JS Global

Annual Report 2014

JS Global

JS Global Capital Limited

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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

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

Chief Financial Officer

Mr. Mohammad Imtiaz A. Aziz

Company Secretary

Mr. Muhammad Umair Arif

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
Faysal Bank Limited
Apna Microfinance Bank Limited

Legal Advisor

Bawaney & Partners
3rd & 4th Floors, 68-C, Lane -13
Bokhari Commercial Area
Phase – VI, DHA, Karachi

Share Registrar

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

Registered Office

6th Floor, Faysal House
Main Shahra – e – Faisal , Karachi
Telephone: 92-21-111-574-111
Fax: 92-21- 32800167
www.jsgcl.com
www.jsglobalonline.com

Profile of Board of Directors

Basir Shamsie
Chairman

Mr. Basir Shamsie joined JS in 1994 and presently oversees the Treasury, Investment Banking & Financial Institutions Group of JS Bank. Mr. Shamsie is a debt markets specialist and has closed over 60 debt capital market transactions, many of which have been landmark for Pakistan, such as the first commercial paper, first floating rate instrument, first perpetual bond, first bank subordinated debt, first 10-year corporate bond, and the first local sukuk bond. Before joining JS, he worked in the Finance function at Upjohn Pakistan.

Mr. Shamsie received his Bachelors in Business Administration with a major in Accounting from the University of Texas at Austin. He is also a graduate of Program of Leadership Development from Harvard Business School.

At JS Bank in addition to his Group Head function he is responsible to head various committees and new business initiatives. He has served on the founding Board of Directors of JS Bank for 5 years till 2012, post which he serves as Chairman of the Board of JS Global Capital Limited.

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 is also heading Research department of Global since June 2014.

Fouad leads and works with a management team across the primary MENA market; 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 accessing Global's competitive position and monitoring the group's 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 distributions and DMA network in addition to amalgamating the trading platforms offering clients the convenience of multi-market, multi-currency trading capabilities. Fouad has been focused 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 practice in compliance and risk management in addition to bringing all policies and procedures up to date 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 FinaCorp Tunisia.

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 Financials Services (Toronto) and 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, 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 capital markets including regulations and introduction of new products.

Khurshid Hadi

Director

Mr. Khurshid Hadi's schooling was in UK and later he graduated from the Institute of Chartered Accountants in England and Wales. Subsequently, he was admitted as a Fellow Member 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 firm in the world. Until 1977, Mr. Hadi was the Senior Operating Partner in Pakistan then he moved to Dubai to assume the responsibility of managing the joint practice of Peat Marwick Taseer 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 as a Director in JS Global Capital Limited in 2012. He joined JS Group in 2003 and is presently the Chief Financial Officer 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 over 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 USD 400 million private equity platform, a USD 250 million SME platform and a USD 300 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 USD 5 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 M. Mihrez

Director

Mr. Abdul Hamid Mihrez has over 13 years of experience in asset management, investment banking, and capital markets. He is currently a Senior Vice President in Global, where he is responsible for the value enhancement and wind down of a USD 600 million MENA portfolio of legacy and difficult assets. The portfolio's underlying positions represent different asset classes such as common shares, Limited Partnerships, Mutual Funds, Hedge Funds, etc. The wind down process follows a comprehensive realization program prepared by the team and approved by the client. Global's mandate is to ensure an orderly disposition of assets, realize value and accumulate cash proceeds for eventual distribution to the client.

During his career, he has led or co-led a number of investment banking transactions worth USD 700 million covering valuations, financial advisory, mergers and acquisitions, capital raising, bond insurance, financial restructuring and listing assignments.

He is a CFA Charter holder and holds an 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 First Jordan Investment Company (Jordan), Jordan Trade Facilities (Jordan), Al Manara Insurance Company (Jordan), National Company for Consumer Industries (Kuwait), Mazaya Holding Company (Kuwait), Gulf Franchising Holding Company (Kuwait), and Arzan Investment and Finance Group (Kuwait).

Ammar Talib Hajeyah

Director

Mr. Ammar Talib Hajeyah has over 13 years of experience in Asset Management and Banking. He is currently Vice President of GCC Asset management in Global 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).

Besides JS Global, Ammar is a member of the Board of Director of Arzan Financial Group for Financing & investment (K.P.S.C) – Kuwait, Global 10 Large cap Index Fund - Kuwait, Al Durra Islamic Fund – Kuwait, Global Al Mamoun Fund – Kuwait and Global KD Money Market Fund – Kuwait. In addition, he is also the Chairman of First Securities Brokerage Company -Kuwait and Safi Holding Company -Kuwait.

Muhammad Kamran Nasir

CEO

Mr. Muhammad Kamran Nasir joined JS Group in 2010 and since 2011, he is leading JS Global Captial Limited as its Chief Executive Officer.

Mr. Nasir is a Fellow Chartered Certified Accountant who brings with him rich experience of Investment Banking and handling complex financial matters. He has worked with a leading Investment Bank as its Investment Banking Head. His Investment Banking experience range 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 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. Fouad Fahmi Darwish	Member
Mr. Muhammad Yousuf Amanullah	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

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), oversee an evaluation of the performance of the Company's Senior Executive Officers and approve the annual compensation, including salary, bonus, incentive and equity compensation, for the Executive Officers 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 Executive Committee. The Board of Directors has adopted a Statement of Investment & Operational Policies (SIOPs or the Statement) which provides overall Risk Management guidelines for the Company. The Statement also provides authority limits for the Board, the Executive Committee and the CEO.

Corporate Social Responsibility

JS Global is deeply committed to Corporate Social Responsibility and it contributes both financial and human resources towards supporting the Mahvash & Jahangir Siddiqui Foundation (MJSF).

Mr. Jahangir Siddiqui and his wife Mrs. Mahvash Siddiqui, a former college professor, established MJSF in 2003. The foundation is a non-profit, non-partisan charity that focuses on education, healthcare, sustainable development through social enterprise and humanitarian/disaster relief. The foundation is registered with Pakistan Centre of Philanthropy and Pakistan Red Crescent Society. MJSF is audited annually by KPMG Taseer Hadi & Co., a member firm of KPMG (Worldwide/LLP).

In achieving its mission, the foundation has also partnered with leading international NGOs including various United Nations agencies including World Food Program, UNOCHA and UN Habitat for Humanity, Oxfam International, Walkabout Foundation, International Organization for Migration and various international and local universities and foundations for education, disability and healthcare.

Education

MJSF's educational programs focus on:

- Higher education
- Mainstream education including schools for children with special needs
- Vocational training
- Specialized programs

MJSF has provided grants to leading educational institutions of Pakistan, including Lahore University of Management, Karachi School for Business and Leadership and Institute of Business Administration in Karachi. The foundation also offers subsidized and full scholarships for children through JS Academy for the Deaf, Fakhr-e-Imdad Foundation schools and various other schools in both rural and urban areas.

In addition, MJSF provides funding for a broad range of education institutions such as IBA Sukkur and Progressive Education Network in Lahore. Furthermore, MJSF has also established a vocational training center, Karigar Training Institute in Karachi and hopes to replicate the model nationwide.

Many students have also benefitted from the Qarz-e-Hasana scheme of the foundation to pursue higher education in national and international universities. The foundation also provides individual support to less privileged individuals for access to a better education.

In 2014, a notable major grant project of PKR 200 Million was completed at the Institute of Business Administration, City Campus Karachi to build a state-of-the-art auditorium.

Healthcare

MJSF has a deep commitment to public health and supports the existing hospitals and medical facilities by:

- Upgrading and adding specialist wards
- Developing healthcare facilities in rural areas
- Providing mobile health care in difficult to access areas
- Running eye camps in rural areas
- Running medical camps in rural areas
- Distribution of specialized wheelchairs in partnership with Walkabout Foundation

MJSF is linked with numerous projects and organizations in the health care sector including Sindh Institute of Urology and Transplantation, Karachi National Hospital, National Institute of Cardiovascular Diseases, National Institute of Child Health and other notable institutions.

