive Officers to achieve the Company's business objectives and

  (iii) the alignment of the interests of Executive Officers with the long-term interests of the Company's shareholders.

- The Committee periodically reviews the Company's management organization structure and the CEO's proposals for changes to that structure and reports any significant organizational changes, along with the Committee's recommendations, to the Board.

- The Committee annually reviews the Company's succession plans. The Committee monitors the progress and development of executives in accordance with the succession plans and annually reviews the adequacy of the succession candidates to foster timely and effective executive continuity.

Risk Management Policy

- Risk Management is the process of identifying, controlling, eliminating or minimizing uncertain events that may affect the system resources. It includes risk analysis, cost-benefit analysis, controls selection, implementation and tests, security evaluation of safeguards and overall security review.

- Risk Management is a continuous, measured, rational and vigilant process. It is designed to identify and manage the risks inherent in the brokerage business. The goal of an effective Risk Management process is not only to avoid financial losses, but also to ensure that the Company achieves its targeted financial results with high degree of reliability.

- The Company's principal business activities by their nature engender significant market and credit risks. In addition, the Company is also subject to other risks including operating risk, legal risk and funding risk. Effective identification, assessment and management of these risks are critical to the success and stability of the Company. As a result, comprehensive Risk Management policies and procedures have been established to identify, control and monitor each of these risks.

- Risk Management begins with the Board of Directors, which reviews the governance of these activities Formulation of policy and day to day Risk Management is the responsibility of the Executive Committee. The Board of Directors has adopted a Statement of Investment and Operational Policies (SIOPs) which provides overall Risk Management guidelines for the Company. The Statement also provides authority limits for the Board, the Executive Committee and the CEO.

Management Profile

Mohammad Imtiaz A. Aziz
Chief Financial Officer

The Finance division is responsible for a variety of key tasks, the foremost of which is ensuring there is transparent and efficient dissemination of information at all times. This is critical in our quest to assist our shareholders and other stakeholders in making informed decisions. We have strong processes in place that ensure timely and correct recording of all information which forms the basis of reports to our shareholders, the Board of Directors and Senior Management.

The Finance division is also responsible for managing the budgeting and business performance evaluation. They track key operating and performance indicators as well as provide timely management information to assist in making key strategic decisions.

The team is also responsible for our Treasury functions which include managing our cash flows and investments. The team's strength lies in ensuring sufficient funds are available to meet all our obligations. Surplus funds are effectively invested in short term instruments to earn attractive yield. The team aims to maximize our post-tax investment return by seeking value and growth investments in line with our investment strategy.

Muhammad Umair Arif
Company Secretary

Secretarial Compliance is undoubtedly critical to the maintenance of integrity, especially in a listed company, and at JSGCL in particular, we ensure that the Company complies with all the applicable laws and regulations and keep a close eye on developments/amendments in laws and regulations.

The core concepts of Corporate Governance are transparency, independence, accountability, responsibility, fairness and social awareness and we at JSGCL strive to maintain highest standards of Corporate Governance and best practices.

Acting as a point of contact between the Board of Directors and Company shareholders, we aim to supply accurate and timely information to the shareholders on all the developments in the Company on operational and financial fronts.

The Secretarial department is also responsible for overseeing the systems with the objective of ensuring that the Company complies with all applicable codes, in addition to its legal and statutory requirements.

Farrah Marwat
Head of Research

JS Global Capital Ltd is a leading provider of a complete suite of research services to domestic and foreign investors on Pakistan's equity market and economy. We are focused on providing our clients with thorough and informed opinions and actionable ideas, driven by a detailed analysis of economic, sector and company fundamentals.

Our detail-oriented, timely and independent Equity and Economic research builds the foundation of what we offer our clients. The breadth of our research products extends from detailed, thematic reports to breaking news and immediately actionable trading ideas.

We provide both daily and in-depth fundamental research on companies and sectors as well as on Pakistan's economical and political landscape, where a team of six analysts cover 76% of the KSE 100 Index. In addition, we also provide technical analysis of KSE 100 companies as well as key commodities. All JS Research is available on Bloomberg, Thomson Reuters and Capital IQ.

Sofiya Ansari
Head of Risk Management & Compliance

Efficient policies are the foundation of risk management at JSGCL. Our risk management policies are designed to assist us in identifying, quantifying, controlling and monitoring all types of risks we face. It is the strength of our risk management that has enabled JSGCL to weather challenging situations effectively.

Under our philosophy, risk management is the responsibility of each employee of the firm and is a priority across all divisions. The risk management team plays a critical role in ensuring all risks impacting us are controlled through implementation of appropriate limits and controls.

The risk management team maintains a proactive approach with the aim of constantly developing policies to deal with changing business and market conditions. Each area, such as investments or clients is gauged qualitatively and quantitatively to assess the likely risks associated with it and to ascertain the limits to be assigned. These are monitored frequently to ensure the prescribed limits are sufficient.

At JSGCL, there is a clear message that compliance risk is owned by the business and that all staff are responsible for adhering to the desired compliance culture. The Compliance team at JSGCL works closely with all other divisions to interpret and ensure adherence to all internal policies as well as regulatory requirements. As a listed Company, JSGCL relies considerably on the work of its Compliance team to ensure good governance throughout the organization.

Management Profile

Mr. Khalilullah Usmani
Head of Local Equity Sales

Ovais Ahsan
Head of International Equity Sales

JSGCL is a premier service provider in the Equity Sales and Trading space with a distinct edge in terms of execution capabilities. We are the largest equity broker in Pakistan in terms of execution capability across the ready/cash, futures and negotiated deal markets. Our net capital base positions us to execute over USD500 million worth of transactions in a single trading day.

Our strength remains our seamless execution, timely dissemination of news flow, and market Intelligence aimed at providing best execution to our clientele.

We cater to a wide spectrum of domestic and international clients and have one of the largest market shares of daily traded volume at the Karachi Stock Exchange. We at JSGCL continue to expand our client base even in these tough times for equity broking. We have a fast expanding business with an ever growing number of clients. We are in the top tier of rankings amongst major local institutions in terms of brokerage.

We are proud to say that some of the largest international long only funds, hedge funds, investment banks and global broker dealers have appointed JSGCL as a direct counterparty. The number of international clients is growing at an exponential rate as we continue to conduct regular road shows and hold corporate access events in financial hubs around the world including the US, Europe and Far East Asia to aggressively market Pakistan equities around the globe.
JSGCL handles a sizeable portion of foreign portfolio investment into the capital markets of Pakistan and has unarguably the largest number of direct Foreign Institutional Clients amongst our peers in Pakistan. This is a testament to our unwavering commitment to providing premium services and best in class execution to our clients.

Our team comprises over 20 trained and skilled sales/trading professionals with unparalleled experience in the industry. We are proud to have professionals who have worked with the biggest brokerage firms in the world.

JSGCL Equity desk a strong presence in Karachi, Lahore, Islamabad and Hyderabad with plans of expansion in several other cities of Pakistan. We plan to expand our business in three other cities in the current year and increase our client base across Pakistan.

Tariq Usman Bhatti
Head of Money Market,
Forex & Fixed Income Sales

JSGCL is a market leader in the Fixed Income & Foreign Exchange brokerage market with one of the largest Fixed Income teams in Pakistan, serving more than 100 institutions. Our market knowledge and unparalleled distribution capabilities make us a domestic fixed income powerhouse.

JSGCL specializes in providing customized solutions for our clients whether they are looking to preserve principal, maintain liquidity or generate strong excess or absolute returns. Our strategies are planned to cater to a variety of risk appetites.

Our team, of over 25 members, consists of experts with depth, breadth and experience that assists our clients in accessing products, solutions and services that they require. JSGCL is the leading player of Corporate Debt Market and a pioneer of Market Making activities of debt instruments, including First National Saving Tradable Bond issued by National Savings Scheme. Furthermore, we have distribution of almost all mutual funds of Pakistan to offer a variety of products to our clients.

The Fixed Income Proprietary Desk is another core function of this department. The team trades Government and Corporate debt instruments to create additional revenue to maximize shareholder worth.

S. Mohammad Ali
Head of Commodities

JSGCL launched its Commodities desk in 2010 as a part of its continuing objective to provide innovative solutions to individual and corporate investors. The Commodities desk has successfully positioned itself as an alternative investment avenue to the Pakistani capital markets. We currently facilitate clients to invest in Gold, Silver, Crude Oil, Agriculture and financial futures.

Our linkage with the JS Global Online trading platform provides clients with a one-stop solution to diversify their risks on an ongoing basis. In this short period, the division is already one of the leading brokers in the market and has secured a considerable share of the market volumes.

We have the strongest and largest team of analysts, traders and marketing professionals in Pakistan who deliver high quality services, to our clients. The Commodities desk also provides best in class research reports which cover market fundamentals and technical analysis of commodities. In-depth, insightful and timely research is the backbone of our services enabling our clients to make informed decisions on their portfolio.

Management Profile

Rizwan Khan
Head of Online Trading

JSGCL offers online trading in the equity and commodities markets through the JS Global Online brand name. Catering to a sizeable high net worth and retail clientele spread across 49 cities in Pakistan and 6 countries worldwide, the online trading service is expanding rapidly.

Our clients have access to a state-of-the-art online solution providing multiple access points to Karachi Stock Exchange Limited and Pakistan Merchantile Exchange Limited through an application, a web browser based trading terminal and smartphones. The online trading solution is functional through Financial Information Exchange (FIX) protocol to KSE and PMEX, thus providing a fast and stable trading environment to our clients.

Our Customer Care Service comprises of a dedicated team of professionals catering to client education and queries through the call centre, emails and real time communication through our website https://www.jsglobalonline.com.

Our Online Trading division has a rich history of being the first brokerage service to introduce an internationally-developed online trading platform in Pakistan, introduce commodities trading on an independent platform and the first to introduce FIX-based trading.

We are proud to introduce Pakistan's first multi-exchange trading platform enabling trading to be routed to Karachi Stock Exchange Limited and Pakistan Mercantile Exchange Limited through a single risk management system.

Zahid Khurshid
Head of Information Technology

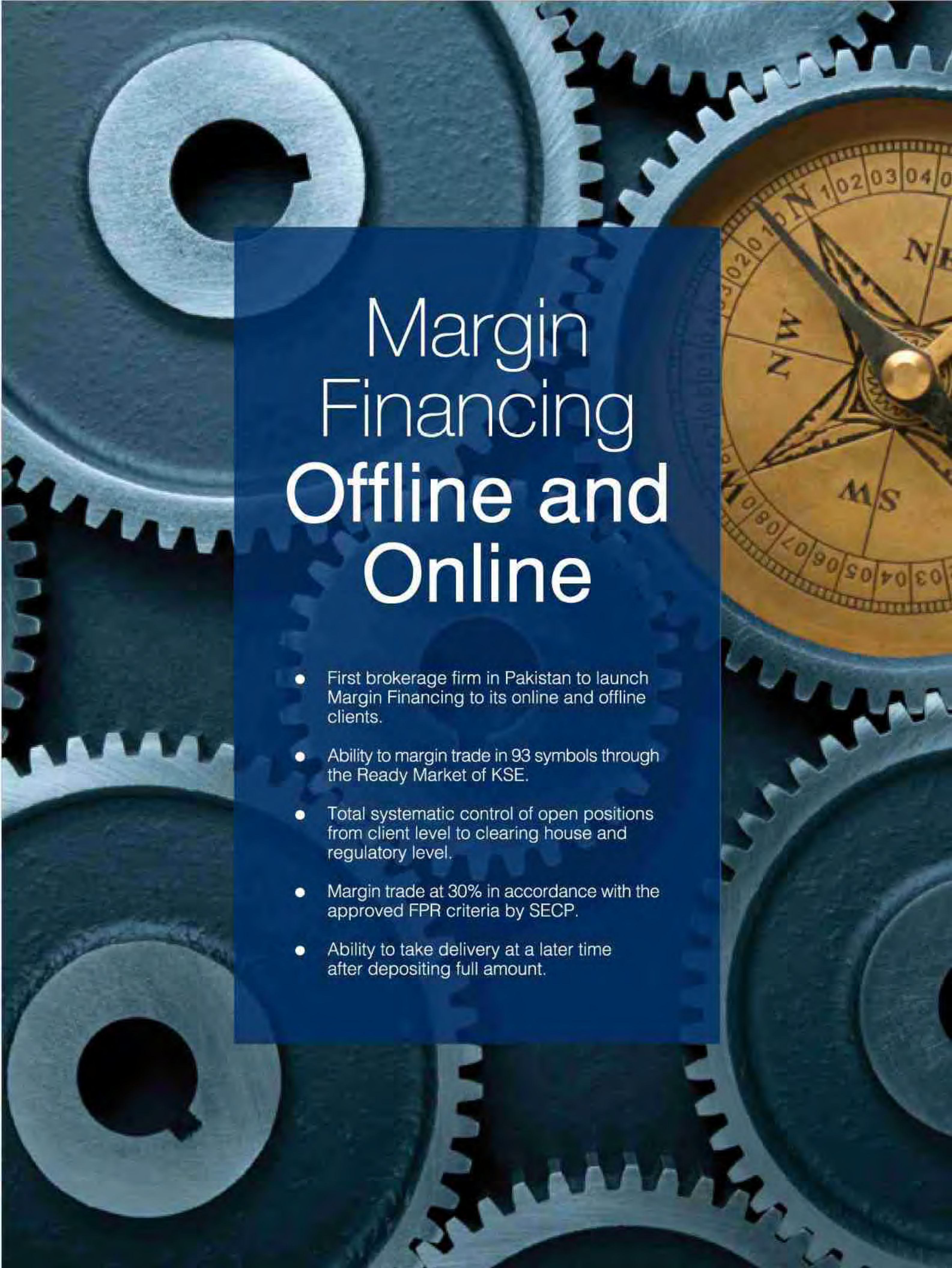
JSGCL continues to invest into technology and business platforms to introduce the best of the breed solutions for its customers and partners. An advanced trading platform integrated with Equity and Commodity exchanges with central risk management engine enables customers to trade in equity or commodity from a single window. Margin Financing System (MFS) is also now available for all customers in the same platform.

In 2013, the core trading platform infrastructure has been upgraded to meet the performance requirements in line with growth in branch network and customer services. To ensure security of data and systems a comprehensive penetration testing and vulnerability assessment exercise was conducted by certified third party professionals, with satisfactory results.

Furthermore, the system is now enabled to allow a customer to transfer funds from equity trading accounts to commodity trading accounts at the click of a button. The new trading platform allows a customer to experience the feel of a rich application from a browser or mobile WAP interface. The new trading platform is ideal for retail or and institutional trader offering trading assistance.

Government **Debt Securities**

- First brokerage firm to transact in this specialized market.
- Ability for retail investors to trade in Government Treasury Bills (T-Bills) and Pakistan Investment Bonds (PIB) on a transparent trading platform.
- Retail Investors can now open Investor Portfolio Securities (IPS) account with CDC.



Margin Financing **Offline and Online**

- First brokerage firm in Pakistan to launch Margin Financing to its online and offline clients.
- Ability to margin trade in 93 symbols through the Ready Market of KSE.
- Total systematic control of open positions from client level to clearing house and regulatory level.
- Margin trade at 30% in accordance with the approved FPR criteria by SECP.
- Ability to take delivery at a later time after depositing full amount.


Responsibility is the Price of Greatness.
Winston Churchill

Corporate Social Responsibility




Through its various initiatives, MJSF aims to build an educated, healthy and prosperous society with dignity and honor for people by providing healthcare, education and promoting the economic and social development of underprivileged members of our society. In achieving its mission, the Foundation has also partnered with internationally acknowledged organizations including The United Nations (UN), Provincial Disaster Management Authority Sindh, World Food Program (WFP), UN Habitat for Humanity, National University of Singapore, Weill Cornell Medical College Qatar, International Organization for Migration (IOM) and various international and local academies and foundations for education, disability and healthcare.

CSR Partner

Mahvash & Jahangir Siddiqui Foundation

www.mjsf.org

Education

MJSF's education programs focus on:

- Higher education through university grants, mainstream education and schools for disabled children
- Vocational Training, specialized programs such as the development of schools in rural areas

The Foundation has extended grants to prominent institutions in Pakistan including Lahore University of Management Sciences (LUMS), Karachi Education Initiative (KEI) for the Karachi School for Business and Leadership (KSBL) and Institute of Business Administration (IBA). It also offers subsidized and full scholarship education for children through JS Academy for the Deaf, Fakhr-e-Imdad Foundation (FIF) school and intermediate college and various other schools near villages or factories.

MJSF is also supporting IBA Sukkur in the creation of an Endowment Fund for sustainable financial support programs at the Institute and the Progressive Education Network (PEN) to extend its educational support in Punjab. Furthermore, MJSF has also set up a vocational center, Karigar Training Institute, in Karachi and hopes to replicate the model nationwide to maximize its impact.

Corporate
Social Responsibility

Healthcare

The Foundation has a deep commitment to public health and supports existing hospitals and medical facilities. This includes:

- Upgrading and adding specialist wards, developing healthcare facilities in rural areas
- Providing mobile healthcare in hard to reach areas, medical camps in rural areas, distribution of wheelchairs

MJSF is linked with numerous projects and organizations in health care including: Sindh Institute of Urology and Transplantation (SIUT), Karachi National Hospital, National Institute of Cardiovascular Diseases (NICVD), Indus Hospital and other notable social enterprises. In partnership with the Allianz Direct Help Foundation, MJSF has initiated a project to construct a healthcare facility in the city of Sehwan Sharif. The facility will have full imaging and pathology services. It also specializes in trauma services along with the development of a mother and child care centre.

Social Enterprises and Sustainable Development

The SESD program aims to fund projects that are economically productive, sustainable and that remove the need for constant grants by allowing the underprivileged to establish businesses, earn a living and contribute productively to their communities.

The Foundation has a long-established partnership with Acumen Fund. Through this partnership, MJSF to date has contributed US$ 2,000,000 to their causes. Acumen Fund has actively invested in Pakistan since 2001 in social programs and businesses. MJSF is also the pioneer sponsor of Acumen Fund - Pakistan Fellows Program, a program designed for people from different regions, sectors and socio-economic backgrounds dedicated to addressing Pakistan's most critical social problems, through social change initiatives.

MJSF has also been the pioneer of another sustainable project 'Rs100 per day per family'- a project launched in 2013 that aims to create livelihood opportunities for 200 flood affected families across three villages in the Matiari region of Southern Sindh through the distribution of 30 poultry birds to each family. With an estimated productive yield of 60% (supported by technical knowledge workshops), the objective of this project is to enable families to sustainably earn a stable income.

Corporate Social Responsibility

Disaster Response

MJSF activities have a strong focus on immediate disaster relief. MJSF contributed immensely at the time of:

- 2005 earthquake in Azad-Jammu, Kashmir (AJK) and Khyber-Pakhtooonkhwa Province in Pakistan
- 2008 Swat Conflict - Internally Displaced Persons (IDP) Crisis - 2010 Super Floods - Disaster Response

The Foundation has always provided quick disaster relief during times of natural emergencies by mobilizing all of its resources to provide immediate aid to those impacted and providing large-scale support in the form of both Food Aid and Non-Food Aid.

The Foundation, recently in partnership with IOM, has also initiated a Public Private Partnership project constructing 250 - one room shelters in three flood-affected districts in Sindh. As part of 1st phase, 150 shelters will be constructed in Southern Sindh.

Mobile Trading **Software**

- Next generation, state-of-the-art smartphone trading terminal.
- Compatible with all Android, Blackberry and Apple smartphones.
- All desktop application features enabled: 10 symbol market watch, margin or investment trading features, detailed portfolio analysis reports.
- Works smoothly in current 2G cellular environment. Features will be enhanced when 3G is available.

Online Trading Promotions and features

- Open an online account and avail a limited time offer of 0% commission for three months. Regulatory charges still apply.
- Minimum account opening size is Rs. 25,000 (Basic Account) & Rs. 100,000 (Premium, Trader Assisted Account).
- First time online trading leverage buying power allowed in futures and MFS markets.
- Online trading accounts can be opened at 211 nationwide JS Bank branches.

Notice of Annual General Meeting

Notice is hereby given that the thirteenth Annual General Meeting of JS Global Capital Limited (the Company or JSGCL) will be held at Carlton Hotel, DC-5 off Zulfiqar Street # 1, DHA Phase VIII, Karachi, on Thursday, March 27, 2014 at 8:00 a.m., to transact the following businesses:-

Ordinary Business

1. To receive and consider the audited financial statements of the Company for the year ended December 31, 2013 together with the Directors' and Auditors' reports thereon.

2. To appoint the auditors for the year ending December 31, 2014 and fix their remuneration. Messrs. M. Yousuf Adil Saleem & Co. Chartered Accountants (member firm of Deloitte), retire and being eligible, have offered themselves for re-appointment.

Special Business

3. To consider and if thought fit, to pass the following resolution as Special Resolution (with or without modification) by majority of not less than three-fourth ($3/4^{th}$) of such members who are entitled to vote and are present in person or by proxy(ies) at the meeting for approval of investment in the TFC VIII of Jahangir Siddiqui & Co. Limited.

   "**RESOLVED THAT** consent and approval be and are hereby accorded under Section 208 of the Companies Ordinance, 1984 to allow the Company to invest an amount of upto Rs.50 million in the TFC VIII of Jahangir Siddiqui & Company Limited carrying a coupon of 6 month KIBOR plus 1.75% per annum, for a maximum tenor of 5 years, in terms of JSGCL's role as Market Maker".

Notice of Annual General Meeting

Other Business

4. Any other business with the permission of the Chair.

Karachi: March 05, 2014

By order of the Board

Muhammad Umair Arif
Company Secretary

Notes:

(i) The Share transfer books of the Company will remain closed from March 20, 2014 to March 27, 2014 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting.

(ii) Physical transfers and deposit requests under Central Depository System received at the close of business on March 19, 2014 by the Company's Registrar i.e. Technology Trade (Private) Limited, located at Dagia House, 241-C, Block-2 P.E.C.H.S., Karachi, will be treated as being in time for entitlement to attend the meeting.

(iii) A Member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.

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

(v) Beneficial owners of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original Computerized National Identity Cards (CNICs) or Passports for identification purpose at the time of attending the meeting. The Proxy Form(s) must be submitted with the Company within the time stipulated in para (iv) above, duly signed and witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form(s), along with attested copy(ies) of the CNICs or the Passport(s) of the beneficial owners and the proxy(ies). In case of corporate entity, the Board of Directors' Resolution /Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy(ies) Form(s) to the Company.

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

Statement under Section 160(1)(b) of the Companies Ordinance, 1984 relating to Special Business

Jahangir Siddiqui & Co. Ltd. (JSCL) has been among significant issuer of Term Finance Certificates (TFCs) and so far it has issued seven TFCs (both listed and unlisted) out of which five have been fully redeemed in a timely manner while the outstanding TFC II and TFC VII will mature in May 2014 and October 2016 respectively.

Currently, it is in the process of issuing TFC VIII, a rated, listed and secured instrument, to raise subscription money for upcoming preference share issue by JS Bank (a subsidiary of JSCL, in which JSCL holds 70.42% shares). The said TFCs shall have a issue size of Rs. 750 million (including a green shoe option of Rs. 250 million) having a tenor of 5 years, carrying semi-annual coupon of 6 months KIBOR + 1.75% p.a. payable after six months from the issue date. Further, the said TFCs shall be redeemed in ten stepped-up semi-annual installments beginning from the 6th month after the issue date.

PACRA has assigned a preliminary rating of "AA+" (Double A plus) to the proposed listed and secured TFC VIII issue. Such rating denotes a very low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Moreover, TFC VIII issue has been secured by pledge of listed securities, including but not limited to, EFU Life Assurance Limited, EFU General Insurance Limited, Singer Pakistan Limited and Hum Network Limited, in a designated account with the Central Depository Company of Pakistan Limited along with requisite margin of 35%.

In light of the vast experience of JSGCL (JS Global or the Company) in the arena of Market Making of various debt instruments, the management has considered the viability of acting as Market Maker for the TFC VIII of JSCL. The Company has sufficient funds to undertake Market Making activities and is already acting as Market Maker for TFC VII.

The role of the Market Maker will be to:

1. Hold 6.7% of the said TFCs at all times till the maturity or till such time the Company remains a Market Maker.
2. Quote bids and offers in the Debt Market Security of the Company on daily basis during trading hours of the Exchange with a maximum spread of 2.5% while the Company is a Market Maker. Price will be determined by Market Maker in light of prevailing liquidity, interest rates and credit risk on the issuer.
3. Purchase or sale a maximum of 1% of total principal outstanding of the issue in Debt Market Security during a business day.

Other information

- The fee for this role would be Rs.500,000/- per annum;
- Due to strong rating of the TFC VIII, recurring fee income and attractive spread the management has proposed to become the Market Maker for the said TFC issue;
- JSCL is an associated company of JSGCL and would require Special Resolution in terms of Section 208 of the Companies Ordinance, 1984 and related Regulations. To give effect to the above, the management has proposed to consider and if thought fit, to pass the attached resolution to be passed as Special Resolution (with or without modification) by majority of not less than three-fourth ($3/4^{th}$) of such members who are entitled to vote and are present in person or by proxy(ies) at the meeting for approval of appointment of JS Global as Market Maker for TFC VIII of JSCL and for making of investment upto Rs. 50 million.

The information and particulars required under Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 are as under:-

Sr No.	Description	The information and particulars required
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established.	a) Jahangir Siddiqui & Co. Ltd. (JSCL) b) JSCL holds 70.42% voting shares of JS Bank Limited which in turn holds 51.05% shares of the Company. Due to these shareholdings, JSCL is the holding company of JS Bank Limited, while JSGCL is the subsidiary of JS Bank Limited.
2	Purpose, benefits and period of investment.	**a) Purpose** To act as Market Maker for the TFC VIII of JSCL and to maintain sufficient inventory thereof, as required in the Regulations Governing Market Makers of the Karachi Stock Exchange Limited (KSE). **b) Benefits** For acting as Market Maker, the Company would be entitled to a fixed annual fee of Rs.500,000/-. The Company has sufficient surplus funds which are often invested in instruments like T-Bills, PIBs, term deposits, etc. that carry a yield of around 10 % to 12%. The said TFC of JSCL carry return of 6 month KIBOR+1.75%. The Company is, therefore, expected to earn additional income over its conventional income avenues. Moreover while trading on its bid and offer quotes for the TFCs in its capacity as Market Maker, the Company not only earns commission, but also makes capital gain. The Market Making activity enhances Company's presence on the Money Market horizon and improves its image as the leading player. **c) Period of Investment** The Company would act as Market Maker for the TFC VIII issue of JSCL. The tenor of the said TFC is five years.
3	Maximum amount of investment.	As per the Regulations of KSE Governing the Market Makers, it is required that a Market Maker shall carry a minimum inventory of instrument. Besides, the Market Maker is required to carry inventory for quoting bid and offer. Together the Company is expected to set aside a maximum of Rs.50 million for acting as Market Maker of the TFC VIII of JSCL.
4	Maximum price at which securities will be acquired.	The TFCs have a face value of Rs.5,000 each and will be acquired at the prevailing market price.
5	Maximum number of securities to be acquired.	At par value, the Company can acquire a maximum of 10,000 units of TFCs.

Notice of
Annual General Meeting

6	Number of securities and percentage thereof held before and after the proposed investment.	Before Investment: NIL After Investment: 10,000 units of the face value of Rs.5,000/- or 6.7% of the total issue size.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not Applicable.
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of Regulation 6(1).	Not Applicable.
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	Not Applicable.
10	Earning / (loss) per share of the associated company or associated undertaking for the last three years.	JSCL 30.09.13 31-12-12 30-06-11 EPS/(LPS) 0.21 3.1 (1.67)
11	Sources of fund from which securities will be acquired.	The Company will use funds from its own sources as it has sufficient liquidity for this investment.
12	Where the securities are intended to be acquired using borrowed funds,- (I) justification for investment through borrowings; and (II) detail of guarantees and assets pledged for obtaining such funds.	Not Applicable.
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	The Company shall: • Hold at least 6.7% of outstanding issue at all times till the maturity. • Quote bids and offers in the TFCs during trading hours with a maximum spread of 2.5% • Purchase or sell a maximum of 1% of total outstanding issue during a business day • Purchase or sell TFCs in denomination of Rs. 5,000/- • Offer bid and ask quotes for marketable and non marketable lots respectively • Charge fees of Rs. 500,000/- for acting as Market Maker.
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	JSCL holds 70.42% voting shares of JS Bank Limited which in turn holds 51.05% shares of the Company. However, all three companies i.e. JSGCL, JS Bank Limited and JSCL are listed on one or more Stock Exchanges in Pakistan and they have made all necessary disclosures on interests, if any, of the directors, sponsors, majority shareholders and their relatives, in these companies. There is no undisclosed, direct or indirect interest of any directors, sponsors, majority shareholders and their relatives, in the associated company or the proposed Market Making role under consideration, except in their respective capacities as mentioned above.

15	Any other important details necessary for the members to understand the transaction.	None.
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely,- (I) description of the project and its history since conceptualization; (II) starting and expected date of completion of work; (III) time by which such project shall become commercially operational; and (IV) expected time by which the project shall start paying return on investment.	Not Applicable.

The Directors of the Company shall submit an undertaking to the shareholders at the AGM to be held on March 27, 2014 that they have carried out due diligence for the proposed investment and the due diligence report with signed recommendations of the Directors shall be available for inspection by the members at the AGM.

Information required under Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings), Regulations, 2012, is as follows:-

Mr. Mahboob Ahmed, the Chairman of JSCL, the investee company holds 8,693 shares in the Company (JS Global). Mr. Khurshid Hadi Director of the Company holds 8,500 shares in JSCL, the investee comapny.

No other Director or sponsor of JSCL holds any shares of the Company and no other Director or sponsor of the Company holds any shares of JSCL.

JSCL holds 70.42% voting shares of JS Bank Limited and JS Bank Limited in turn holds 51.05% shares of the Company.

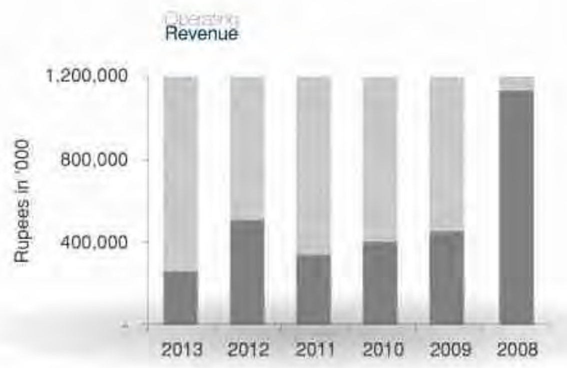
The interest of the Directors of the Company in the proposed investment is limited only to the extent of their being Directors of the Company.