Social Enterprises and Sustainable Development (SESD)

The SESD program funds projects that are economically productive and sustainable which remove or reduce the need for ongoing grants.

MJSF has a long established partnership with Acumen (formerly known as Acumen Fund). Through this partnership, the foundation, to date, has contributed the equivalent of US$ 2,000,000 to Acumen. Since 2001, Acumen has actively invested in Pakistan in building social enterprises. MJSF is also a sponsor of the Acumen Pakistan Fellows Program, a one-year program designed for people leading social change initiatives dedicated to addressing Pakistan's most critical poverty problems.

The foundation has also ventured into extending micro-finance facilities for farmers in Chitral that produce high quality onion seeds to increase their incomes.

Emergency/Disaster Relief

MJSF has a strong focus on humanitarian relief. Its activities focus on immediate relief in disasters as well as long-term rehabilitation.

MJSF has contributed with a large-scale response in the following years:

- 2005 - Earthquake in Azad Jammu & Kashmir (AJK) and Khyber-Pakhtunkhwa Province
- 2008 - Swat Conflict and related Internally Displaced Persons crisis
- 2010 - Super Flood
- 2014 - Thar Drought crisis

MJSF is committed to providing a rapid response to natural disaster and emergencies by mobilizing its financial resources in coordination with the human resources of various JS Group companies to provide immediate food aid, shelter and healthcare.

In partnership with the International Organization for Migration, the foundation has also initiated a reconstruction project constructing 250 homes in three flood-affected districts in Sindh province. As part of the first phase, 150 shelters have been constructed in Southern Sindh and remaining 100 shelters are currently under construction in Northern Sindh. Additionally, another project of 15 houses has been completed in Northern Sindh.

Notice of Annual General Meeting

Notice is hereby given that the fourteenth Annual General Meeting of JS Global Capital Limited (the Company or JSGCL) will be held at Defence Authority Creek Club, Zulfiqar Street No.1, Phase VIII, Defence Housing Authority, Karachi on Tuesday, March 31, 2015, at 9:00 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, 2014 together with the Directors' and Auditors' reports thereon.

2. To appoint the auditors for the year ending December 31, 2015 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.

Other Business:

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

Karachi: March 09, 2015

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, 2015 to March 31, 2015 (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, 2015 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 any change in their address immediately to the Company's Share Registrar, Technology Trade (Private) Limited.

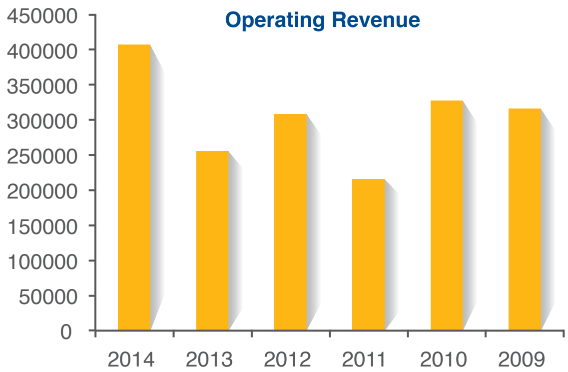
Financial Highlights

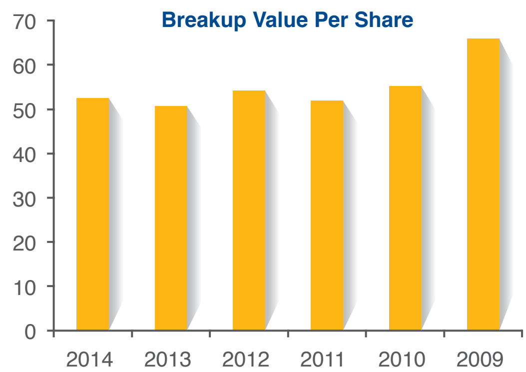
	2014	2013	2012	2011	2010	2009
	................Year ended................		18 months ended	................Year ended June 30................		
	.... December 31................................					
Operating Performance (Rupees in 000)						
Operating Revenue	407,319	256,853	309,693	216,301	328,640	316,378
Operating expenses	367,639	296,404	446,003	329,061	354,439	342,190
Financial expenses	708	14,478	23,805	4,387	4,208	8,419
Other income	263,004	255,354	342,327	219,176	357,675	230,881
Profit / (loss) before tax	409,750	210,276	378,961	126,231	(59,017)	273,153
Profit / (loss) after tax	282,567	150,196	290,325	89,121	(77,357)	206,240
Per Ordinary Share (Rupees)						
Earnings / (loss) per share	5.65	3.00	5.81	1.78	(1.55)	4.12
Breakup value per share	52.5	50.72	54.21	51.91	55.20	65.98
Dividends (Percentage)						
Cash	10 (I)	35 (I)	20 **(I)**	-	-	-
	30 (I)	-	15 **(I)**	-	-	-
	-	-	30 **(F)**	-	50 **(F)**	100 **(F)**
Bonus shares	-	-	-	-	-	-
Assets & Liabilities (Rupees in 000)						
Total assets	3,427,368	2,859,282	3,572,377	2,856,118	3,078,232	3,704,570
Current assets	3,211,588	2,658,707	3,373,003	2,657,867	2,891,588	3,608,357
Current liabilities	801,107	323,428	861,718	260,855	317,919	405,418
Financial Position (Rupees in 000)						
Shareholders equity	2,626,261	2,535,854	2,710,658	2,595,263	2,760,312	3,299,152
Share capital	500,000	500,000	500,000	500,000	500,000	500,000
Reserves	2,126,261	2,035,854	2,210,658	2,095,263	2,260,312	2,799,152
Shares outstanding- (Numbers in 000)	50,000	50,000	50,000	50,000	50,000	50,000
Return on capital employed - (%)	10.76	5.92	10.71	3.43	(2.80)	6.25
Return on total assets - (%)	8.24	5.25	8.13	3.12	(2.51)	5.57
Current ratio-times	4.01	8.22	3.91	10.19	9.10	8.90

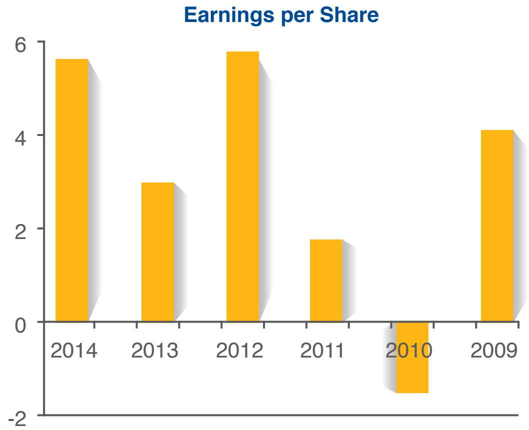
(I) Interim

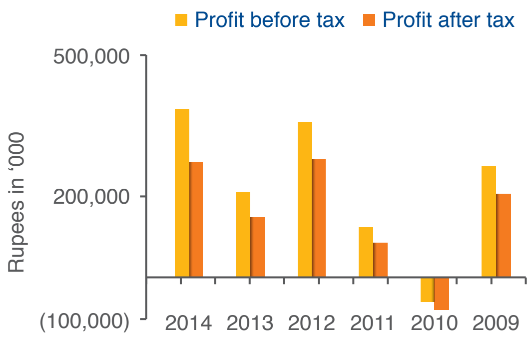
(F) Final

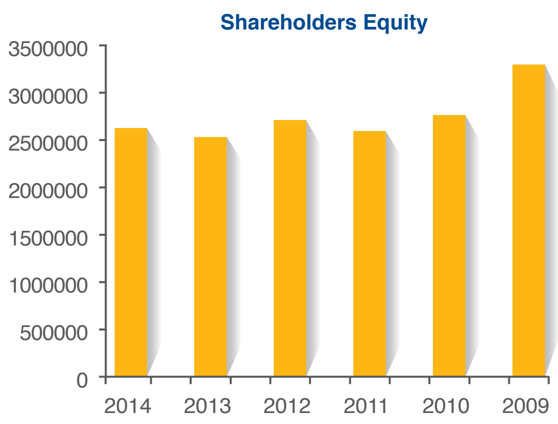
Financial Highlights

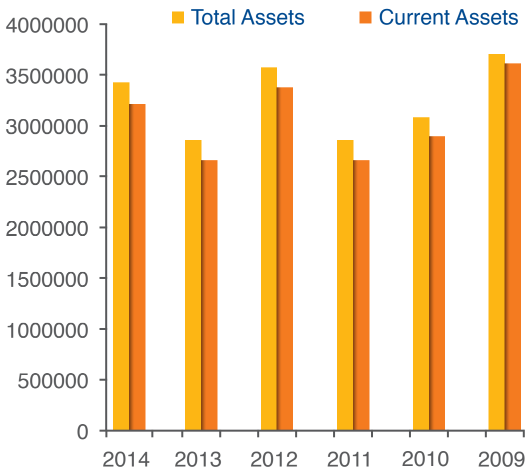












Directors' Report

On behalf of the Board of Directors of JS Global Capital Limited, I am pleased to present the annual report and the audited financial information of the Company for the year ended December 31, 2014 together with the Auditors' report thereon.

The summarized results are set out below:

	Year ended December 31, 2014	Year ended December 31, 2013
	---------- Rupees -----------	
Profit before tax	409,749,562	210,276,321
Profit after tax	282,566,684	150,196,116
Earnings per share	5.65	3.00

Economic Review

Overall Pakistan's economy continued to face challenges during the year ended December 31, 2014 (CY14), with limited improvements in the country's acute energy shortage scenario. GDP growth for fiscal year July – June 2014 (FY14) clocked in at 4.1% below the government's target of 4.4%. However, improvements were witnessed in fiscal and external accounts where the fiscal deficit clocked in at a respectable 5.5% of the GDP in FY14, while (1) successful issue of Eurobond and Sukuk, (2) continuity of IMF tranches (3) declining international oil prices and (4) the privatization proceeds provided some respite to the external accounts.

Falling oil prices bodes well for Pakistan as the country heavily relies on oil to meet its energy needs. The Government decided to pass on the impact of lower oil prices to the general public which resulted in lower inflation and CPI rose by only 3.96% YoY, an 11 year low. Successful conclusion of IMF review resulted in release of tranche of US$ 1.05 bn, increasing FX reserves to over US$ 15 bn, a little over 4 months import cover. This in turn reflected positively on Pak Rupee (PKR) exchange rate during the year. As a result, the State Bank of Pakistan cut the discount rate in its November 2014 Monetary Policy Review by 50 bps to 9.5%.

Equity Market Review

Picking up where 2013 left off (with a 49.6% market return), the Karachi Stock Exchange 100 index (KSE-100 index) continued its dream run in CY14 where the benchmark KSE-100 index notched up an impressive 27.2% return for the year (home currency based), outperforming regional average (home currency based) return of 13%. In addition, Pak Rupee gains added to

US$-based KSE return, which clocked in at 33.3% (vs. 37.8% last year) – the second highest amongst Asian peers and well above the US$-based region's 10.2% for the CY14. Trading volumes also headed up where Average Daily Turnover (ADTO) stood at US$ 93 mn, +24% YoY and 51% higher than 5-year average ADTO of US$ 62 mn. However, the number of shares traded in CY14 averaged at 209 mn/day, lower 6% YoY but 36% higher than 5-year average of 154 mn shares.

Domestic bourse reaped benefits of (1) return to monetary easing (50 bps cut in Nov-2014) by the Central Bank on lower-than-expected inflation readings (Nov-2014 CPI touching 11-year low); (2) improving external account outlook on tumbling international oil prices; (3) build-up in foreign exchange reserves to US$15 bn; (4) start of the privatization program (part of structural reforms agreed with IMF); and (5) strong foreign portfolio investment (FIPI) to the tune of US$ 386.2 mn (US$ 395.3 mn in 2013).

Foreign Exchange Market Review

CY2014 started with the USD/PKR parity at Rs. 105.50/US$ where in the first half of the year PKR continued to gain strength against US$. By June 2014, the exchange rate slightly pulled back after which the currency started to weaken and depreciated by approximately 4 Rupees but it gained 3 Rupees by year end. During 2014, the PKR appreciated by 4.60% as in December 2013 USD/PKR exchange rate closed at Rs. 105.32/US$ while at December 2014 it closed at Rs. 100.46/US$. Influx of foreign investments; mainly the issuance of Eurobond, Islamic Sukuk Bond and grant from Saudi Arabia added about US$ 4.5 bn to country's foreign exchange reserve which helped GoP to fulfill its target of US$ 15 bn.

The USD/PKR Swap premium showed a mixed trend during the year under consideration, where in one, three and six Month's Swaps widened by 45, 142 and 309 paisa respectively. State Bank of Pakistan cut the discount rate by 50 bps to 9.50% during the last quarter of 2014 which had an impact on Swap premium significantly. One, Three and Six Month's Swap premiums averaged to 34, 102, and 205 paisa respectively as on December 2014 reflecting a slight downwards trend in Swap premiums.

Money Market Review

The CY14 has ended on a positive note for the domestic economy. Positives mainly include strengthening of external account position, rising forex reserves, stabilization of Pak rupee and considerable fall in money market yields following a reduction in policy rate in November. However the gap between discount rate and inflation is still large which supports the case for further monetary easing without significantly affecting the IMF program framework of disciplined monetary policy.

During the year 2014, short term market rates were on a higher side principally due to shortage of liquidity in the money market system, but on several occasions SBP injected reasonable amount of liquidity in the system through Open Market Operations (OMO) in order to stabilize the money market. On the other hand, long term bonds remained in demand which was evident from hefty participation in PIB auction held during the year.

Commodities Market Review

Expanding supply and concerns about global growth prospects have reduced commodity prices—and more specifically oil prices. Commodity prices are likely to remain soft into 2015. Faster-than-expected unwinding of supply disruptions and unconventional oil production, weaker-than expected global growth, receding geopolitical risks and shifting OPEC policy objectives contributed to an unusually sharp drop in oil prices in the second half of 2014. Cumulatively, the fall in oil prices from early-2011 peaks has been larger than that for other commodities.

International commodity prices also impacted Pakistan Mercantile exchange (PMEX) as the traded volume in terms of value decreased to Rs. 853 bn as against previous year's value of Rs. 1.1 trillion.

Going ahead keeping in view the investor's risk appetite and investment horizon, PMEX plans to widen its product mix and introduce other products such as Maize, Steel, Copper and International currency pairs in the current year. The addition of new commodities will provide further depth to the market alongside creating new opportunities for investors.

Overview of Financial Performance

The Directors are pleased to inform the shareholders that the Company registered 88% growth in its profitability translating into Rs. 282.56 million for the year under consideration.

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

The Company earned operating revenue amounting to Rs. 407.32 mn with Rs. 335.2 mn and Rs. 72.12 mn contributed by brokerage (growth of 35% YoY) and Advisory income (growth of 695% YoY) respectively.

Capital gain on sale of investments increased by massive 609% YoY, mainly contributed by gain on sale of mutual funds (477% YoY) and gain on sale of Government Securities (266% YoY) as a result of efficient treasury management where the Company took positions in Government Securities with the expectation of cut in discount rates on the back of lower oil prices and declining inflation.

On cost front, the Company incurred Rs 367.64 mn (growth of 24% YoY) for the said year in respect of administrative and operating expenses while it provided Rs. 16.39 mn against sales tax receivable on forex and advisory.

There is notable decline of 95% in financial charges due to deleveraging, reduction in interest rates and improved cash management.