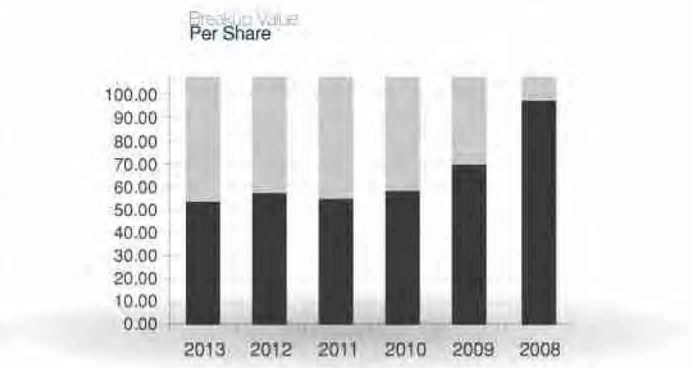
Audited Financial Statements of JSCL shall be made available for inspection of the members at the AGM.

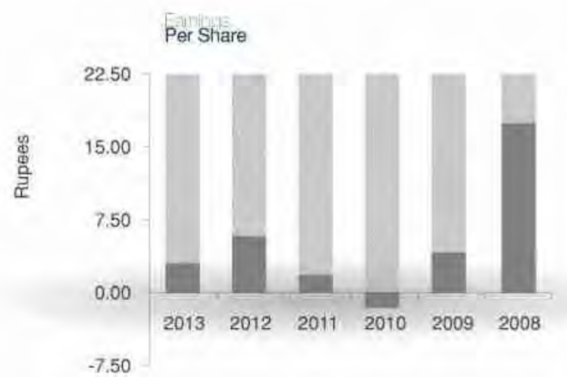
Financial Highlights

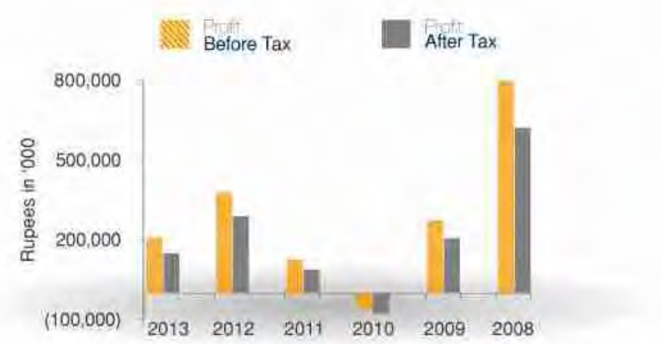
	2013	2012	2011	2010	2009	2008
	Twelve months ended Dec 31	18 months	------------ Twelve months ended June 30 ------------			
Operating Performance (Rupees in 000)						
Operating Revenue	256,853	508,596	336,993	402,732	452,651	1,132,510
Operating expenses	296,404	448,156	425,551	815,216	401,962	458,545
Financial expenses	14,478	23,805	4,387	4,208	8,418	59,871
Other income	255,354	342,327	219,176	357,675	230,881	126,020
Profit before tax	210,276	378,961	126,231	(59,017)	273,152	740,114
Profit after tax	150,196	290,325	89,121	(77,356)	206,240	624,134
Per Ordinary Share (Rupees)						
Earnings per share	3.00	5.81	1.78	(1.55)	4.12	17.48
Breakup value per share	50.72	54.21	51.91	55.20	65.98	91.90
Dividends (Percentage)						
Cash	35.00 (I)	20.00 (I)	-	-	-	50.00
		15.00 (I)	-	-	-	-
	-	30.00 (F)	-	50.00 (F)	100.00 (F)	50.00
Bonus shares	-	-	-	-	-	40.00
Assets & Liabilities (Rupees in 000)						
Total assets	2,924,086	3,572,377	2,856,118	3,078,232	3,704,570	5,677,974
Current assets	2,723,511	3,373,003	2,657,867	2,891,588	3,608,357	5,579,552
Current liabilities	388,232	861,718	260,855	317,919	405,418	2,394,318
Financial Position (Rupees in 000)						
Shareholders equity	2,535,854	2,710,658	2,595,263	2,760,312	3,299,152	3,282,215
Share capital	500,000	500,000	500,000	500,000	500,000	357,145
Reserves	2,035,854	2,210,658	2,095,263	2,260,312	2,833,569	2,925,070
Shares outstanding- (Numbers in 000)	50,000	50,000	50,000	50,000	50,000	35,714
Return on capital employed - (%)	5.92	10.71	3.43	(2.80)	6.25	19.02
Return on total assets - (%)	5.13	8.13	3.12	(2.51)	5.57	10.99
Current ratio-times	7.02	3.91	10.19	9.10	8.90	2.33

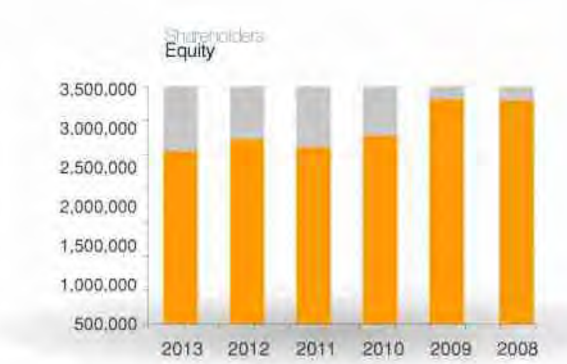
(I) Interim
(F) Final

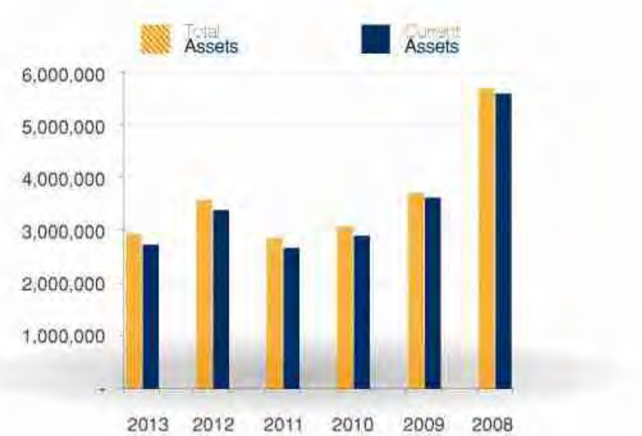

Operating
Revenue
Rupees in '000
1,200,000
800,000
400,000
-
2013
2012
2011
2010
2009
2008


Breakup Value
Per Share
100.00
90.00
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
2013
2012
2011
2010
2009
2008


Earnings
Per Share
Rupees
22.50
15.00
7.50
0.00
-7.50
2013
2012
2011
2010
2009
2008


Profit
Before Tax
Profit
After Tax
Rupees in '000
800,000
500,000
200,000
(100,000)
2013
2012
2011
2010
2009
2008


Shareholders
Equity
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
2013
2012
2011
2010
2009
2008


Total
Assets
Current
Assets
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
2013
2012
2011
2010
2009
2008

Directors' Report

The Directors are pleased to present the audited financial statements of JS Global Capital Limited (the Company') for the year ended December 31, 2013. The summarized results are set out below:

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	.... Rupees	....
Profit before tax	210,276,321	378,961,351
Profit after tax	150,196,116	290,325,471
Earnings per share	3.00	5.81

Comparative Financial Statements

The financial statements pertain to the twelve months ended December 31, 2013 and the comparative figures in the Profit & Loss Account, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity, and related notes to the accounts pertain to eighteen months ended December 31, 2012 and are therefore not comparable.

Economic Review

The CY2013 was a tale of two halves for Pakistan on the macro front. 1H2013 was defined by (1) low inflation where the period January-June 2013 witnessed average inflation at 6.5%; and (2) related monetary easing where State Bank of Pakistan (SBP) cut the Discount Rate by 50bp to 9.0% in June 2013. Meanwhile, economic numbers and reforms in 2H2013 were led by the prior actions and reforms related to the US$6.64bn IMF Extended Fund Facility (EFF) program (staff level agreement in July 2013, formal agreement in September 2013). As a result, Pakistan witnessed two interest rate increase (+100bp cumulatively to 10.0% Discount Rate) in 2H2013 while power tariffs were also raised by 30-50% in order to curtail subsidies.

Most notable macro numbers for the period under review were (1) the hefty decline in foreign exchange (FX) reserves due to debt repayment, where total FX reserves dropped to US$8.52bn as of end of December 2013 (SBP FX reserves at US$3.66bn i.e. under 1-month import cover) vs. reserves of US$13.86bn (SBP FX reserves: US$8.99bn) as of end of December 2012 and (2) sharp devaluation of the Pak Rupee which lost 8.5% of its value against the US Dollar in 2013. The difficult situation on the external front reflected in Current Account numbers as well where FY13 current account deficit was reported at US$2.3bn (~1.0% of GDP) while in 1HFY14, CAD stood at US$1.59bn or 0.7% of FY14E GDP. After clocking in at a multi-year low of 7.4% in FY13, inflation too started heading up in 2H2013, led by higher food prices, power tariff hikes and Rupee depreciation, with overall CPI inflation rising from 5.9% in June 2013 to 9.2% in December 2013. That said 1HFY14 average CPI inflation managed to clock in at a respectable enough 8.9% vis-à-vis SBP's FY14 full-year inflation outlook of 10.5-11.0%.

Other macro numbers were more supportive where (1) Remittances grew by 9% YoY in 1HFY14 to US$7.79bn; and (2) LSM (Large Scale Manufacturing) growth clocked in at 6.76% YoY for 1HFY14 while the Finance Minister also cited 1QFY14 GDP growth at 5.0%, a decent recovery from the below-target FY13 GDP growth number of 3.6%. Meanwhile, IMF also raised its FY14E GDP growth outlook for Pakistan to 2.8% (up 0.3% from earlier outlook). On the fiscal front, FY13 remained strained (Fiscal Deficit clocked in at 8.2% of GDP vis-à-vis 4.7% target) though some improvement was seen in FY14, where 1HFY14 Fiscal Deficit was reported at 2.1% of GDP.

Equity Market Review

Picking up where CY2012 left off (with a 49% market return) the Karachi Stock Exchange (KSE) continued on its upwards trajectory in CY2013. The benchmark KSE-100 index closed the year at the 25,261 level, notching up a stellar 49.6% return (based in Pak Rupee) for the year and comfortably outperforming regional average return of 7.0% (based in home currency). While Pak Rupee weakness, more pronounced in the latter part of the year, trimmed US$-based KSE return, however the same clocked in at +37.6% in 2013 - the highest amongst Asian peers and well above the region's -0.8% US$ market return for the year. In tandem with a rising Index, trading volumes also trended higher in 2013 where Average Daily Value Traded (ADVT) at the KSE stood at US$ 75 mn, +50% YoY while average shares traded in 2013 stood at 223mn, up 29% YoY and 64% higher than 5-year average of 136mn shares. Strong equity market returns in 2013 were led by:

1) **Democracy dividend post May 2013 General Elections** - where key positive Election takeaway was that results were much more decisive than pre-poll estimates, and PML-N emerged as a clear leader. With earlier concerns of a hung parliament and weak coalition Government at the centre out of the way and the PML-N's pro-business stance finding broad support amongst corporates and investors alike, the KSE-100 cheered election results.

2) **Lower risk of a Balance of Payments (BoP) crisis** - via entry into a fresh 3-year, US$6.64bn IMF EFF program. While IMF reforms are proving tough to implement, IMF's loan has (1) alleviated concerns on an immediate BoP crisis; (2) paved the way for anticipated flows from other IFIs and lenders; and (3) got the ball rolling on much needed structural reforms.

3) **Chunky foreign portfolio investment inflow** - where Net Foreign Portfolio Investment (FIPI) inflow at the KSE came in at US$395.3mn in 2013 compared to US$196.5mn in 2012.

The above trumped a somewhat shaky macro-economic backdrop and rising interest rates to support equity re-rating at the domestic bourse. KSE-100 forward P/E rose to 9.7x by December 31, 2013 vis-à-vis P/E of 7.4x at the start of the year. Rounding up the market tally for 2013, the best performing KSE-100 sector was Pharma (+92%), followed by Cement (+79%), Telecom (+71%) and Textile (+70%) while Gas Utilities (+25%) and Chemicals (+19%) were relative laggards. Going forward, key drivers of 2014 market performance are likely to be (1) pace and delivery of the Government's privatization program; (2) Pak-US bilateral relations; (3) unfolding details of IMF's revised structural targets and (4) potential trading of T-Bills & PIB's at the KSE which could give equity some competition.

Foreign Exchange Market Review

The CY2013 started with the USD/PKR parity at Rs. 97.11/US$ where the first half of the year was calm on the exchange rate front. By June 2013 (start of FY14), the exchange rate stood at Rs. 97.37/US$ after which the currency started to weaken sharply in 2H2013. During this period, the Pak Rupee depreciated by 11.58% to a fresh low of Rs. 108.65/US$ in November 2013 which created some panic in the market that the parity would cross Rs. 110.00/US$ by the end of FY14. However, the Government raised its concerns on the exchange rate slide and eventually, the SBP intervened in the Interbank Forex market to pull the exchange rate back to Rs.105.59/US$ by end of December 2013. Overall in 2013, the Pak Rupee lost 8.5% of its value vs. the US Dollar. Foreign exchange reserved held by the country continued to deplete in 2013, closing the year at US$8.52bn as of end of December 2013 vs. reserves of US$13.86bn as of end of December 2012.

The USD/PKR Swap premium showed a mixed trend during this year, where 1 Month, 3 Month and 6 Month Swaps widened by 74, 186 and 365 paisa respectively. State Bank of Pakistan increased the discount rate from 9.50% to 10.00% during the last quarter of 2013 but the same did not impact Swap premium significantly. 1 Month, 3 Month and 6 Month Swap premium stood at its highest level of 49, 145, and 320 paisa respectively as on December 30, 2013, whereas by month close (i.e. December 31, 2013) the 1 Month, 3 Month and 6 Month Swap premium has reduced to 36, 125, 290 paisa respectively. This reflects a slight downwards trend in Swap premiums.

Money Market Review

In view of the macroeconomic environment and rising inflation, the SBP decided to increase the policy rate (discount rate) from 9.0% to 10.0% in two consecutive rate hikes during 2H2013. Overall in 2013, the growth in banking deposits was slow and not sufficient to meet the credit requirement of the system, particularly that of the Government (which remains a major user of banking deposits). As a result, SBP had to meet the residual liquidity demand through liquidity injections into the system.

Due to rising inflationary pressure and high interest rate expectations in 2H2013, a significant change in long term bond yield was witnessed in the latter part of 2013 where the yield on 10-year Pakistan Investment Bonds (PIBs) crossed 13.0% in 2H2013. However after reaching a high of 10.9% in November 2013, CPI inflation came in surprisingly below market expectations in December 2013, dropping to 9.2% YoY. As a result of the lower inflation number for the month of December 2013 coupled with a moderate CPI outlook for January 2014, SBP did not increase the policy rate in its January 2014 Monetary Policy. The market is also of the view that the status quo on interest rates will extend to the next Monetary Policy in March 2014.

Commodities Market Review

2013 was a volatile year for commodity prices where the impact of slowing emerging market growth was felt on commodity prices, particularly metals. 2014 should be a relatively better year, led by prospects of a US economic recovery. Within metals, Gold had a notably weak year in 2013 as a result of rising risk appetite in the world where riskier assets (like frontier market equities and bonds) were more popular investment bets and gold lost some of its 'safe heaven' luster. In 2013, the Pakistan Mercantile Exchange (PMEX) provided a trading platform for eight different commodities including Gold, Silver, Crude Oil, Rice, Sugar, Wheat, Palm Oil and Cotton. Almost 70-80% of PMEX trading volumes were concentrated in

Gold in the outgoing year while the remainder was primarily crude oil and silver contracts. Meanwhile, participation in PMEX trading in 2013 remained concentrated in retail investors who contribute more than 90% of total PMEX volume (approx. Rs. 4.0 billion Daily Trading Volume).