The Earnings per Share (EPS) of the Company for the year stood at Rs. 5.65 against EPS of Rs. 3 for the corresponding period last year, reflecting a growth of 88%.

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.

Appropriation of Profits

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

	Year ended December 31, 2014	Year ended December 31, 2013
	---------- Rupees -----------	
Profit after tax	282,566,684	150,196,116
Un-appropriated profit brought forward	225,749,594	400,553,478
Profit available for appropriation	508,316,278	550,749,594
Appropriations		
Interim Dividend- First quarter for the FY 14 @Re 1 per ordinary share	(50,000,000)	–
Interim dividend- Third quarter for FY14 @ Rs 3 per ordinary share	(150,000,000)	–
Final dividend for FY12 @ Rs 3 per ordinary share	–	(150,000,000)
Interim dividend for FY13 @ Rs 3.5 per ordinary share	–	(175,000,000)
Un-appropriated profit carried forward	**308,316,278**	**225,749,594**

Corporate Governance

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

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

- Proper books of account of the Company have been maintained.

- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.

- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no significant doubts upon the Company's ability to continue as a going concern.

- Reasons for significant deviation from the last year's operating results have been explained in the relevant section of the Directors Report.

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

- Key operating and financial data of last six years has been given in this report.

- Information about outstanding taxes, duties, levies and charges is given in notes to the accounts.

- The Company operates an approved Contributory Provident Fund for its eligible employees. Value of investments as per un-audited financial statements for the year ended June 30, 2014 amounts to approximately Rs. 28.26 million (2013: Rs. 22.64 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 Board includes a mix of directors with the right expertise and necessary experience required to fulfill their essential oversight roles. The Board values diversity of business skills and experience as the directors with diverse skill set, capabilities and experience gained from different geographic and cultural background is critical in today's competitive business environment.

The status of each directors whether executive, non-executive or independent has been disclosed in this report in accordance with the Code of Corporate Governance, 2012 ('the Code').

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

The Board has Audit, Executive and Human Resource and Remuneration Committees, which assist the Board in the performance of its functions.

Board Meetings and Attendance

During FY14, the Board of directors held 4 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Meetings attended
1	Mr. Basir Shamsie	4
2	Mr. Muhammad Kamran Nasir (CEO)	4
3	Mr. Muhammad Yousuf Amanullah	4
4	Mr. Khurshid Hadi	4
5	Mr. Abdul Hamid Mihrez	2
6	Mr. Fouad Fahmi Darwish	3
7	Mr. Ammar Talib Hajeyah	4
8	Mr. Farid Arshad Masood	3

The Board Audit Committee

During FY14, the Board of Audit Committee held 4 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Meetings attended
1	Mr. Basir Shamsie	4
2	Mr. Muhammad Yousuf Amanullah	4
3	Mr. Ammar Talib Hajeyah	4

The Board Human Resource & Remuneration Committee

During FY14, the Board of Human Resource & Remuneration Committee held 2 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Meetings attended
1	Mr. Muhammad Kamran Nasir	2
2	Mr. Muhammad Yousuf Amanullah	2
3	Mr. Abdul Hamid Mihrez	1

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.

Auditors

The auditors M/s M. Yousuf Adil Saleem & Co. (member firm of Deloitte) retire and are eligible for reappointment for the financial year 2015. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

Pattern of Shareholding

Major shareholders of JS Global Capital Limited are JS Bank Limited (51.05%) and Global Investment House, Kuwait (43.47%). Other shareholders include local institutions and the general public.

A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the regulatory framework and the statement of purchase and sale of shares by Directors, Executives and their spouses including minor children during 2014 is presented later in this report.

Credit Rating

The Pakistan Credit Rating Agency (PACRA) has maintained Company's long term and short term ratings at AA (Double A) and A1+ (A one plus), respectively, for FY14. These ratings reflect the Company's sound financial position resulting from robust capital structure, improved profitability and denotes a low expectation of credit risk and strong capacity for timely payments of financial commitments.

Contribution to National Exchequer

During the year, the Company has contributed Rs. 176 million towards national exchequer in the shape of taxes, excise duty, sales tax etc.

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.

The Board also takes this opportunity to express its gratitude to all the employees of JS Global Capital Limited for their untiring efforts that enabled the management to achieve a growth of 88% in net profitability.

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

For and on behalf of the
Board of Directors

Basir Shamsie
Chairman

Karachi: January 29, 2015

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance ('Code') 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 meets the criteria of independence under clause i (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director on 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. No casual vacancy occurred during the year ended December 31, 2014.

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. The minutes of the meetings were appropriately recorded and circulated.

9. 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 up to June 30, 2016. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Company.

10. The Board has approved appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment in prior years. During the year, the appointment of Head of Internal Audit was approved by the Board upon the recommendation of Human Resource & Remuneration Committee in compliance with the Code.

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

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

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

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises of three members, of whom all are Non-Executive Directors and the Chairman of the Committee is a Non-Executive Director.

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

17. The 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 Code have been complied with.

For and on
behalf of the Board

Basir Shamsie
Chairman

Karachi: January 29, 2015

Review Report to the Members on the Statement of Compliance with 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 of JS Global Capital Limited (the Company) for the year ended December 31, 2014 to comply with the respective requirements of the Karachi and Islamabad Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, as applicable to the Company for the year ended December 31, 2014.

Chartered Accountants

Date: January 29, 2015
Place: Karachi

Engagement Partner
Nadeem Yousuf Adil

Auditors' Report to the Members

We have audited the annexed balance sheet of JS Global Capital Limited (the Company) as at December 31, 2014 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;

  (ii) the expenditure incurred during the period 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, 2014 and of the profit, comprehensive income, its cash flows and changes in equity for the period then ended; and

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

Chartered Accountants

Date: January 29, 2015
Place: Karachi

Engagement Partner
Nadeem Yousuf Adil

Financial Statements

BALANCE SHEET
as at December 31, 2014

	Note	2014 (Rupees)	2013 (Rupees)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised: 150,000,000 (2013: 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
Reserves		**2,126,261,451**	2,035,854,494
		2,626,261,451	2,535,854,494
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	**766,706,461**	323,427,536
Provision for taxation		**34,400,184**	-
		801,106,645	323,427,536
		3,427,368,096	2,859,282,030
Contingencies and commitments	6		

	Note	2014 (Rupees)	2013 (Rupees)
ASSETS			
Non-current assets			
Property and equipment	7	**41,868,786**	27,442,436
Intangible assets	8	**16,247,023**	8,335,657
Long term investment	9	**15,272,670**	15,272,670
Long term loans, advances and deposits	10	**11,915,024**	9,133,551
Deferred taxation - net	11	**130,476,432**	140,390,777
		215,779,935	200,575,091
Current assets			
Short term investments	12	**1,093,226,034**	1,453,386,969
Trade debts	13	**647,233,857**	300,054,605
Loans and advances - considered good	14	**15,140,321**	11,113,642
Deposits and short-term prepayments	15	**118,346,188**	42,494,402
Interest and markup accrued	16	**18,092,685**	4,465,302
Other receivables	17	**19,421,730**	7,503,242
Advance tax		**-**	477,090
Cash and bank balances	18	**1,300,127,346**	839,211,687
		3,211,588,161	2,658,706,939
		3,427,368,096	2,859,282,030