Going ahead, Maize, Steel, Copper and International currency pairs are expected to be made available for trading in the current year. The addition of new commodities will provide further depth to the market alongside creating new opportunities for investors. Likewise, whereas currently only a few mutual funds are active in PMEX, it is expected that institutional participation will also increase as funds which have sought to get approval to set up gold/commodity funds become active.

Company Performance Review

The Company's profit after tax stood at Rs. 150.20 mn for the year under consideration. Monetary impact of significant P&L items on the Company's bottom line is highlighted as under:

The Company earned operating revenue amounting to Rs. 256.85 mn with Rs. 247.78 mn contributed by brokerage and Rs. 9.08 million contributed by Advisory income. The Company incurred Rs. 296.40 mn for the said year in respect of administrative and operating expenses. The Company has undertaken several cost management measures to contain the inflation effects on the bottom line.

Despite ongoing market-related challenges and the country's economic condition, the Company is focused on maintaining its growth momentum in the long run. 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, despite high inflation being experienced by the country over the last few years.

Appropriation of Profits

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

	Twelve months Period ended December 31, 2013	Eighteen months Period ended December 31, 2012
	---------- Rupees ----------	
Profit after tax	150,196,116	290,325,471
Un-appropriated profit brought forward	400,553,478	285,228,007
Profit available for appropriation	550,749,594	575,553,478
Appropriations		
Final Cash Dividend for the FY 12 @Rs. 3 per ordinary share	(150,000,000)	-
*Interim dividend for FY13 @ Rs. 3.5 per ordinary share	(175,000,000)	-
1st Interim dividend for FY12 @ Rs. 2 per ordinary share	-	(100,000,000)
2nd Interim dividend for FY12 @ Rs. 1.5 per ordinary share	-	(75,000,000)
Un-appropriated profit carried forward	**225,749,594**	**400,553,478**

* The Board has recommended a final cash dividend of PKR nil per share for FY13.

Corporate Governance

The Directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan's ("SECP") Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, fairly present its state of affairs,the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.

- Appropriate accounting policies as more fully explained in notes 3.1 to 3.20 to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, 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 which is sound in design has been effectively implemented and is being continually reviewed and monitored.

- The Company is financially sound and is a going concern and there are no doubts about its ability to continue as a going concern.

- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

- Key operating and financial data of preceding years appears on page 32 and 33.

- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on December 31, 2013 except for those disclosed in the financial statements.

- The Company operates an approved Contributory Provident Fund for its eligible employees. Value of investments as per un-audited financial statements for the year ended June 30, 2013 amounts to approximately Rs. 22.64 million (2012: Rs. 20.31 million audited).

- No material changes and commitments affecting the financial position of your Company have occurred between the balance sheet date and the date of the Directors' Report.

The Board

The Board comprises of seven non-executive directors and the CEO. The positions of the Chairman and CEO are separate in line with best governance practices. The Board has Audit, Executive and Human Resource and Remuneration Committees, which assist the Board in the performance of its functions. The members of these committees are stated on the company information pages.

Changes in the Board

During the year under review, Mr. Fouad Fahmi Darwish, Mr. Farid Arshad Masood and Mr. Ammar Talib Hajeyah have been appointed as directors in place of Mr. Shahid Hameed, Mr. Aslam Khaliq and Mr. Naief Abdullatif S. A. Mohammad, respectively, who tendered their resignations from the Board. No Director of the Company had any undisclosed interest in their appointment.

The Board recorded its appreciation for the valuable contributions made by the outgoing Directors during their respective tenure on the Board. The Board also welcomed incoming Directors and expressed that their vast experience will be beneficial for the Company.

Board of Directors Meetings

During the year ended December 31, 2013, five meetings of the Board of Directors were held. The attendance by the directors is shown hereunder:

Directors' Report

Name of Director	Eligibility	Meetings attended	Re-elected***
Mr. Basir Shamsie	5	5	✓
Mr. Muhammad Kamran Nasir (CEO)	5	5	✓
Mr. Muhammad Yousuf Amanullah	5	4	✓
Mr. Khurshid Hadi	5	4	✓
Mr. Abdul Hamid Mihrez	5	3	✓
Mr. Fouad Fahmi Darwish*	2	2	✓
Mr. Ammar Talib Hajeyah*	2	2	✓
Mr. Farid Arshad Masood*	2	1	✓
Mr. Shahid Hameed**	3	1	--
Mr. Aslam Khaliq**	2	2	--
Mr. Naief Abdullatif S. A. Mohammad**	3	3	--

*appointed to fill the casual vacancy
**resigned during the year

*** The abovementioned directors were re-appointed / elected in the Extra Ordinary General Meeting (EOGM) held on October 14, 2013.

Management Discussion of Financial Responsibility

The Company's management is responsible for preparing the financial statements and related notes contained in the Annual Report. The Audit Committee monitors and supervises the functions of the outsourced Internal Audit Department and assists the Board in monitoring and managing risks and internal controls. The internal audit adopts a risk based approach for planning and conducting business process audits, which is very much consistent with the established Framework. The Committee also reviews the performance of the Company's external auditors and recommends their appointment and the terms of their appointment.

The Audit Committee operates in accordance with the Code of Corporate Governance issued by the SECP. Terms of reference as approved by the Board sets out the scope of the Committee. The Committee comprises of three Non-Executive Directors. Internal Audit function is outsourced to M/s Ernst & Young Ford Rhodes Sidat Hyder, which reports directly to the Chairman Audit Committee, and the Chief Financial Officer is invited to attend the meetings. The Committee held four meetings during the year. The external auditors were also in attendance to discuss specific issues. The financial statements of the company were reviewed by the Audit Committee before approval by the Board.

External Auditors

The auditors M/s M. Yousuf Adil Saleem & Co. (member firm of Deloitte) stand retired and being eligible, offer themselves for reappointment.

Shareholding

The pattern of shareholding as on December 31, 2013 is appearing on page 90 including the transactions carried out by Directors, Chief Executive Officer and their spouses and minor children, if any. The Chief Financial Officer & Company Secretary had reportedly carried out no trading in the shares of the Company.

Credit Rating

The Pakistan Credit Rating Agency (PACRA) maintained Company's long term and short term ratings at AA (Double A) and A1+ (A one plus), respectively, for FY13. These ratings denote a very low expectation of credit risk emanating from very strong capacity for timely payments of financial commitments.

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 our services as well as create new financial products and services. In spite of the numerous challenges being faced by the country and the economy, we are confident that the Company will maintain its growth momentum in the long run and continue to build shareholder value, as it always has in the past.

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

Acknowledgement

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

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Karachi Stock Exchange and National Clearing Company of Pakistan Limited for their efforts to strengthen the Capital Markets and measures to protect investor rights.

For and on behalf of the
Board of Directors

Karachi: January 29, 2014

Basir Shamsie
Chairman

Statement of Compliance with the Code of
Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance ('Code' or 'CCG') contained in Regulation No.35 of Listing Regulations of Karachi and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

CATEGORY	NAMES
Independent Directors	a) Mr. Farid Arshad Masood b) Mr. Khurshid Hadi
Executive Director	c) Mr. Muhammad Kamran Nasir
Non-Executive Directors	d) Mr. Basir Shamsie e) Mr. Muhammad Yousuf Amanullah f) Mr. Fouad Fahmi Darwish g) Mr. Ammar Talib Hajeyah h) Mr. Abdul Hamid Mihrez

All the independent Directors meet the criteria of independence under clause i (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies including JS Global Capital Limited. Further, the Directors have confirmed that they are not Director of any other listed company as required u/s 187 clause (j) of the Companies Ordinance, 1984.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.

4. Casual vacancies occurring on the Board were duly filled up by the Directors within the prescribed time.

5. 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.

6. The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive Directors have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings or as allowed by Articles of Association. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has approved appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment.

10. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

12. The Directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.

13. The Company has complied with all the corporate and financial reporting requirements of the CCG.

14. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the Chairman of the Committee is a non-executive Director.

15. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

16. In accordance with the criteria specified in clause (xi) of the Code, one director of the Company is exempt from the requirement of Directors' Training Program, three Directors, including CEO, have completed the training and the rest of the Directors will be trained within the prescribed time upto June 30, 2016. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Company.

17. The Board has formed the Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the Chairman of the Committee is a non-executive Director.

18. The Company has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company has designated a fulltime employee other than CFO, as Head of Internal Audit, to act as coordinator between M/s Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants and the Board.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "Closed Period" prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on Behalf of the Board

Basir Shamsie
Chairman

Karachi: January 29, 2014

Review Report to the Members on Statement of Compliance with
Best Practices of the Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **JS Global Company Limited** (the Company) to comply with the respective Listing Regulations of the Karachi and Islamabad Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report, if it does not. 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 Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, the Listing Regulations of Karachi and Islamabad Stock Exchanges requires the Company to place before the Board for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternative pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2013.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Engagement Partner
Nadeem Yousuf Adil

Date: January 29, 2014
Place: Karachi

Auditors' Report to the Members

We have audited the annexed balance sheet of JS Global Capital Limited (the Company) as of December 31, 2013, and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except as disclosed in note 2.5.2 to the accompanying financial statements with which we concur;

  (ii) the expenditure incurred during the year was for the purpose of Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2013 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

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

Date: January 29, 2014
Place: Karachi

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Engagement Partner
Nadeem Yousuf Adil

Financial Statements

Balance Sheet
AS AT DECEMBER 31, 2013

	Note	December 31, 2013	December 31, 2012
		---------- (Rupees) ---------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised: 150,000,000 (December 31, 2012:150,000,000) ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	500,000,000	500,000,000
Share premium		1,810,104,900	1,810,104,900
Unappropriated profit		225,749,594	400,553,478
		2,535,854,494	2,710,658,378
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	323,427,536	338,039,774
Repurchase borrowings	6	-	431,187,500
Provision for taxation		64,804,262	92,491,001
		388,231,798	861,718,275
Contingencies and Commitments	7		
		2,924,086,292	3,572,376,653

	Note	December 31, 2013	December 31, 2012
		---------- (Rupees) ---------	
ASSETS			
Non current assets			
Property and equipment	8	27,442,436	24,719,890
Intangible assets	9	8,335,657	23,716,663
Long term investment	10	15,272,670	-
Long term loans, advances and deposits	11	9,133,551	16,720,094
Deferred taxation - net	12	140,390,777	134,216,966
		200,575,091	199,373,613
Current assets			
Short term investments	13	1,453,386,969	2,057,755,361
Trade debts	14	303,759,059	564,756,095
Loans and advances - considered good	15	11,113,642	10,980,944
Deposits and short-term prepayments	16	42,494,402	4,180,134
Interest and markup accrued	17	4,465,302	14,569,109
Other receivables	18	3,798,788	3,981,219
Advance tax		65,281,352	94,927,178
Cash and bank balances	19	839,211,687	621,853,000
		2,723,511,201	3,373,003,040
		2,924,086,292	3,572,376,653

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

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
		(Rupees)	
Operating revenue	20	**256,852,747**	309,693,239
Capital gain on sale of investments	21	**17,994,427**	136,646,634
Gain on remeasurement of investments at fair value through profit or loss - net		**39,563,634**	62,031,646
Income from reverse repurchase transactions		**-**	223,994
		314,410,808	508,595,513
Administrative and operating expenses	22	**(296,404,039)**	(446,003,037)
(Provision) / reversal for doubtful debts	14.2	**(1,299,078)**	25,426,689
Impairment of investment in PPTFCs / preference shares	13.5.1	**(43,015,035)**	(20,000,000)
		(26,307,344)	68,019,165
Other income	23	**255,353,844**	342,326,612
		229,046,500	410,345,777
Provision for Workers' Welfare Fund		**(4,291,354)**	(7,579,227)
Finance cost	24	**(14,478,825)**	(23,805,199)
Profit before taxation		**210,276,321**	378,961,351
Taxation - current		**(64,804,262)**	(92,491,001)
- prior		**(1,449,754)**	11,224,375
- deferred		**6,173,811**	(7,369,254)
	25	**(60,080,205)**	(88,635,880)
Profit for the year / period		**150,196,116**	290,325,471
Earnings per share - basic and diluted	26	**3.00**	5.81

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

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	
Profit for the year / period	**150,196,116**	290,325,471
Other comprehensive income:		
Items that will not be reclassified to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account		
Reclassification adjustment relating to available for sale financial assets disposed of during the period	-	69,493
Total items that may be reclassified subsequently to profit and loss account	-	69,493
Taxation relating to components of other comprehensive income	-	-
	-	69,493
Total comprehensive income for the year / period	**150,196,116**	290,394,964

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

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Issued, subscribed and paid up share capital	Capital reserves	Revenue reserves		Total
		Share premium	Unrealized gain / (loss) on remeasurement of available for sale investment	Unappropriated profit	
	(Rupees)				
Balance as on July 1, 2011	500,000,000	1,810,104,900	(69,493)	285,228,007	2,595,263,414
Total comprehensive income for the period					
Profit for the eighteen months period ended December 31, 2012	-	-	-	290,325,471	290,325,471
Other comprehensive income					
Unrealized loss on remeasurement of available-for-sale investments	-	-	69,493	-	69,493
Total Comprehensive income for the period	-	-	69,493	290,325,471	290,394,964
Transactions with owners recognised directly in equity					
- Interim dividend @ Rs. 2 per ordinary share	-	-	-	(100,000,000)	(100,000,000)
- Interim dividend @ Rs. 1.5 per ordinary share	-	-	-	(75,000,000)	(75,000,000)
Balance as at December 31, 2012	500,000,000	1,810,104,900	-	400,553,478	2,710,658,378
Balance as at January 01, 2013	500,000,000	1,810,104,900	-	400,553,478	2,710,658,378
Total comprehensive income for the year					
Profit for the year ended December 31, 2013	-	-	-	150,196,116	150,196,116
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	150,196,116	150,196,116
Transactions with owners recognised directly in equity					
- Final cash dividend for the eighteen months period ended December 31, 2012 @ Rs. 3/- per share	-	-	-	(150,000,000)	(150,000,000)
- Interim dividend for the financial year 2013 @ Rs. 3.5/- per share	-	-	-	(175,000,000)	(175,000,000)
Balance as at December 31, 2013	500,000,000	1,810,104,900	-	225,749,594	2,535,854,494

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

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	210,276,321	378,961,351
Adjustments for:		
Depreciation	8,106,289	11,636,792
Amortization of software	108,336	108,337
Gain on sale of property and equipment	(6,611,827)	(5,677,517)
Gain on remeasurement of investments carried at fair value through profit or loss - net	(39,563,634)	(62,031,646)
Gain on remeasurement of future equity derivatives	(3,704,454)	-
Provision / (reversal) for doubtful debts	1,299,078	(25,426,689)
Provision for Workers' Welfare Fund	4,291,354	7,579,227
Provision for impairment	43,015,035	20,000,000
Finance cost	14,478,825	23,805,199
	21,419,002	(30,006,297)
Cash generated from operating activities before working capital changes	231,695,323	348,955,054
(Increase) / decrease in current assets:		
Trade debts	263,402,411	(382,107,410)
Loans and advances	(132,698)	(3,279,509)
Deposits and short term prepayments	(38,314,268)	5,576,431
Interest and markup accrued	10,103,807	4,744,374
Other receivables	182,431	6,544,584
	235,241,683	(368,521,530)
Increase / (decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	(19,425,605)	137,594,124
Cash generated from operations	447,511,401	118,027,648
Finance cost paid	(14,478,825)	(23,407,928)
Taxes paid	(64,294,928)	(85,721,189)
Payment for workers' welfare fund	-	(2,647,214)
Net cash generated from operating activities	368,737,648	6,251,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,569,655)	(12,442,822)
Capital expenditure incurred on software	-	(325,000)
Proceeds from disposal of property and equipment	9,352,647	6,704,725
Long term loans, advances and deposits	7,586,543	(8,496,220)
Short term investments	600,916,991	(147,338,597)
Net cash generated / (used) in investing activities	604,286,526	(161,897,914)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash (paid) / received under repurchase transactions	(431,187,500)	431,187,500
Dividend paid	(324,477,987)	(174,776,163)
Net cash (used in) / generated from financing activities	(755,665,487)	256,411,337
Increase in cash and cash equivalents during the year / period	217,358,687	100,764,740
Cash and cash equivalents at the beginning of the year / period	621,853,000	521,088,260
Cash and cash equivalents at the end of the year / period	839,211,687	621,853,000

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

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

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 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 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. 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. The Company is subsidiary of JS Bank Limited which is a subsidiary of Jahangir Siddiqui & Company Limited, the ultimate parent of the Company.

JS Global Capital Limited is a TREC holder of KSE and member of Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited). The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

1.1 Change in accounting year

The Company changed its financial year from June 30 to December 31 to align its year-end with its parent company JS Bank Limited. In this respect, the Company was granted approval by the SECP through letter no. EMD/233/667/2005-1576 dated June 05, 2012 to change its financial year from July-June to January-December in accordance with the provisions of the section 238 of the Companies Ordinance 1984.

As a result of above change in previous period, complete set of financial statements of the Company has been prepared for twelve months starting from January 01, 2013 to December 31, 2013 while the corresponding figures relate to the eighteen months period from July 01, 2011 to December 31, 2012, and; therefore, are not comparable.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, 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 associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the apparent from other sources. Actual results may differ from these estimates.

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

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

- Investments (notes 3.4 and 13);
- Residual values and useful lives of property and equipment (notes 3.2 and 8);
- Useful lives of intangible assets (notes 3.3 and 9); and
- Recognition of taxation and deferred taxation (notes 3.9 and 12)
- Provision against trade debts and other receivables (note 3.11 and 14).

2.5 New Accounting Standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2013.

2.5.1 The following standards, amendments and interpretations are effective for the year ended December 31, 2013. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013

Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 19 - Employees Benefits (Revised 2011)	Effective from accounting period beginning on or after January 01, 2013

2.5.2 The amendments to IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income is effective from accounting period beginning on or after January 01, 2013 and has impact on the Company's financial statements for the year as discussed in the pursing paragraph. This changes is considered as change in accounting policy of the Company.

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, the Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below 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. recognized provident fund scheme for all its eligible employees in accordance with the trust deed and rules made there under. Equal monthly contributions at the rate of 10% of basic salary are made to the fund by the Company and the employees.

3.2 Property and equipment

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

Depreciation is calculated on straight line basis over the estimated useful life of the assets. Depreciation on additions is charged from the month in which they are available for use and on deletions up to the month of deletion. The estimated useful lives for the current and comparative periods are as follows:

-	Office equipment	4 years
-	Office furniture	10 years
-	Motor vehicles	5 years

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

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

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

3.3 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rates specified in note 9 to these financial statements. Amortization 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 life and amortization method are reviewed and adjusted, if appropriate, at each balance sheet 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 asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each balance sheet 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.

Intangible assets exchanged for a non-monetary asset or assets, or a combination of monetary and non-monetary assets is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired asset is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

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 recognized in profit or loss account when the asset is derecognized.

3.4 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The Company classifies its investments in the following categories:

Financial assets 'at fair value through profit or loss - held for trading'

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value, except for investments in unquoted debt securities which are carried at cost. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. However, any premium or discount on acquisition of debt securities is amortized and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued. Fair value of term finance certificates, units of open end mutual funds and government securities are determined on the basis of rates notified by Mutual Fund Association of Pakistan for term finance certificates, relevant redemption prices for the open-end mutual funds and quotations obtained from the PKRV sheets for government securities respectively. Unquoted securities are valued at cost.

3.5 Derivatives

Derivative instruments held by the Company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently remeasured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealized gains) are included in assets and derivatives with negative market values (unrealized losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account. Derivative financial instrument contracts entered into by the Company do not meet the hedging criteria as defined by International Accounting Standard (IAS) '39: 'Financial Instruments: Recognition and Measurement'. Consequently hedge accounting is not being applied by the Company.

3.6 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under marginal trading system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repo) are not recognised in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / marginal trading system and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as finance cost and accrued over the life of the repo agreement.

3.7 Trade debts and other receivables

Trade debts are recognised initially at invoice amount less provision for doubtful debts, if any.

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

3.8 Revenue recognition

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

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

Interest income on financial assets (including margin financing) is recognized 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 profit and loss account in the period in which they arise.

Unrealised capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

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

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

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or 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 presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

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

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

3.10 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

3.11 Impairment

Financial assets

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

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

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 balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account 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 amortization, if no impairment loss had been recognized.

3.12 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are taken to profit and loss account.

3.13 Borrowing costs

Borrowing costs 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 profit and loss account currently.

3.14 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.15 Financial liabilities

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

3.16 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account.

3.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.18 Earnings per share

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

3.19 Dividend distributions and appropriations

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

3.20 Operating segments

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

The operating segments of the Company are as follows:

Brokerage

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

Investment and treasury

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

Other operations

It consists of advisory and consultancy function.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

December 31, 2013	December 31, 2012		December 31, 2013	December 31, 2012
(Number of shares)			(Rupees)	
20,009,700	20,009,700	Ordinary shares of Rs.10/- each fully paid in cash	**200,097,000**	200,097,000
29,990,300	29,990,300	Ordinary shares of Rs.10/- issued as fully paid bonus shares	**299,903,000**	299,903,000
50,000,000	50,000,000		**500,000,000**	500,000,000

4.1 Movement in issued, subscribed and paid-up capital during the year / period

December 31, 2013	December 31, 2012		December 31, 2013	December 31, 2012
(Number of shares)			(Rupees)	
50,000,000	50,000,000	As at January / July 01,	**500,000,000**	500,000,000
-	-	Ordinary shares of Rs.10/- issued during the year / period	**-**	-
50,000,000	50,000,000		**500,000,000**	500,000,000

4.2 Parent company held 25,525,169 ordinary shares of Rs. 10/- each at year end.

4.3 There is only one class of ordinary shares.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
Creditors for sale of shares on behalf of clients	5.1	**250,825,335**	265,843,027
Accrued expenses		**40,629,059**	37,958,640
Provision for staff bonus		**5,000,000**	10,000,000
Unclaimed dividend		**3,258,453**	2,736,440
Retention money - Softech		**40,600**	40,600
Advance fee from client		**5,877,412**	5,883,963
Provision for Workers' Welfare Fund	5.2	**11,730,325**	7,438,971
Others		**6,066,352**	8,138,133
		323,427,536	338,039,774

5.1 Included herein is a sum of Rs. 17,638,067 (December 31, 2012: Rs. 1,409,797) payable to related parties.

5.2 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The company along with its group companies has decided to filed the petition under the High Court against the changes. On prudent basis, the Company has recognized aggregate provision amounting to Rs. 11.73 million for the years from 2012 to 2013.

	Note	**December 31, 2013**	December 31, 2012
		(Rupees)	
6. REPURCHASE BORROWINGS			
Repurchase agreements		-	431,187,500
7. CONTINGENCIES AND COMMITMENTS			
7.1 Commitments			
Future sale transactions of equity securities entered into by the Company in respect of which the sale transactions have not been settled as at December 31		**394,964,215**	-
7.2 Contingencies			
Bank guarantee in favour of Karachi Stock Exchange Limited from JS Bank Limited (parent company).		-	400,000,000

7.3 Tax related contingencies has been disclosed in note 25 to the financial statements.

8. PROPERTY AND EQUIPMENT

	Note	December 31, 2013	December 31, 2012
Property and equipment	8.1	**27,442,436**	24,719,890

8.1 Property and equipment

	December 31, 2013							
	Cost			Rate	Depreciation			Written down value as at December 31 2013
	As at January 1, 2013	Additions / (disposals)	As at December 31 2013	(%)	As at January 1, 2013	For the year / (disposals)	As at December 31 2013	
	(Rupees)				(Rupees)			
Office equipment	54,052,248	4,942,280 (4,527,978)	54,466,550	25	51,665,496	2,094,638 (4,480,461)	49,279,673	5,186,877
Office furniture	15,545,339	- -	15,545,339	10	7,569,110	1,554,535 -	9,123,645	6,421,694
Motor vehicles	29,525,184	8,627,375 (11,134,637)	27,017,922	20	15,168,275 -	4,457,116 (8,441,334)	11,184,057 -	15,833,865
	99,122,771	13,569,655 (15,662,615)	97,029,811		74,402,881	8,106,289 (12,921,795)	69,587,375	27,442,436

	December 31, 2012							
	Cost			Rate	Depreciation			Written down value as at December 31 2012
	As at July 1, 2011	Additions / (disposals)	As at December 31 2012	(%)	As at July 1, 2011	For the period / (disposals)	As at December 31 2012	
	(Rupees)				(Rupees)			
Office equipment	53,146,794	1,452,824 (547,370)	54,052,248	25	47,072,213	4,927,544 (334,261)	51,665,496	2,386,752
Office furniture	15,129,339	416,000 -	15,545,339	10	5,105,198	2,463,912 -	7,569,110	7,976,229
Motor vehicles	25,639,210	10,573,998 (6,688,024)	29,525,184	20	16,796,865	4,245,336 (5,873,926)	15,168,275 -	14,356,909
	93,915,343	12,442,822 (7,235,394)	99,122,771		68,974,276	11,636,792 (6,208,187)	74,402,881	24,719,890

8.2 Disposal of property and equipment

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

Vehicles	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Particulars of buyers	Mode of disposal
	(Rupees)						
Honda City	858,550	(858,549)	1	700,000	699,999	Riffat Ahmed	Negotiations
Coure	650,000	(216,667)	433,333	682,506	249,173	Kashif Haroon-Employee	On Loan Basis
Suzuki Alto	500,000	(275,000)	225,000	216,678	(8,322)	Umar Iqbal-Employee	On Loan Basis
Terrece	414,507	(186,528)	227,979	461,312	233,333	Abdul Rauf-Employee	On Loan Basis
Suzuki Cultus	442,579	(442,578)	1	-	(1)	Abdul Samad-Employee	On Loan Basis
Suzuki Mehran	537,940	(295,089)	242,851	218,476	(24,375)	S.M.Tariq Nabeel Jafri-Employee	On Loan Basis
Suzuki Cultus	525,000	(524,999)	1	179,333	179,332	Syed Shakeel Ahmed-Employee	On Loan Basis
Suzuki Cultus	600,000	(30,000)	570,000	560,000	(10,000)	Nomita Farooq-Employee	On Loan Basis
Honda Civic	1,462,000	(1,461,999)	1	1,060,000	1,059,999	Wasim Mirza	Negotiations
Suzuki Cultus	569,495	(569,494)	1	511,139	511,138	Naseem Khan	Negotiations
Honda city	858,650	(858,649)	1	771,930	771,929	Mr. Arshad	Negotiations
Honda city	858,550	(858,549)	1	825,930	825,929	Mr. Ali	Negotiations
Toyota Corolla	891,968	(891,967)	1	950,000	949,999	Mr. Kashif Kamran	Negotiations
Suzuki Cultus	839,145	(461,491)	377,654	377,654	-	Mr. Shahbaz	Negotiations
	10,008,384	**(7,931,559)**	**2,076,825**	**7,514,958**	**5,438,133**		
Unique	38,350	(38,349)	1	17,546	17,545	Hashim Kalyar -Employee	On Loan Basis
Honda 100 CC	60,890	(52,535)	8,355	60,890	52,535	Faisal Haji- Employee	On Loan Basis
Unique	45,000	(32,250)	12,750	42,750	30,000	Iftikhar Ahmed-Employee	On Loan Basis
Honda 100 CC	60,890	(55,579)	5,311	60,890	55,579	Samuel Kamran -Employee	On Loan Basis
Unique	42,000	(41,999)	1	35,000	34,999	Rehan Baig-Employee	On Loan Basis
Unique	38,000	(37,999)	1	25,000	24,999	Mohammad Saleem-Employee	On Loan Basis
Honda 100 CC	66,900	(39,025)	27,875	60,800	32,925	M. Kamran Ghouri-Employee	On Loan Basis
Unique	40,000	(15,334)	24,666	38,666	14,000	Zaheer Abbas-Employee	On Loan Basis
Unique	38,500	(21,175)	17,325	34,344	17,019	Sheeraz Sharif Khan-Employee	On Loan Basis
Unique	38,500	(33,366)	5,134	32,999	27,865	Raheel A. Ansari-Employee	On Loan Basis
Unique	45,000	(14,250)	30,750	32,167	1,417	M.Irfan Aziz-Employee	On Loan Basis
Unique	42,025	(4,202)	37,823	40,646	2,823	Talib Hussain-Employee	On Loan Basis
Unique	42,025	(4,202)	37,823	41,000	3,177	M. Jibran-Employee	On Loan Basis
Unique	38,500	(33,495)	5,005	5,548	543	Musharraf Khan-Employee	On Loan Basis
Unique	42,680	(16,361)	26,319	30,000	3,681	M. Arshad Khan-Employee	On Loan Basis
Unique	30,000	(11,500)	18,500	26,500	8,000	Abdul Hamid-Employee	On Loan Basis
Unique	40,500	(30,904)	9,596	15,386	5,790	Mohammad Munir-Employee	On Loan Basis
Unique	42,953	(7,875)	35,078	40,657	5,579	Abdul Salam-Employee	On Loan Basis
Honda 100 CC	65,000	(6,500)	58,500	63,834	5,334	Rehan Baig-Employee	On Loan Basis
Unique	44,000	(7,333)	36,667	42,200	5,533	Adeel Jafri-Employee	On Loan Basis
Unique	34,940	(582)	34,358	33,913	(445)	Abdur Razzak-Employee	On Loan Basis
Suzuki 150	76,800	(1,280)	75,520	75,520	-	Samuel Kamran-Employee	On Loan Basis
Suzuki 150	76,800	(1,280)	75,520	75,520	-	Mohammad Hussian Patni-Employee	On Loan Basis
Unique	36,000	(2,400)	33,600	35,412	1,812	Luqman Khatri	Insurance Claim
	1,126,253	**(509,775)**	**616,478**	**967,188**	**350,710**		
Office equipments:							
UPS	425,000	(424,999)	1	300,000	299,999	EFU General Insurance Limited	Insurance Claim
Plasma TV	160,000	(159,999)	1	18,100	18,099	Azhar Chaudhry- Employee	Negotiations
Voice Recorder	3,790,000	(3,789,999)	1	500,000	499,999	Amfco Systems	Negotiations
Lap top	94,500	(94,499)	1	17,500	17,499	EFU General Insurance Limited	Insurance Claim
Lap top	58,478	(10,965)	47,513	34,901	(12,612)	EFU General Insurance Limited	Insurance Claim
	4,527,978	**(4,480,461)**	**47,517**	**870,501**	**822,984**		
December 31, 2013	**15,662,615**	**(12,921,795)**	**2,740,820**	**9,352,647**	**6,611,827**		
December 31, 2012	7,235,394	(6,208,187)	1,027,207	6,704,725	5,677,517		

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
9. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Karachi Stock Exchange Limited	9.1	5,727,330	21,000,000
Membership card - Pakistan Mercantile Exchange		2,500,000	2,500,000
		8,227,330	23,500,000
Software - fix module softech back connect system	9.2	108,327	216,663
		8,335,657	23,716,663

9.1 These represent Trading Right Entitlement Certificate (TREC) received from Karachi Stock Exchange Limited (KSE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE after completion of the demutualisation process. For details, refer to note 10.1.