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

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

PROFIT & LOSS ACCOUNT
for the year ended December 31, 2014

	Note	2014	2013
		----------- (Rupees) -----------	
Operating revenue	19	**407,318,564**	256,852,747
Gain on sale of investments	20	**127,529,352**	17,994,427
Gain on remeasurement of investments at fair value through profit or loss - net		**4,998,201**	39,563,634
		539,846,117	314,410,808
Administrative and operating expenses	21	**(367,639,279)**	(296,404,039)
Provision for doubtful debts	13.2	**-**	(1,299,078)
Impairment of investment in PPTFCs	12.4.1	**-**	(43,015,035)
Provision for sales tax on forex and advisory	24.2	**(16,390,149)**	-
		155,816,689	(26,307,344)
Other income	22	**263,003,507**	255,353,844
		418,820,196	229,046,500
Provision for Workers' Welfare Fund		**(8,362,236)**	(4,291,354)
Finance cost	23	**(708,398)**	(14,478,825)
Profit before taxation		**409,749,562**	210,276,321
Taxation - current		**(122,743,445)**	(64,804,262)
- prior		**1,253,226**	(1,449,754)
- deferred		**(5,692,659)**	6,173,811
	24	**(127,182,878)**	(60,080,205)
Profit for the year		**282,566,684**	150,196,116
Earnings per share - basic and diluted	25	**5.65**	3.00

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

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2014

	2014	2013
	------------ (Rupees) ------------	
Profit for the year	**282,566,684**	150,196,116
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		
Gain on revaluation of available for sale investments during the year	**12,061,959**	-
Less: Related tax	**(4,221,686)**	-
	7,840,273	-
Total comprehensive income for the year	**290,406,957**	150,196,116

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

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

CASH FLOW STATEMENT
for the year ended December 31, 2014

	Note	2014	2013
		---------------- (Rupees)	----------------
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**409,749,562**	210,276,321
Adjustments for:			
Depreciation	7.1	**9,729,851**	8,106,289
Amortization of software	8.2	**2,146,500**	108,336
Gain on sale of property and equipment	7.2	**(3,439,150)**	(6,611,827)
Gain on remeasurement of investments carried at fair value through profit or loss - net		**(4,998,201)**	(39,563,634)
Gain on remeasurement of future equity derivatives	22	**(13,878,734)**	(3,704,454)
Provision for doubtful debts	13.2	**-**	1,299,078
Provision for Workers' Welfare Fund		**8,362,236**	4,291,354
Provision for impairment		**-**	43,015,035
Finance cost		**708,398**	14,478,825
		(1,369,100)	21,419,002
Cash generated from operating activities before working capital changes		**408,380,462**	231,695,323
(Increase) / decrease in current assets:			
Trade debts		**(333,300,518)**	267,106,865
Loans and advances		**(4,026,679)**	(132,698)
Deposits and short term prepayments		**(75,851,786)**	(38,314,268)
Interest and markup accrued		**(13,627,383)**	10,103,807
Other receivables		**(11,918,488)**	(3,522,023)
		(438,724,854)	235,241,683
Increase / (decrease) in current liabilities			
Creditors, accrued expenses and other liabilities		**434,561,185**	(19,425,605)
Cash generated from operations		**404,216,793**	447,511,401
Finance cost paid		**(708,398)**	(14,478,825)
Taxes paid		**(86,612,945)**	(64,294,928)
Net cash generated from operating activities		**316,895,450**	368,737,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment		**(24,183,851)**	(13,569,655)
Payment for purchase of software		**(10,057,866)**	-
Proceeds from disposal of property and equipment		**3,466,800**	9,352,647
Long term loans, advances and deposits		**(2,781,473)**	7,586,543
Short term investments		**377,221,095**	600,916,991
Net cash generated from investing activities		**343,664,705**	604,286,526
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid under repurchase transactions		**-**	(431,187,500)
Dividend paid		**(199,644,496)**	(324,477,987)
Net cash used in financing activities		**(199,644,496)**	(755,665,487)
Increase in cash and cash equivalents during the year		**460,915,659**	217,358,687
Cash and cash equivalents at the beginning of the year		839,211,687	621,853,000
Cash and cash equivalents at the end of the year		**1,300,127,346**	839,211,687

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

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2014

	Issued, subscribed and paid up share capital	Reserves				Total
		Share premium	Unrealised gain on revaluation of available for sale investments - net	Revenue reserves Unappropriated profit	Sub-total	
	---------- (Rupees) ----------					
Balance as at January 01, 2013	**500,000,000**	**1,810,104,900**	**-**	**400,553,478**	**2,210,658,378**	**2,710,658,378**
Total comprehensive income for the year						
Profit for the year ended December 31, 2013	-	-	-	150,196,116	150,196,116	150,196,116
Other comprehensive income - net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	150,196,116	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)	(150,000,000)
- Interim dividend for the financial year 2013 @ Rs. 3.5/- per share	-	-	-	(175,000,000)	(175,000,000)	(175,000,000)
Balance as at December 31, 2013	**500,000,000**	**1,810,104,900**	**-**	**225,749,594**	**2,035,854,494**	**2,535,854,494**
Balance as at January 01, 2014	**500,000,000**	**1,810,104,900**	**-**	**225,749,594**	**2,035,854,494**	**2,535,854,494**
Total comprehensive income for the year						
Profit for the year ended December 31, 2014	-	-	-	282,566,684	282,566,684	282,566,684
Other comprehensive income - net of tax	-	-	7,840,273	-	7,840,273	7,840,273
Total comprehensive income for the year	-	-	7,840,273	282,566,684	290,406,957	290,406,957
Transactions with owners recognised directly in equity						
- Interim dividend for the financial year 2014 @ Re. 1/- per share	-	-	-	(50,000,000)	(50,000,000)	(50,000,000)
- Interim dividend for the financial year 2014 @ Rs. 3/- per share	-	-	-	(150,000,000)	(150,000,000)	(150,000,000)
Balance as at December 31, 2014	**500,000,000**	**1,810,104,900**	**7,840,273**	**308,316,278**	**2,126,261,451**	**2,626,261,451**

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

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

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. The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in 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 12);
- Residual values and useful lives of property, plant and equipment (notes 3.2 and 7);
- Useful lives of intangible assets (notes 3.3 and 8); and
- Recognition of taxation and deferred taxation (notes 3.9 and 11)
- Provision against trade debts and other receivables (note 3.7 and 13).

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2014

2.5.1 The following standards, amendments and interpretations are effective for the year ended December 31, 2014. These standards,interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significantimpact 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

2.6 New accounting standards / amendments 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 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 19 Employee Benefits: Employee contributions	Effective from accounting period beginning on or after July 01, 2014
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015. IAS 27 (Revised 2011) will concurrently apply with IFRS 10.
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015
IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015. Earlier adoption is encouraged.
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

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 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

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 8 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.

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 other comprehensive income. 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 debt 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. Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

3.15 Financial liabilities

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

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 and commodity brokerage. The brokerage activities includes services provided in respect of share brokerage, brokerage on margin finance 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

2014 (Number of shares)	2013 (Number of shares)		2014 (Rupees)	2013 (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 Parent company held 25,525,169 ordinary shares of Rs. 10/- each at year end.

4.2 There is only one class of ordinary shares.

4.3 There is no movement in share capital during the year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		Note	2014	2013
			------------(Rupees)------------	
5.	**CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Creditors for sale of shares on behalf of clients	5.1	**641,682,823**	250,825,335
	Accrued expenses		**63,467,256**	40,629,059
	Provision for staff bonus	5.2	**24,353,950**	5,000,000
	Unclaimed dividend		**3,613,957**	3,258,453
	Retention money - Softech		**40,600**	40,600
	Advance fee from client		**5,877,413**	5,877,412
	Provision for Workers' Welfare Fund	5.3	**20,092,561**	11,730,325
	Others		**7,577,901**	6,066,352
			766,706,461	323,427,536

5.1 Included herein is a sum of Rs. 3,684,161(2013: Rs. 17,638,067) payable to related parties.

5.2 Movement of provision for staff bonus is as follows:

	2014	2013
As at January 1,	**5,000,000**	10,000,000
Paid during the year	**(3,653,550)**	(10,000,000)
Charged during the year	**23,007,500**	5,000,000
As at December 31,	**24,353,950**	5,000,000

5.3 Prior to certain amendments made through the Finance Acts of 2006 and 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 filed the petition under the High Court against the changes. The Company has not paid WWF liability for the tax years 2011 to 2014. On prudent basis, the Company has recognized a provision amounting to Rs. 8.36 million (2013 : Rs. 4.29 million) during the period and Rs. 20.09 million in aggregate.

During the year, the Company received a show cause notice u/s 221 (3) of Income Tax Ordinance from Deputy Commissioner Inland Revenue (Audit Unit) demanding an amount of Rs. 2,594,269. The Company has filed a petition before the High Court and obtained a stay order in this regard.

		2014	2013
		------------(Rupees)------------	
6.	**CONTINGENCIES AND COMMITMENTS**		
6.1	**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	**718,263,495**	394,964,215
	Forward contracts in respect of purchase of Pakistan Investment Bonds	**1,184,056,813**	-

6.2 Tax related contingencies has been disclosed in note 24 to the financial statements.

		Note	2014	2013
7.	**PROPERTY AND EQUIPMENT**			
	Property and equipment	7.1	**41,868,786**	27,442,436

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

7.1 Property and equipment

	2014							
	Cost			Rate	Depreciation			Written down value as at December 31, 2014
	As at January 1, 2014	Additions / (disposals)	As at December 31, 2014	(%)	As at January 1, 2014	For the year / (disposals)	As at December 31, 2014	
	(Rupees)				(Rupees)			
Office equipment	**54,466,550**	**13,728,915 (260,500)**	**67,934,965**	**25**	**49,279,673**	**3,071,418 (232,853)**	**52,118,238**	**15,816,727**
Office furniture	**15,545,339**	**1,539,599 -**	**17,084,938**	**10**	**9,123,645**	**1,589,327 -**	**10,712,972**	**6,371,966**
Motor vehicles	**27,017,922**	**8,915,337 (4,959,576)**	**30,973,683**	**20**	**11,184,057 -**	**5,069,106 (4,959,573)**	**11,293,590 -**	**19,680,093**
	97,029,811	**24,183,851 (5,220,076)**	**115,993,586**		**69,587,375**	**9,729,851 (5,192,426)**	**74,124,800**	**41,868,786**

	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

7.2 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)						
Toyota Corolla	1,700,595	(1,700,594)	1	903,000	902,999	Mr. Ali	Negotiation
Honda Civic	1,277,551	(1,277,550)	1	877,000	876,999	Mr. Jawed	Negotiation
Suzuki Cultus	569,580	(569,579)	1	530,000	529,999	Mr. Ahsan Khan	Negotiation
Honda Civic	1,411,850	(1,411,850)	-	1,050,000	1,050,000	Mr. M Anwar	Negotiation
	4,959,576	**(4,959,573)**	**3**	**3,360,000**	**3,359,997**		
Office equipments:							
UPS	222,000	(221,999)	1	75,300	75,299	EFU General Insurance Limited	Insurance Claim
Blackberry	38,500	(10,854)	27,646	31,500	3,854	EFU General Insurance Limited	Insurance Claim
	260,500	**(232,853)**	**27,647**	**106,800**	**79,153**		
December 31, 2014	**5,220,076**	**(5,192,426)**	**27,650**	**3,466,800**	**3,439,150**		
December 31, 2013	15,662,615	(12,921,795)	2,740,820	9,352,647	6,611,827		

8. INTANGIBLE ASSETS

	Note	2014	2013
		------------(Rupees)------------	
Trading Right Entitlement Certificate - Karachi Stock Exchange Limited	8.1	**5,727,330**	5,727,330
Membership card - Pakistan Mercantile Exchange		**2,500,000**	2,500,000
		8,227,330	8,227,330
Softwares	8.2	**8,019,693**	108,327
		16,247,023	8,335,657

8.1 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.

8.2 Softwares

2014

Cost: As at January 01, 2014	Cost: Additions / (disposals)	Cost: As at December 31, 2014	Rate (%)	Amortisation: As at January 01, 2014	Amortisation: For the year / (disposals)	Amortisation: As at December 31, 2014	Written down value as at December 31, 2014
(Rupees)				(Rupees)			
325,000	**10,057,866**	**10,382,866**	**33.33**	**216,673**	**2,146,500**	**2,363,173**	**8,019,693**
325,000	**10,057,866**	**10,382,866**		**216,673**	**2,146,500**	**2,363,173**	**8,019,693**

2013

Cost: As at January 01, 2013	Cost: Additions / (disposals)	Cost: As at December 31, 2013	Rate (%)	Amortisation: As at January 01, 2013	Amortisation: For the year / (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

9. LONG TERM INVESTMENT

	Note	2014	2013
		------------(Rupees)------------	
Available for sale			
Shares in Karachi Stock Exchange Limited	9.1	**15,272,670**	15,272,670

9.1 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 Trading Right Entitlement Certificate (TREC) from the KSE against its membership card which was carried at Rs. 21 million in the books of the Company.

Based on the technical guide dated May 29, 2013 issued by the Institute of Chartered Accountants of Pakistan, the Company has allocated its carrying value of the membership card of Rs. 21 million 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 TREC at Rs. 5.7 million.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		Note	2014	2013
			------------(Rupees)------------	
10.	**LONG TERM LOANS, ADVANCES AND DEPOSITS**			
	Long term loans - secured, considered good			
	- Executives	**10.1**	**2,915,474**	659,740
	- Employees		**1,820,485**	976,919
		10.2	**4,735,959**	1,636,659
	Current maturity	14	**(2,400,006)**	(1,026,061)
			2,335,953	610,598
	Security deposits	10.3	**9,579,071**	8,522,953
			11,915,024	9,133,551
10.1	Reconciliation of carrying amount of loans to executives:			
	Balance at the beginning of the period		**659,740**	519,125
	Disbursements		**3,603,000**	1,205,000
	Repayments		**(1,347,266)**	(1,064,385)
	Balance at the end of the period		**2,915,474**	659,740

10.2 Loan to executives and employees are given for purchase of home appliances and other personal goods at an interest rate of 6 months T-bill rate per annum in accordance with the Company's policy and terms of employment. The loans are repayable over a period of two to ten years.

10.3 This includes Rs. 1.25 million (2013: Rs. 3.03 million) deposited with Karachi Stock Exchange Limited, Rs. 0.35 million (2013: Rs. 0.35 million) with National Clearing Company of Pakistan, Rs. 0.125 million (2013: Rs. 0.125 million) with Central Depository Company of Pakistan Limited and Rs.7.15 million (2013: Rs. 4.48 million) with Pakistan Mercantile Exchange.

11. DEFERRED TAXATION - NET	**2014**			
	Opening	**(Charge) / reversal to profit and loss account**	**Charge to other comprehensive income**	**Closing**
	---------- (Rupees) ----------			
Taxable temporary difference				
Revaluation of investments	-	**(5,579,538)**	**(4,221,686)**	**(9,801,224)**
Deductible temporary differences				
Accelerated depreciation for tax purposes	**1,202,802**	**(160,988)**	-	**1,041,814**
Difference in accounting and tax base of intangible assets	**2,287**	**47,867**	-	**50,154**
Provision for doubtful debts	**139,185,688**	-	-	**139,185,688**
	140,390,777	**(5,692,659)**	**(4,221,686)**	**130,476,432**

	2013			
	Opening	(Charge) / reversal profit and loss account	Charge to other comprehensive income	Closing
Taxable temporary difference	---------- (Rupees) ----------			
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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		Note	2014	2013
			------------(Rupees)------------	
12.	**SHORT TERM INVESTMENTS**			
	Financial assets at fair value through profit or loss - held for trading			
	Quoted equity securities	12.1	**709,834,630**	391,258,239
	Term finance certificates and sukuk certificates	12.2	**159,184,954**	162,943,533
	Units of mutual funds		**-**	650,801,945
	Government securities		**-**	248,383,252
			869,019,584	1,453,386,969
	Available for sale			
	Government securities	12.3	**224,206,450**	-
	Privately placed term finance certificates - unsecured	12.4	**-**	-
			1,093,226,034	1,453,386,969