9.2 Software - Fix module softech back connect system

December 31, 2013

Cost: As at January 1, 2013	Cost: Additions / (disposals)	Cost: As at December 31 2013	Rate (%)	Amortisation: As at January 1, 2013	Amortisation: For the period / (disposals)	Amortisation: As at December 31 2013	Written down value as at December 31 2013
(Rupees)				(Rupees)			
325,000	-	325,000	33.33	108,337	108,336	216,673	108,327
325,000	-	325,000		108,337	108,336	216,673	108,327

December 31, 2012

Cost: As at July 1, 2011	Cost: Additions / (disposals)	Cost: As at December 31 2012	Rate (%)	Amortisation: As at July 1, 2011	Amortisation: For the period / (disposals)	Amortisation: As at December 31 2012	Written down value as at December 31 2012
(Rupees)				(Rupees)			
-	325,000	325,000	33.33	-	108,337	108,337	216,663
-	325,000	325,000		-	108,337	108,337	216,663

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
10 LONG TERM INVESTMENT			
Available for sale			
Shares in Karachi Stock Exchange Limited	10.1	**15,272,670**	-

10.1 Pursuant to demutualization of the Karachi Stock Exchange Limited (KSE), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from the KSE against its membership card which was carried at Rs. 21 million in the books of the Company.

The above arrangement has resulted in allocation of 4,007,383 shares of Rs. 10 each with a total face value of Rs. 40 million and TREC to the Company by the KSE. Out of total shares issued by the KSE, the Company has actually received 40% equity shares i.e. 1,602,953 shares. The remaining 60% shares have been transferred to CDC sub-account in the Company's name under the KSE's participant IDs with the CDC which will remain blocked until these are divested/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis.

The above mentioned face value (Rs. 40 million) of the shares issued by the KSE to its members including the Company has been determined on the basis of the fair valuation of the underlying assets and liabilities of the Stock Exchange in accordance with the requirements of the Demutualization Act. In other words, shares worth Rs. 40 million received by the Company represent its share in the fair value of the net assets of the KSE. Under the current circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has introduced a minimum capital regime for the brokers, and for this purpose has valued TREC at Rs. 15 million as per the decision of the Board of Directors of the KSE. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs.15 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair values of KSE shares (Rs.40 million) and TREC (Rs.15 million), the Company has allocated its carrying value of the membership card in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs.15.3 million and TRE at Rs. 5.7 million.

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
11. LONG TERM LOANS, ADVANCES AND DEPOSITS			
Long term loans - secured, considered good			
- Executives	11.1	**659,740**	519,125
- Employees		**976,919**	1,654,810
	11.2	**1,636,659**	2,173,935
Current maturity	15	**(1,026,061)**	(292,559)
		610,598	1,881,376
Security deposits	11.3	**8,522,953**	14,838,718
		9,133,551	16,720,094

11.1 Reconciliation of carrying amount of loans to executives:

	December 31, 2013	December 31, 2012
Balance at the beginning of the period	**519,125**	564,099
Disbursements	**1,205,000**	1,578,917
Repayments	**(1,064,385)**	(1,623,891)
Balance at the end of the period	**659,740**	519,125

11.2 Loan to executives and employees are given for purchase of home appliances and other personal goods at an interest rate of 6 months KIBOR (December 31, 2012: 12% to 15%) per annum in accordance with the Company's policy and terms of employment. The loans are repayable over a period of two to five years.

11.3 This includes Rs. 3.03 million (December 31, 2012: Rs. 3.03 million) deposited with Karachi Stock Exchange Limited, Rs. 0.35 million (December 31, 2012: Rs. 0.35 million) with National Clearing Company of Pakistan, Rs. 0.125 million (December 31, 2012: Rs. 0.125 million) with Central Depository Company of Pakistan Limited and Rs. 4.48 million (December 31, 2012: Rs. 10.8 million) with Pakistan Mercantile Exchange (formerly: National Commodity Exchange Limited).

12. DEFERRED TAXATION - NET

	December 31, 2013		
	Opening	**(Charge) / reversal to profit and loss account**	**Closing**
	---------- (Rupees) ----------		
Taxable temporary difference			
Revaluation of investments	**(6,203,165)**	**6,203,165**	**-**
Deductible temporary differences			
Accelerated depreciation for tax purposes	**1,686,834**	**(484,032)**	**1,202,802**
Difference in accounting and tax base of intangible assets	**2,287**	**-**	**2,287**
Provision for doubtful debts	**138,731,010**	**454,678**	**139,185,688**
	134,216,966	**6,173,811**	**140,390,777**

	December 31, 2012		
	Opening	(Charge) / reversal to profit and loss account	Closing
	---------- (Rupees) ----------		
Taxable temporary difference			
Revaluation of investments	(6,000,769)	(202,396)	(6,203,165)
Deductible temporary difference			
Accelerated depreciation for tax purposes	(43,362)	1,730,196	1,686,834
Difference in accounting and tax base of intangible assets	-	2,287	2,287
Provision for doubtful debts	147,630,351	(8,899,341)	138,731,010
	141,586,220	(7,369,254)	134,216,966

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
13. SHORT TERM INVESTMENTS			
Investments in marketable securities 'at fair value through profit or loss -held for trading'			
Quoted Equity Securities	13.1	**391,258,239**	-
Units of Mutual Funds	13.2	**650,801,945**	940,616,060
Term Finance Certificates	13.3	**162,943,533**	131,949,216
Government Securities	13.4	**248,383,252**	922,175,050
		1,453,386,969	1,994,740,326
Available for sale			
Unlisted Term Finance Certificates - Secured		-	20,000,000
Privately Placed Term Finance Certificates - Unsecured	13.5	-	43,015,035
		-	63,015,035
		1,453,386,969	2,057,755,361

13.1 Quoted Equity Securities

Number of shares		Name of Company	December 31, 2013		December 31, 2012
December 31, 2013	December 31, 2012		Average cost	Fair value	
			(Rupees)		
802,500	-	Adamjee Insurance Company Limited	30,053,522	29,989,425	-
55,000	-	Attock Refinery Limited	11,361,127	11,421,850	-
307,000	-	Bank Al Falah Limited	8,403,770	8,301,280	-
614,500	-	D.G. Khan Cement Limited	52,092,625	52,681,085	-
32,000	-	Engro Foods Limited	3,335,921	3,342,080	-
199,000	-	Engro Corporation	31,361,762	31,517,620	-
34,000	-	Fauji Fertilizer Bin Qasim Limited	1,555,610	1,489,540	-
142,000	-	Fauji Fertilizer Company Limited	16,576,710	15,898,320	-
63,000	-	MCB Bank Limited	17,763,345	17,713,710	-
854,500	-	National Bank of Pakistan Limited	49,941,380	49,612,270	-
44,500	-	Nishat Chunian Limited	2,574,467	2,678,900	-
530,500	-	Nishat Mills Limited	67,930,849	67,500,820	-
143,000	-	Pakistan Petroleum Limited	30,742,279	30,596,280	-
75,500	-	Pakistan State Oil Limited	24,944,183	25,082,610	-
1,522,500	-	Pakistan Telecommunication Company Limited	46,172,730	43,299,900	-
1,000	-	United Bank Limited	132,173	132,550	-
			394,942,453	391,258,240	-
		Unrealized (loss) on remeasurement at fair value	(3,684,214)	-	-
			391,258,239	391,258,240	-

13.2 Units of Mutual Funds

Number of units		Name of funds	December 31, 2013		December 31, 2012
December 31, 2013	December 31, 2012		Average cost	Fair value	
			(Rupees)		
2,536,885	2,829,734	JS Cash Fund- related party	239,613,455	260,741,000	289,085,605
3,450,368	3,141,780	JS Income Fund -related party	284,802,353	304,115,423	284,802,353
-	2,419,409	NAFA Financial Sector Income Fund	-	-	25,000,000
-	2,661,123	NAFA Government Securities Liquid Fund	-	-	26,753,606
-	517,707	PRIMUS Cash Fund	-	-	51,882,506
-	-	Primus Daily Reserve Fund	-	-	200,000,000
-	292,288	UBL Government Securities Fund	-	-	29,449,724
-	2,692	UBL Islamic Cash Fund	-	-	274,766
4,997,551	-	ABL Cash Fund	50,000,000	50,000,000	-
357,402	332,751	UBL Liquidity Plus Fund	33,367,506	35,945,522	33,367,500
			607,783,314	650,801,945	940,616,060
		Un realized gain on remeasurement at fair value	43,018,631	-	-
			650,801,945	650,801,945	940,616,060

13.3 Term Finance Certificates

Number of certificates		Name of term finance certificates	December 31, 2013		December 31, 2012
December 31, 2013	December 31, 2012		Average cost	Fair value	
		Listed	(Rupees)		
1,000	-	Allied Bank Limited I	2,588,772	2,552,896	-
1,000	-	Allied Bank Limited II	5,241,700	4,784,692	-
475	-	Bank Al Falah Limited TFC V	2,397,775	2,447,546	-
-	400	Bank Al Habib Limited II	-	-	2,057,148
400	-	Engro Fertilizer Pakistan Limited	1,680,000	1,705,008	-
6,700	-	Engro Fertilizer Pakistan Limited - III	32,453,685	33,401,056	-
-	1,500	Engro Fertilizer Pakistan Limited - IV	-	-	6,725,003
520	-	Engro Rupiya Certificate I	2,555,686	2,615,095	-
8,890	-	Engro Rupiya Certificate II	44,006,761	45,020,487	-
2,100	3,000	Jahangir Siddiqui & Company Limited VII - related party	7,875,000	8,037,792	15,000,000
100	100	Orix Leasing Pakistan Limited	1,957,250	1,961,976	5,957,250
-	200	Pakistan Mobile Communication Limited	-	-	18,578,143
200	800	Pakistan Mobile Communication Limited TFC VII	15,578,143	15,721,359	3,980,332
1,000	2,000	Tameer Sarmaya Certificates I	4,988,000	4,988,000	10,000,000
1,000	2,000	Tameer Sarmaya Certificates II	4,988,000	4,988,000	10,000,000
1,600	-	United Bank Limited TFC III	2,687,693	2,658,756	-
			128,998,465	130,882,664	72,297,876
		Un-listed			
-	950	Bank Al Falah Limited - Fixed	-	-	5,159,426
5,960	-	Bank Al Habib Limited IV	33,343,339	32,060,869	-
-	2,143	Engro Rupiya Certificate I	-	-	10,833,090
-	5,635	Engro Rupiya Certificate II	-	-	28,310,155
-	3,000	Faysal Bank Limited	-	-	15,348,671
			33,343,339	32,060,869	59,651,340
			162,341,804	162,943,533	131,949,216
		Un realized gain on remeasurement at fair value	601,729	-	-
			162,943,533	162,943,533	131,949,216

			December 31, 2013		December 31, 2012
			Average cost	Fair value	
		Note	---- (Rupees) ----		
13.4	**Government securities**				
	Market treasury bills	13.4.1	**248,753,769**	**248,383,252**	718,231,250
	Pakistan Investment Bonds		-	-	203,743,800
	National Saving Bonds		-	-	200,000
			248,753,769	**248,383,252**	922,175,050
	Un realized loss on remeasurement at fair value on T-Bills		**(370,517)**	-	-
			248,383,252	**248,383,252**	922,175,050

13.4.1 This treasury bill had a tenor of 365 days with an effective yield of 9.38% per annum with maturity on January 23, 2014.

13.5 Privately Placed Term Finance Certificates - Unsecured

December 31, 2013

Number of certificates	Markup rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	13.5.1	October 19, 2020	**326,456,184**
		Impairment of investment in TFC			**(326,456,184)**
					-

December 31, 2012

Number of certificates	Markup rate (%)	Name of company	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	October 19, 2020	326,456,184
		Impairment of investment in TFC		(283,441,149)
				43,015,035

13.5.1 During the current year, considering the financial position of issuer, the company has fully provided remaining outstanding amount of the PPTFCs (amounting to Rs. 43.015 million) and has recorded mark-up / interest income on receipt basis.

	Note	December 31, 2013	December 31, 2012
		(Rupees)	
14. TRADE DEBTS			
- unsecured, considered good			
- Purchase of shares on behalf of clients	14.1	87,607,612	501,955,183
- Receivables against margin finance (purchase of shares)	14.3	162,294,763	-
- Advisory services		-	5,000,000
- Forex and fixed income commission		16,206,539	13,659,270
- Commodity		37,650,145	44,141,642
		303,759,059	564,756,095
Considered doubtful or bad		397,673,393	396,374,315
		701,432,452	961,130,410
Provision for doubtful debts	14.2	(397,673,393)	(396,374,315)
		303,759,059	564,756,095

14.1 Included herein is a sum of Rs. 1,011,491 (December 31, 2012: Rs. 13,627,352) receivable from related parties.

	December 31, 2013	December 31, 2012
	(Rupees)	
14.2 Provision for doubtful debts		
Opening balance as at January / July 01,	396,374,315	421,801,004
Charged during the year / period	1,299,078	-
Reversed during the year / period	-	(25,426,689)
	1,299,078	(25,426,689)
Closing Balance as at December 31	397,673,393	396,374,315

14.3 During the current year, the Company has provided margin financing facility to customers under the Securities (Leveraged Markets and Pledging) Rules, 2011 issued by the SECP. In this connection, the Company has been registered as authorized margin financier vide Fourth Addendum to Agreement between the Company and National Clearing Company of Pakistan Limited (NCCPL) dated April 09, 2013 for financing the purchase of shares on behalf of clients. Interest is charged at 16% of the outstanding balance of the finance.

	Note	December 31, 2013	December 31, 2012
		(Rupees)	

15. LOANS AND ADVANCES - considered good

	Note	December 31, 2013	December 31, 2012
Current maturity of long term loans - secured	11	**1,026,061**	292,559
Advances to staff		**2,513,396**	4,891,394
Advance for purchase of office - unsecured		**2,500,000**	2,500,000
Advance for purchase of software		**5,074,185**	3,161,685
Others		**-**	135,306
		11,113,642	10,980,944

16. DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	December 31, 2013	December 31, 2012
Deposits	16.1	**41,075,446**	1,113,270
Prepayments		**1,418,956**	3,066,864
		42,494,402	4,180,134

16.1 This includes Rs. 40.66 million given to KSE against Ready & Future exposure.

17. INTEREST AND MARKUP ACCRUED

	Note	December 31, 2013	December 31, 2012
Accrued markup on Pakistan investment bonds		**-**	10,232,877
Accrued markup on Term Finance Certificates		**3,258,365**	4,049,146
Profit receivable on bank deposits		**1,206,937**	287,086
		4,465,302	14,569,109

18. OTHER RECEIVABLES

	Note	December 31, 2013	December 31, 2012
Dividend receivable on preference shares from related parties		**-**	-
Other receivables	18.1	**3,798,788**	3,981,219
		3,798,788	3,981,219
Provision against doubtful receivables		**-**	-
		3,798,788	3,981,219

18.1 Included herein is a sum of Rs. 3,663,258 (December 31, 2012: Rs. 3,423,791) receivable from related parties.

	Note	December 31, 2013	December 31, 2012
		(Rupees)	

19. CASH AND BANK BALANCES

	Note	December 31, 2013	December 31, 2012
Cash with banks:			
- Current accounts		**3,092,477**	3,859,759
- Profit and loss / deposit accounts	19.1	**830,795,323**	613,061,184
- Foreign currency deposit accounts	19.2	**5,244,887**	4,857,087
		839,132,687	621,778,030
Cash in hand		**79,000**	74,970
		839,211,687	621,853,000

19.1 Profit and loss / deposit accounts carry profit ranging from 5% to 10% per annum (December 31, 2012: 5% to 11.50% per annum).

19.2 Foreign currency deposit accounts carry profit ranging from 0.10% to 1% per annum (December 31, 2012: 0.10% to 1% per annum).

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	

20. OPERATING REVENUE

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
Brokerage and operating revenue	**247,777,036**	285,520,677
Advisory and consultancy fee	**9,075,711**	24,172,562
	256,852,747	309,693,239

21. CAPITAL GAIN ON SALE OF INVESTMENTS

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
Gain on sale of investment in open ended Mutual Funds	**9,839,170**	59,856,715
Gain on sale of Ordinary Shares	**16,876,720**	31,436,708
Gain on sale of Term Finance Certificates	**13,296,103**	18,652,661
(Loss) / gain on sale of Government Securities	**(22,017,566)**	26,700,550
	17,994,427	136,646,634

	Note	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
		(Rupees)	

22. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
Salaries and benefits	22.1	**139,786,772**	236,480,673
Contribution to provident fund	22.2	**4,233,928**	6,025,839
Fee for directors / committee meetings	27	**2,000,000**	4,050,000
Printing and stationery		**3,222,897**	2,736,048
Telephone, fax, telegram and postage		**7,397,702**	10,739,140
Depreciation expense	8.1	**8,106,289**	11,636,792
Amortisation of intangible assets	9.2	**108,336**	108,337
Rent, rates and taxes		**35,497,353**	50,506,446
Vehicle running expenses		**4,382,459**	10,338,297
Electricity, gas etc.		**3,927,155**	5,362,209
Legal and professional charges		**6,011,784**	7,533,911
Insurance		**7,233,701**	9,626,072
Newspaper and periodicals		**549,330**	291,794
Entertainment		**1,172,897**	1,372,568
Advertisement and business promotion		**9,154,521**	3,584,678
Office supplies		**1,807,815**	2,228,168
Auditors' remuneration	22.3	**786,400**	1,062,400
Fees and subscription		**10,214,358**	14,843,260
Conveyance and traveling		**8,919,213**	13,784,989
Repairs and maintenance		**7,281,176**	10,709,618
Computer expenses		**6,774,454**	13,267,987
KSE Clearing House and CDC Charges		**14,212,959**	13,597,217
Royalty	22.4	**10,000,000**	15,000,000
Contract and Consultancy Charges		**2,683,418**	-
Brokerage Expenses		**939,122**	1,116,594
		296,404,039	446,003,037

	December 31, 2013	December 31, 2012
	(Rupees)	
22.1 Number of employees at the end of the year	**143**	142
Average number of employees during the year	**144**	140

22.2 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The un-audited information related to the provident fund as at June 30, 2013 (which is accounting year of the fund) is as follows:

	June 30, 2013	June 30, 2012
Number of employees	**92**	83
Size of provident fund (Rupees)	**22,827,427**	20,500,872
Cost of investments made (Rupees)	**20,785,777**	19,144,716
Percentage of investments made	**91%**	93%
Fair value of investment (Rupees)	**22,641,656**	20,306,376
Break-up of investments - at cost:		
- Balance in National Savings Scheme		
Amount of investment (Rupees)	**2,018,250**	6,136,923
Percentage of size of investment	**10%**	32%
- Balance in Listed Securities		
Amount of investment (Rupees)	**9,020,461**	7,951,774
Percentage of size of investment	**43%**	42%
- Balance in Government Securities		
Amount of investment (Rupees)	**-**	2,497,223
Percentage of size of investment	**0%**	13%
- Balance in scheduled banks		
Amount of investment (Rupees)	**9,747,066**	2,558,796
Percentage of size of investment	**47%**	13%

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	
22.3 Auditors' remuneration		
Audit fee	**450,000**	450,000
Certification including half year review	**294,000**	570,000
Out of pocket expenses	**42,400**	42,400
	786,400	1,062,400

22.4 This represents the royalty payable to Mr. Jahangir Siddiqui on account of use of part "JS" as a part of Company's name under an agreement dated February 07, 2007 whereby the company agreed to pay Rs. 10 million per annum effective from June 1, 2008.

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	

23. OTHER INCOME

Income from financial assets:		
Profit on Term Finance Certificates, Treasury Bills, Pakistan Investment Bonds and National Savings Bonds	97,872,485	237,466,776
Dividend income	25,525,142	12,074,597
Mark-up on Pre - IPO investments and management fee	14,662	28,886
Profit on term deposit receipts	-	2,356,849
Return on cash margin on future contracts	3,094,336	914,614
Exchange gain on foreign currency deposit accounts	245,076	834,008
Late payment charges	10,446,942	14,139,110
Profit on profit and loss / deposit accounts	52,947,036	63,401,018
Gain on remeasurement of future equity derivatives	3,704,454	-
Income under margin financing	17,245,650	-
Mark-up on PPTFCs	35,811,796	-
	246,907,579	331,215,858
Income from non-financial assets:		
Gain on sale of property and equipment	6,611,827	5,677,517
Other income	1,834,438	5,433,237
	8,446,265	11,110,754
	255,353,844	342,326,612

24. FINANCE COST

Mark-up on running finance	-	108,918
Mark-up on repurchase transactions	14,038,518	18,857,586
Bank and other charges	440,307	4,838,695
	14,478,825	23,805,199

25. TAXATION

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

For the tax year 2009, the ITRA No. 07/2013 filed by the Commissioner Inland Revenue against the order passed by the Learned Appellate Tribunal Inland Revenue in ITA No. 923/KB/2011 dated August 28, 2011 relating to apportionment of expenses, allowability of expenses and claiming of tax deducted at source is pending for hearing before the Honorable High Court of Sindh at Karachi. The case was fixed for hearing on May 06, 2013 then on November 20, 2013. On both dates, the case was discharged for want of time. Next hearing date is fixed on January 28, 2014.

		Note	**Twelve months ended December 31, 2013**	Eighteen months ended December 31, 2012
			(Rupees)	
25.2	**Reconciliation of tax charge for the year / period**			
	Profit before taxation		**210,276,321**	378,961,351
	Tax at the applicable tax rate of 34% (December 31, 2012: 35%)	25.2.1	**71,493,949**	132,636,473
	Tax effect of income tax at lower rate and final tax regime		**(7,931,464)**	(16,359,186)
	Tax effect of amount relating to prior year		**1,449,754**	(11,224,375)
	Tax charge on permanent differences		**(86,038)**	(1,287,097)
	Deferred tax recognized at higher rate		**(4,112,365)**	(15,507,912)
	Others		**(733,631)**	377,977
			60,080,205	88,635,880

25.2.1 During the current year, Federal Government has reduced income tax rate for non-banking companies from 35% to 34%. This amendment was introduced through Finance Act, 2013.

26. EARNINGS PER SHARE - basic and diluted

		Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
		(Rupees)	
Profit after taxation	Rupees	**150,196,116**	290,325,471
Weighted average number of shares	Number of shares	**50,000,000**	50,000,000
Earnings per share -basic and diluted	Rupees	**3.00**	5.81

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012	**Twelve months ended December 31, 2013**	Eighteen months ended December 31, 2012	**Twelve months ended December 31, 2013**	Eighteen months ended December 31, 2012
	(Rupees)					
Managerial remuneration	**6,800,000**	9,000,000	-	-	**24,411,550**	54,020,108
House rent allowance	**2,720,000**	3,600,000	-	-	**9,764,620**	21,608,043
Utilities allowance	**680,000**	900,000	-	-	**2,441,155**	5,402,011
Staff retirement benefits	**680,000**	900,000	-	-	**2,246,402**	3,115,442
Medical	**82,888**	119,506	-	-	**345,841**	275,341
Bonus	-	3,000,000	-	-	**2,495,000**	2,500,000
Fees for attending meetings	-	-	**2,000,000**	4,050,000	-	-
	10,962,888	17,519,506	**2,000,000**	4,050,000	**41,704,568**	86,920,945
Number of persons	**1**	1	**5**	7	**24**	27

27.1 The Company provides the Chief Executive and certain Executives with the Company maintained cars as per their terms of employment.

28. RELATED PARTY TRANSACTIONS

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 period end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	December 31, 2013		December 31, 2012	
	Key management personnel	**Associated entities other than parent company**	Key management personnel	Associated entities other than parent company
	(Rupees)			
Trade debts				
Opening balance	**818**	**13,626,534**	-	2,000,523
Paid during the period	**8,478,823**	**7,026,109,059**	818	13,626,534
Received during the period	**(8,406,330)**	**(7,039,184,101)**	-	(2,000,523)
Closing balance	**73,311**	**551,492**	818	13,626,534

Aging of trade debts from Key Management Personnel:

	December 31, 2013		
	Gross	Impairment	Net
	(Rupees)		
Past due 1-30 days	-	-	-
Past due 31 days -180 days	72,367	-	72,367
Past due 181 days -1 year	360	-	360
More than one year	584	-	584
Total	73,311	-	73,311

Aging of trade debts from Associated entities other than parent company:

	December 31, 2013		
	Gross	Impairment	Net
	(Rupees)		
Past due 1-30 days	188,346	-	188,346
Past due 31 days -180 days	48,822	-	48,822
Past due 181 days -1 year	280,813	-	280,813
More than one year	33,511	-	33,511
Total	551,492	-	551,492

	December 31, 2013		December 31, 2012	
	Key management personnel	Associated entities other than parent company	Key management personnel	Associated entities other than parent company
	(Rupees)			
Trade payable				
Opening balance	578,156	831,322	3,557,783	12,657,212
Invoiced during the year/period	3,822	7,442,273,588	578,156	831,322
Paid during the year/period	(526,198)	(7,425,466,843)	(3,557,783)	(12,657,212)
Closing balance	55,780	17,638,067	578,156	831,322

	December 31, 2013	December 31, 2012
	(Rupees)	
Balances with parent company		
Trade debts	386,688	756,949
Repurchase borrowing	-	200,000,000
Bank deposits	815,141,617	608,993,898

	Twelve months ended December 31, 2013	Eighteen months ended December 31, 2012
	(Rupees)	
Transactions with associated entities		
Nature of transactions		
Sale of units of JS Cash Fund	**50,000,000**	25,000,000
Rent received from related Parties	**-**	689,824
Director's remuneration	**2,000,000**	4,050,000
Purchase of units of JS Cash Fund	**-**	75,000,000
Purchase of units of JS Income Fund	**-**	275,000,000
Royalty Expenses	**10,000,000**	15,000,000
Brokerage - Others	**8,638,536**	13,357,966
Contributions to staff provident fund	**4,233,928**	6,025,839
Payment on account of expenses to associated companies	**38,532,138**	55,282,544
Dividend income on preference shares	**-**	6,949,320
Capital gain on sale of units of - JS Cash Fund	**572,902**	215,945
Transactions with Parent Company		
Nature of transactions		
Purchase of term finance certificates - net	**42,640,225**	-
Sale of term finance certificates - net	**-**	263,050,604
Purchase of treasury bills - net	**388,390,641**	-
Sale of treasury bills - net	**-**	1,677,843,653
Sale of Pakistan Investment Bonds - net	**426,533,450**	11,904,249
Brokerage income	**7,506,287**	8,363,169
Payment for rent and utilities	**1,027,716**	1,843,905
Rent received	**-**	846,253
Bank guarantee charges and bank charges	**306,027**	4,595,053
Profit on term deposit receipt	**-**	2,356,849
Profit on PLS account	**49,848,657**	60,661,489
Exchange gain on foreign currency deposit accounts	**216,990**	549,205

29. OPERATING SEGMENTS

	December 31, 2013			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	251,341,627	312,333,051	6,089,974	569,764,652
Administrative and operating expenses	(162,558,916)	(21,039,881)	(104,590,616)	(288,189,413)
Depreciation	(3,470,650)	(512,866)	(4,122,773)	(8,106,289)
Amortisation of intangible assets	-	-	(108,336)	(108,336)
Impairment of investment in PPTFCs	-	(43,015,035)	-	(43,015,035)
Provision of doubtful debts	-	(1,299,078)	-	(1,299,078)
Finance cost	-	(14,478,826)	-	(14,478,826)
	85,312,061	231,987,365	(102,731,751)	214,567,675
Provision for Workers' Welfare Fund				(4,291,354)
Taxation				(60,080,205)
Profit after tax				150,196,116
Segment assets	359,788,016	2,553,894,814	10,403,462	2,924,086,292
Segment liabilities	250,825,335	125,462,699	11,943,764	388,231,798
Capital expenditure	5,710,313	2,223,457	5,635,885	13,569,655
Non cash items other than depreciation and amortisation				
- Gain on remeasurement of investments	-	39,563,634	-	39,563,634
- Gain on remeasurement of future equity derivatives	-	3,704,454	-	3,704,454
- Impairment of investment in PPTFCs	-	(43,015,035)	-	(43,015,035)
- Provision of doubtful debts	-	(1,299,078)	-	(1,299,078)

There were no major customer of the Company which formed part of 10 percent or more of the Company's revenue. All non-current assets of the Company as at December 31, 2013 and December 31, 2012 are located and operating in Pakistan.

	December 31, 2012			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	286,699,850	545,290,060	18,932,215	850,922,125
Administrative and operating expenses	(223,466,151)	(45,990,501)	(164,801,255)	(434,257,907)
Depreciation	(6,297,802)	(292,698)	(5,046,293)	(11,636,792)
Amortization of intangible assets	-	-	(108,337)	(108,337)
Impairment of investment in preference shares	-	(20,000,000)	-	(20,000,000)
Reversal of doubtful debts	3,703,039	-	21,723,650	25,426,689
Finance Cost	-	(23,805,199)	-	(23,805,199)
	60,638,936	455,201,662	(129,300,020)	386,540,578
Provision for Workers' Welfare Fund				(7,579,227)
Taxation				(88,635,880)
Profit after tax				290,325,471
Segment assets	594,483,937	2,970,610,575	7,282,141	3,572,376,653
Segment liabilities	332,155,811	523,678,501	5,883,963	861,718,275
Capital expenditure	9,003,132	650,000	2,789,690	12,442,822
Non cash items other than depreciation and amortisation				
- Gain on remeasurement of investments	-	62,031,646	-	62,031,646
- Impairment of investment in preference shares	-	(20,000,000)	-	(20,000,000)
- Reversal for doubtful debts	3,703,039	-	21,723,650	25,426,689

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

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

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

30.1 Credit risk

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

Exposure to credit risk

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

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. Except for provision made against the trade debts amounting to Rs. 397,673,393 (Refer note 14 to the financial statements), impairment against investment in Privately Placed Term Finance Certificates amounting to Rs. 326,456,184 (Refer note 13 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:

	December 31, 2013	December 31, 2012
	(Rupees)	
Long term loans, advances and deposits	**9,133,551**	16,720,094
Short term investments	**1,205,003,717**	1,135,580,311
Trade debts - unsecured	**303,759,059**	564,756,095
Loans and advances	**11,113,642**	10,980,944
Short Term Deposits	**41,075,446**	1,113,270
Interest and mark-up accrued	**4,465,302**	14,569,109
Other receivables	**3,798,788**	3,981,219
Cash and bank balances	**839,132,687**	621,778,030
	2,417,482,193	2,369,479,072

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

Local clients	**700,754,047**	954,877,626
Foreign clients	**678,405**	6,252,784
	701,432,452	961,130,410

	December 31, 2013			December 31, 2012		
	Gross	**Impairment**	**Net**	Gross	Impairment	Net
			(Rupees)			
Past due 1-30 days	**136,933,522**	**-**	**136,933,522**	430,591,548	-	430,591,548
Past due 31 days -180 days	**85,044,912**	**-**	**85,044,912**	62,065,347	-	62,065,347
Past due 181 days -1 year	**11,410,990**	**-**	**11,410,990**	33,850,632	-	33,850,632
More than one year	**468,043,028**	**397,673,393**	**70,369,635**	434,622,883	396,374,315	38,248,568
Total	**701,432,452**	**397,673,393**	**303,759,059**	961,130,410	396,374,315	564,756,095

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.