12.1 Quoted Equity Securities

Number of shares			2014		2013
2014	2013	**Name of company**	**Average cost**	**Fair value**	
			------------ (Rupees) ------------		
922,000	802,500	Adamjee Insurance Company Limited	**45,790,624**	**45,602,120**	29,989,425
101,500	55,000	Attock Refinery Limited	**19,004,073**	**19,058,655**	11,421,850
-	307,000	Bank Al Falah Limited	**-**	**-**	8,301,280
754,000	614,500	D.G. Khan Cement Limited	**84,247,766**	**83,339,620**	52,681,085
257,500	32,000	Engro Foods Limited	**26,891,628**	**27,949,050**	3,342,080
473,500	199,000	Engro Corporation Limited	**103,863,199**	**104,884,985**	31,517,620
54,500	34,000	Fauji Fertilizer Bin Qasim Limited	**2,437,829**	**2,463,945**	1,489,540
5,500	142,000	Fauji Fertilizer Company Limited	**644,939**	**644,105**	15,898,320
-	63,000	MCB Bank Limited	**-**	**-**	17,713,710
847,000	854,500	National Bank of Pakistan Limited	**55,862,058**	**58,832,620**	49,612,270
-	44,500	Nishat Chunian Limited	**-**	**-**	2,678,900
209,000	530,500	Nishat Mills Limited	**24,910,106**	**25,286,910**	67,500,820
200,500	143,000	Pakistan Petroleum Limited	**16,537,705**	**17,164,805**	30,596,280
616,000	75,500	Pakistan State Oil Limited	**111,039,800**	**108,736,320**	25,082,610
334,000	1,522,500	Pakistan Telecommunication Company Limited	**120,696,831**	**119,541,940**	43,299,900
200,000	1,000	United Bank Limited	**34,910,329**	**35,342,000**	132,550
125,000	-	Bank Of Punjab Limited	**1,345,135**	**1,368,750**	-
28,000	-	Fatima Enterprises Limited	**956,766**	**1,001,560**	-
98,500	-	Fauji Cement Company Limited	**2,429,153**	**2,545,240**	-
10,000	-	K-Electric Limited	**92,509**	**92,200**	-
280,000	-	Maple Leaf Cement Factory Limited	**12,047,407**	**12,390,000**	-
177,000	-	Oil and Gas Development Company Limited	**37,593,024**	**36,438,990**	-
310,500	-	Pioneer Cement Limited	**7,025,043**	**7,150,815**	-
			708,325,924	**709,834,630**	391,258,240
		Unrealized gain on remeasurement at fair value	**1,508,706**	-	
			709,834,630	**709,834,630**	391,258,240

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

12.2 Term Finance Certificates and Sukuk Certificates

Number of Certificates 2014	Number of Certificates 2013	Name of term finance certificates	2014 Average cost	2014 Fair value	2013 Fair value
			------ (Rupees) ------		
		Listed			
-	1,000	Allied Bank Limited I	-	-	2,552,896
400	1,000	Allied Bank Limited II	**1,913,077**	**1,952,623**	4,784,692
-	475	Bank Al Falah Limited TFC V	-	-	2,447,546
400	400	Engro Fertilizer Pakistan Limited	**1,465,008**	**1,368,000**	1,705,008
-	6,700	Engro Fertilizer Pakistan Limited - III	-	-	33,401,056
1,505	520	Engro Rupiya Certificate I	**7,940,250**	**7,993,303**	2,615,095
505	8,890	Engro Rupiya Certificate II	**2,775,000**	**2,679,990**	45,020,487
2,100	2,100	Jahangir Siddiqui & Company Limited VII - related party	**5,412,792**	**5,250,872**	8,037,792
-	100	Orix Leasing Pakistan Limited	-	-	1,961,976
200	200	Pakistan Mobile Communication Limited TFC VII	**10,721,359**	**11,149,875**	15,721,359
-	1,000	Tameer Sarmaya Certificates I	-	-	4,988,000
-	1,000	Tameer Sarmaya Certificates II	-	-	4,988,000
-	1,600	United Bank Limited TFC III	-	-	2,658,756
8,000	-	Engro Fertilizer Limited Sukuk	**40,000,000**	**40,712,120**	-
			70,227,486	**71,106,783**	130,882,664
		Un-listed			
9,000	-	Askari TFC V	**45,000,000**	**45,000,000**	-
7,000	5,960	Bank Al Habib Limited IV	**37,467,976**	**40,078,172**	32,060,869
3	-	Al Baraka Bank Ltd. Sukuk	**3,000,000**	**3,000,000**	-
			85,467,976	**88,078,172**	32,060,869
			155,695,462	**159,184,955**	162,943,533
		Unrealized gain on remeasurement at fair value	**3,489,492**	**-**	-
			159,184,954	**159,184,955**	**162,943,533**

12.3 Government securities

	Note	2014 Average cost	2014 Fair value	2013 Fair value
		------ (Rupees) ------		
Pakistan Investment Bonds	12.3.1	**212,144,491**	**224,206,450**	-
Unrealized gain on remeasurement at fair value		**12,061,959**	**-**	-
		224,206,450	**224,206,450**	-

12.3.1 These PIBs have a tenure ranging from 3 to 10 years with maturity ranging from July 17, 2017 to 19 July 2024. Return on these PIBs ranges from 11.25% to 12.00% payable on half-yearly basis with redemption on maturity.

12.4 Privately Placed Term Finance Certificates - unsecured

2014

Number of certificates	Markup rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	12.4.1	October 19, 2020	**326,456,184**
		Impairment of investment in TFC			**(326,456,184)**
					-

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)	12.4.1	October 19, 2020	326,456,184
		Impairment of investment in TFC			(326,456,184)
					-

12.4.1 Considering the financial position of issuer, the Company has fully provided outstanding amount of the PPTFCs and record markup / interest income on receipt basis.

	Note	2014 (Rupees)	2013 (Rupees)
13. TRADE DEBTS			
Considered good			
- Purchase of shares on behalf of clients	13.1	**362,765,208**	83,903,158
- Receivables against margin finance (purchase of shares)		**221,859,812**	162,294,763
- Advisory services		**627,500**	-
- Forex and fixed income commission		**15,082,245**	16,206,539
- Commodity		**46,899,092**	37,650,145
		647,233,857	300,054,605
Considered doubtful		**397,673,393**	397,673,393
		1,044,907,250	697,727,998
Provision for doubtful debts	13.2	**(397,673,393)**	(397,673,393)
		647,233,857	300,054,605

13.1 Included herein is a sum of Rs. 2,057,688 (2013: Rs. 1,011,491) receivable from related parties.

	2014 (Rupees)	2013 (Rupees)
13.2 Provision for doubtful debts		
Opening balance as at January 01,	**397,673,393**	396,374,315
Charged during the year	**-**	1,299,078
Reversed during the year	**-**	-
	-	-
Closing balance as at December 31,	**397,673,393**	397,673,393

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		Note	2014	2013
			------------(Rupees)------------	
14.	**LOANS AND ADVANCES**			
	considered good			
	Current maturity of long term loans - secured	10	**2,400,006**	1,026,061
	Advances to staff		**1,573,372**	2,513,396
	Advance for purchase of office - unsecured		**2,500,000**	2,500,000
	Advance to suppliers		**8,666,943**	5,074,185
			15,140,321	11,113,642
15.	**DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Deposits	15.1	**113,585,652**	41,075,446
	Prepayments		**4,760,536**	1,418,956
			118,346,188	42,494,402

15.1 This includes Rs. 107 million (December 31, 2013: Rs. 40.66 million) given to KSE against ready and future exposures.