30.1.2 Bank balances

The analysis below summarizes the credit quality of the Company's bank balance:

	December 31, 2013	December 31, 2012
	(Rupees)	
AA +	**359,580**	10,187,298
AA -	**1,453,836**	564,782
AA	**912,599**	1,341,079
A	**-**	-
AAA	**21,209,075**	637,542
A+	**815,141,617**	608,993,900
BBB+	**55,980**	53,429
	839,132,687	621,778,030

30.1.3 Investment in debt securities

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

Term Finance Certificates Credit rating	December 31, 2013	
	(Rupees)	**Percentage**
A+	**47,633,586**	**29.23%**
A	**45,082,065**	**27.67%**
AA	**42,057,209**	**25.81%**
AA-	**18,168,905**	**11.15%**
AA+	**10,001,768**	**6.14%**
	162,943,533	**100.00%**

Term Finance Certificates Credit rating	December 31, 2012	
	(Rupees)	Percentage
A (SO)	20,000,000	21.55%
A	6,725,003	7.25%
A+	3,980,332	4.29%
AA	17,057,148	18.38%
AA-	39,086,240	42.12%
AA+	5,957,250	6.42%
	92,805,973	100.00%
Engro Rupiya Ceritificates Cerdit Rating		
A+	39,143,243	100.00%
	39,143,243	100.00%
Unlisted Term Finance Certificates		
TPL Trakker Limited (Formerly Trakker (Private) Limited) - unrated	20,000,000	31.74%
Azgard Nine Limited (PPTFCs) - unrated	43,015,035	68.26%
	63,015,035	100.00%

30.1.4 Investment in units of Mutual Funds

The Company has investments in units of Mutual Funds have rating ranging from AAA to A+ at reporting date.

30.1.5 Impairment losses

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

	December 31, 2013	December 31, 2012
	(Rupees)	
Trade debtors - Equity transactions	**1,299,078**	(3,703,039)
Trade debtors - Advisory receivables	**-**	(21,723,650)
Investment in Privately Placed Term Finance Certificates	**43,015,035**	20,000,000

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

30.1.6 Concentration of credit risk

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

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

	December 31, 2013		December 31, 2012	
	(Rupees)	**Percentage**	(Rupees)	Percentage
Services (Including Insurance)	**159,405,861**	**22.73%**	318,923,257	33.18%
Manufacturing	**1,210,409**	**0.17%**	609,834	0.00%
Banking and financial institutions	**16,209,426**	**2.31%**	48,070,709	5.00%
Individuals	**524,606,756**	**74.79%**	593,526,610	61.75%
	701,432,452	**100.00%**	961,130,409	100.00%

30.2 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:

	December 31, 2013					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees)					
Financial liabilities						
Creditors, accrued expenses and other liabilities	323,427,536	323,427,536	323,427,536	-	-	-
	323,427,536	323,427,536	323,427,536	-	-	-

	December 31, 2012					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees)					
Financial liabilities						
Creditors, accrued expenses and other liabilities	337,642,524	337,642,524	337,642,524	-	-	-
Borrowings	431,187,500	431,584,750	431,584,750	-	-	-
	768,830,024	769,227,274	769,227,274	-	-	-

On the balance sheet date, the Company has cash and bank balances of Rs. 839.211 million (December 31, 2012: Rs. 621.85 million) as mentioned in note 19 and unutilised credit lines of Nil (December 31, 2012: Rs. 400 million) representing bank guarantee in favour of Karachi Stock Exchange.

30.3 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 foreign exchange risk exposure is restricted to bank balances in foreign currency. As such the Company does not regularly deal in foreign currency transactions except for maintenance of foreign currency bank accounts which currently are denominated in US Dollars. The management believes that the Company's exposure emanating from any fluctuations in the foreign currencies does not require to be hedged.

Financial assets and liabilities exposed to foreign exchange rate risk amounts to Rs. 5.24 million equivalent to USD 49,856 (December 31, 2012 : Rs. 4.86 million equivalent to USD 50,234) at the year end.

	Balance sheet date rate	
	December 31, 2013	December 31, 2012
Pak rupees / US Dollar	105.2	96.69

Sensitivity analysis

A 10% strengthening / weakening of the Rupee against US Dollar at December 31, 2013 would have increased / (decrease) the profits of the Company as follows:

	Impact on profit or loss before tax	
	December 31, 2013	December 31, 2012
	(Rupees)	
Strengthening of Rupees by 10%	**(524,489)**	(485,713)
Weakening of Rupees by 10%	**524,489**	485,713

Interest rate risk

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

The Company manages fair value risk by investing primarily in variable rate term finance certificates, preferably with no cap and floor which insulates the Company from fair value interest rate risk, as coupon rates correspond with current market interest rate. Company also invests in fixed rated Government securities such as treasury bills and Pakistan investment bonds.

As at December 31, 2013, investments in term finance certificates exposed to interest rate risk are detailed in note 13.3 to the financial statements. Cash and cash equivalents are not subject to cash flow and fair value interest rate risk. At the reporting date, the interest rate profile of Company's interest-bearing financial instruments is as follows:

	Carrying amount	
	December 31, 2013	December 31, 2012
	(Rupees)	
Fixed rate investments (Note 13.3 & 13.4)	**281,726,591**	1,049,492,754
Variable rate investments (Note 13.3)	**129,600,194**	67,646,547

Cash flow sensitivity analysis for variable rate instruments

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

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

	Impact on profit or loss before tax	
	100 bp increase	**100 bp decrease**
	(Rupees)	
As at December 31, 2013		
Cash flow sensitivity - variable rate instruments	**1,296,002**	**(1,296,002)**
As at December 31, 2012		
Cash flow sensitivity - variable rate instruments	676,465	(676,465)

Other price risk

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

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

Fair value sensitivity analysis for fixed rate instruments

The Company accounts for the following fixed rate financial assets and liabilities at fair value through profit and loss. A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) the profit before tax for the year as follows. This analysis assumes that all other variables remain constant.

	Impact on profit or loss before tax	
	100 bp increase	100 bp decrease
	(Rupees)	
As at December 31, 2013		
Treasury Bills	**(2,483,833)**	**2,483,833**
Pakistan Investment Bonds	**-**	**-**
Term Finance Certificates	**(333,433)**	**333,433**
	(2,817,266)	**2,817,266**
As at December 31, 2012		
Treasury Bills	(3,230,000)	3,268,500
Pakistan Investment Bonds	(4,378,200)	4,502,200
Term Finance Certificates	250,290	(250,290)
	(7,357,910)	7,520,410

The Company is exposed to other price risk on investments in externally managed funds and listed shares. 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.

The 10 % increase / (decrease) in market value of these instruments with all other variable held constant impact on profit and loss account of the Company is as follows:

	Impact on profit or loss before tax	
	10% increase	10% decrease
	(Rupees)	
As at December 31, 2013		
Quoted equity securities	**39,125,824**	**(39,125,824)**
Units of mutual funds	**65,080,195**	**(65,080,195)**
	104,206,019	**(104,206,019)**
As at December 31, 2012		
Quoted equity securities	-	-
Units of mutual funds	9,406,161	(9,406,161)
	9,406,161	(9,406,161)

30.4 Operational risk

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

The 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;

- risk mitigation, including insurance where this is effective.

30.5 Fair value of financial instruments

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 insturments 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:

Financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
Listed Securities and Unit of funds	1,171,660,378	-	-	1,171,660,378
Government securities and unlisted term finance certificates	-	281,726,591	-	281,726,591
	1,171,660,378	281,726,591	-	1,453,386,969

Available for sale

Debt securities	-	-	-	-

30.6 Capital management

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

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

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

31 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of NIL (December 31, 2012 : 30%) amounting to Rs. NIL (December 31, 2012: Rs. 150 million) and bonus of NIL (December 31, 2012: Nil) in their meeting held on January 29, 2014. This appropriation will be approved in the forthcoming Annual General Meeting.

32. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors' meeting held on January 29, 2014.

Basir Shamsie
Chairman / Director

Muhammad Kamran Nasir
Chief Executive

PATTERN OF SHAREHOLDING

As at December 31, 2013

No. of shareholders	Share Holding From	Share Holding To	Total Shares Held
566	1	100	6,570
294	101	500	86,392
135	501	1000	112,936
237	1001	5000	492,469
33	5001	10000	254,718
15	10001	15000	192,607
6	15001	20000	104,624
7	20001	25000	159,044
5	25001	30000	141,369
2	30001	35000	61,690
1	35001	40000	40,000
1	45001	50000	45,256
1	65001	70000	65,500
1	130001	135000	134,000
1	200001	205000	202,501
1	295001	300000	300,000
1	340001	345000	340,323
1	21730001	21735000	21,734,832
1	25525001	25530000	25,525,169
1309			50,000,000

S.No.	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	Individuals	1281	2,117,700	4.24%
2	Investment Companies	25	22,013,589	44.03%
3	Banks	1	25,525,169	51.05%
4	Insurance Companies	2	343,542	0.69%
5	Joint Stock Companies	0	-	0.00%
6	Mudarabas and Mutual Funds	0	-	0.00%
7	Foreign Investor	0	-	0.00%
8	Other(s)	0	-	0.00%
		1309	50,000,000	100.00%

* Includes 998 CDC Beneficial Owner as per list appear on CDS.

PATTERN OF SHAREHOLDING

As at December 31, 2013

Disclosure to Pattern of Shareholding

S. No.	Description	Shareholders	Shares held
1	**Associated Companies, Undertakings and Related Parties**		
	JS Bank Limited.	1	25,525,169
	Global Investment House K.S.C.C	1	21,734,832
	Jahangir Siddiqui Securities Services Limited	1	202,501
		3	47,462,502
2	**NIT and ICP**	Nil	Nil
3	**List of Directors, CEO and their spouses and minor children**		
	Mr. Basir Shamsie	1	1
	Mr. Fouad Fahmi Darwish	1	4
	Mr. Khurshid Hadi	1	1
	Mr. Farid Arshad Masood	1	1
	Mr. Ammar Talib Hajeyah	1	4
	Mr. Abdul Hamid Mihrez	1	4
	Mr. Muhammad Yousuf Amanullah	1	1
	Mr. Muhammad Kamran Nasir	1	1
		8	17
4	**List of Executives**	Nil	Nil
5	**Public Sector Companies and Corporations**	Nil	Nil
6	**Banks Development Financial Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds**	2	343,542
7	**Joint Stock Companies & Others**	23	76,256
8	**Individuals**	1,273	2,117,683
	Total	1,309	50,000,000

PATTERN OF SHAREHOLDING

As at December 31, 2013

Detail of Share Holding 10% or more

1	JS Bank Limited	25,525,169
2	Global Investment House K.S.C.C	21,734,832
		47,260,001

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their spouses and minor children during the period from January 01, 2013 to December 31, 2013

S.No.	Name	Designation	Shares Bought	Shares Sold
1	Mr. Basir Shamsie	Chairman	-	-
2	Mr. Shahid Hameed*	Vice Chairman	-	-
3	Mr. Fouad Fahmi Darwish*	Vice Chairman		
4	Mr. Muhammad Kamran Nasir	Chief Executive Officer	-	-
5	Mr. Aslam Khaliq**	Director	-	-
6	Mr. Farid Arshad Masood**	Director		
7	Mr. Naief Abdullatif S.A. Mohammad***	Director	-	-
8	Mr. Ammar Talib Hajeyah***	Director		
9	Mr. Kashif Shafi Khan*****	Director	-	-
10	Mr. Abdul Hamid Mihrez****	Director	-	-
11	Mr. Muhammad Yousuf Amanullah	Director	-	-
12	Mr. Khurshid Hadi	Director	-	-
13	Mr. S.M.Tariq Nabeel Jafri******	CFO & Company Secretary	-	-
14	Mr. Mohammad Imtiaz A. Aziz*****	CFO		
15	Mr. Muhammad Umair Arif*****	Company Secretary		
16	Minor Family members / spouse		-	-

* Mr. Shahid Hameed resigned as Vice Chairman w.e.f September 20, 2013 and Mr. Fouad Fahmi Darwish was appointed in his place as the new Vice Chairman

** Mr. Aslam Khaliq resigned as Director w.e.f July 22, 2013 and Mr.Farid Arshad Masood was appointed in his place as the new Director on October 02, 2013

*** Mr. Naief Abdul Latif S.A. Mohammad resigned as Director w.e.f September 20, 2013 and Mr. Ammar Talib Hajeyah was appointed in his place as the new Director

**** Mr. Kashif Shafi Khan resigned as Director w.e.f January 23, 2013 and Mr. Abdul Hamid Mihrez was appointed in his place as the new Director

***** S.M.Tariq Nabeel Jafri resigned as CFO & Company Secretary w.e.f January 1, 2014 and Mr. Mohammad Imtiaz A. Aziz and Mr. Muhammad Umair Airf were appointed as new CFO and Company Secretary respectively on January 01, 2014.

Multi Exchange **Platform**

- First brokerage firm in Pakistan to launch Multi-Exchange platform.
- Ability to view and transact in KSE and PMEX from a single trading terminal.
- Real time level 1 and level 2 feed, real-time corporate announcements and investor profit/loss analysis available.
- Investment and margin trading features available in both exchanges.
- Available to trade through application software, browser based terminal and smartphone applications.

Research Portal

- Helps you analyze stocks with detailed fundamental analysis reports and extensive technical analysis tools.
- Timely and informed decisions are the key to long-term success in capital markets.
- Ideal tool for corporate and retail investors.
- More than 62 search criterias, e.g. Dividend Yield, EPS Growth and ROE, available to help you select potential investment opportunities.
- Historical and projected company financials available for 32 symbols under the JS Research universe.
- Historical company financial data available for more than 600 listed symbols.

FORM OF PROXY

13th Annual General Meeting

The Company Secretary
JS Global Capital Limited
6th Floor, Faysal House, Shahrah-e- Faisal,
Karachi-75530

I/We ---of---------------------------------------
being member of JS Global Capital Limited holding --ordinary shares as per Registered
Folio No. / CDC A/c. No. (for members who have shares in CDS) ---hereby appoint
Mr. / Mrs. / Miss ---of (full address)---
------------------------------------ or failing him/her Mr. / Mrs. / Miss --- of
(full address)--
being member of the Company, as my / our proxy in my absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **March 27, 2014** and / or any Adjournment thereof.
As witness my / our hand / seal this -- day of 2014.

Signed by ---

In the presence of ---

Witness:

1. Name______________________________
   Signature______________________________
   Address______________________________
   ____
   CNIC or______________________________
   Passport No.______________________________

Signature on
Rs.5/-
Revenue Stamp

2. Name______________________________
   Signature______________________________
   Address______________________________
   ____
   CNIC or______________________________
   Passport No.______________________________

The Signature should agree with the specimen registered with Company.

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 Registered Office of the Company situated at 6th Floor, Faysal House, Shahrah-e-Faisal, Karachi-75530, not less than 48 hours before the time of holding the 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 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. Beneficial Owner of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and /or their proxies are required to produce their original Computerised National Identity Card (CNIC) or Passport for identity purpose at the time of attending the meeting. The form of Proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, 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.

Please affix
correct
postage

The Company Secretary
JS Global Capital Limited
6th Floor, Faysal House,
Shahrah-e- Faisal,
Karachi-75530

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