		Note	2014	2013
			------------(Rupees)------------	
16.	**INTEREST AND MARKUP ACCRUED**			
	Accrued markup on Pakistan Investment Bonds		**11,289,640**	-
	Accrued markup on Term Finance Certificates		**4,824,381**	3,258,365
	Profit receivable on bank deposits		**1,978,664**	1,206,937
			18,092,685	4,465,302
17.	**OTHER RECEIVABLES**			
	Considered good			
	Derivative financial assets		**13,878,734**	3,704,454
	Others	17.1	**5,542,996**	3,798,788
			19,421,730	7,503,242
	Payment made for sales tax on forex and advisory	24.2	**16,390,149**	-
	Provision made against sales tax paid	17.2	**(16,390,149)**	-
			19,421,730	7,503,242

17.1 Included herein is a sum of Rs. 3,808,700 (2013: Rs. 3,663,258) receivable from related parties.

		2014	2013
		------------(Rupees)------------	
17.2	Movement of provision made against sales tax paid		
	Opening balance as at January 01,	**-**	-
	Charged during the year	**16,390,149**	-
	Reversed during the year	**-**	-
		16,390,149	-
	Closing balance as at December 31,	**16,390,149**	-

		Note	2014	2013
			------------(Rupees)------------	
18.	**CASH AND BANK BALANCES**			
	Cash with banks:			
	- Current accounts		**1,430,755**	3,092,477
	- Profit and loss / deposit accounts	18.1	**1,298,478,191**	830,795,323
	- Foreign currency deposit accounts	18.2	**44,400**	5,244,887
			1,299,953,346	839,132,687
	Cash in hand		**174,000**	79,000
		18.3	**1,300,127,346**	839,211,687

18.1 Profit and loss / deposit accounts carry profit ranging from 8% to 10% per annum (2013: 5% to 10% per annum).

18.2 Foreign currency deposit accounts carry profit ranging from 0.1% to 1% per annum (2013: 0.10% to 1% per annum).

18.3 These include balances with the parent company amounting to Rs. 1,280.86 million (2013: Rs. 815.14 million).

		Note	2014	2013
			------------(Rupees)------------	
19.	**OPERATING REVENUE**			
	Brokerage and operating revenue		**335,201,578**	247,777,036
	Advisory and consultancy fee		**72,116,986**	9,075,711
			407,318,564	256,852,747
20.	**GAIN ON SALE OF INVESTMENTS**			
	Gain on sale of investment in open ended mutual funds		**56,766,900**	9,839,170
	Gain on sale of ordinary shares		**27,587,025**	16,876,720
	Gain on sale of term finance certificates		**5,950,140**	13,296,103
	Gain / (loss) on sale of government securities		**37,225,287**	(22,017,566)
			127,529,352	17,994,427
21.	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Salaries and benefits	21.1	**168,748,043**	139,786,772
	Contribution to provident fund	21.2	**4,784,857**	4,233,928
	Fee for directors / committee meetings	26	**1,900,000**	2,000,000
	Printing and stationery		**3,188,812**	3,222,897
	Telephone, fax, telegram and postage		**6,682,410**	7,397,702
	Depreciation expense	7.1	**9,729,851**	8,106,289
	Amortisation of intangible assets	8.2	**2,146,500**	108,336
	Rent, rates and taxes		**38,252,732**	35,497,353
	Vehicle running expenses		**8,552,628**	4,382,459
	Electricity, gas etc.		**7,165,315**	3,927,155
	Legal and professional charges		**6,730,540**	6,011,784
	Insurance		**7,724,756**	7,233,701
	Newspaper and periodicals		**266,023**	549,330
	Entertainment		**1,312,083**	1,172,897
	Advertisement and business promotion		**20,947,844**	9,154,521
	Office supplies		**1,907,263**	1,807,815
	Auditors' remuneration	21.3	**869,997**	786,400
	Fees and subscription		**20,938,801**	10,214,358
	Conveyance and traveling		**10,523,334**	8,919,213
	Repairs and maintenance		**9,525,140**	7,281,176
	Computer expenses		**4,295,184**	6,774,454
	KSE Clearing House and CDC charges		**19,758,106**	14,212,959
	Royalty	21.4	**10,000,000**	10,000,000
	Contract and consultancy charges		**1,650,000**	2,683,418
	Brokerage expenses		**39,060**	939,122
			367,639,279	296,404,039

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		2014	2013
		------------(Rupees)------------	
21.1	Number of employees at the end of the year	**163**	143
	Average number of employees during the year	**153**	144

21.2 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, 2014 (which is accounting year of the fund) is as follows:

	June 30, 2014	June 30, 2013
Number of employees	**105**	90
Size of provident fund (Rupees)	**28,674,808**	22,827,427
Cost of investments made (Rupees)	**28,282,185**	22,579,476
Percentage of investments made	**99%**	99%
Fair value of investments (Rupees)	**28,262,870**	22,641,656
Break-up of investments - at cost:		
- Balance in National/Special Savings Scheme		
Amount of investment (Rupees)	**4,140,929**	3,811,756
Percentage of size of the fund	**14%**	17%
- Balance in listed securities		
Amount of investment (Rupees)	**4,050,000**	107,962
Percentage of size of the fund	**14%**	0%
- Balance in Mutual Funds		
Amount of investment (Rupees)	**-**	7,125,740
Percentage of size of the fund	**0%**	31%
- Balance in Term Finance Certificates		
Amount of investment (Rupees)	**2,529,279**	1,786,759
Percentage of size of the fund	**9%**	8%
- Balance in scheduled banks		
Amount of investment (Rupees)	**17,561,977**	9,747,259
Percentage of size of the fund	**61%**	43%

21.2.1 Investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2014	2013
	------------(Rupees)------------	
21.3 Auditors' remuneration		
Audit fee	**450,000**	450,000
Other services including half year review	**377,597**	294,000
Out of pocket expenses	**42,400**	42,400
	869,997	786,400

21.4 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

		Note	2014	2013
			------------(Rupees)------------	
22.	**OTHER INCOME**			
	Income from financial assets:			
	Profit on Term Finance Certificates, Treasury Bills, Pakistan Investment Bonds and National Savings Bonds		**72,702,478**	97,872,485
	Dividend income		**34,273,101**	25,525,142
	Mark-up on Pre - IPO investments and management fee		**12,265**	14,662
	Return on cash margin on future contracts		**5,007,583**	3,094,336
	Exchange (loss) / gain on foreign currency deposit accounts		**(61,843)**	245,076
	Late payment charges		**-**	10,446,942
	Profit on profit and loss / deposit accounts		**71,484,173**	52,947,036
	Gain on remeasurement of derivatives		**13,878,734**	3,704,454
	Income under margin financing		**25,873,370**	17,245,650
	Mark-up on PPTFCs		**35,910,180**	35,811,796
			259,080,041	246,907,579
	Income from non-financial assets:			
	Gain on sale of property and equipment		**3,439,150**	6,611,827
	Other income		**484,316**	1,834,438
			3,923,466	8,446,265
			263,003,507	255,353,844
23.	**FINANCE COST**			
	Mark-up on running finance	23.1	**301,285**	-
	Mark-up on repurchase transactions		**-**	14,038,518
	Bank and other charges		**407,113**	440,307
			708,398	14,478,825

23.1 This represents mark-up on running finance obtained from JS Bank, the parent company.

24. TAXATION

24.1 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. Furthermore, monitoring proceedings were initiated for tax years 2013 and 2014 for which no order has been passed, however, all the requested details have been submitted.

The tax year 2005 has been selected for audit and the proceedings are pending in the RTO. There is no progress in this regard in current period.

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 amounting to Rs. 61.16 million which is pending for hearing before the Honorable High Court of Sindh at Karachi. The case was fixed for hearing on January 28, 2014 and various other dates during the period but on all dates, the case was discharged for want of time.

24.2 Last year, the Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of sales tax amounting to Rs. 19.65 million for the period from July 2011 to June 2012 under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently an order was passed reducing the demand to Rs. 9.86 million along with default surcharge. The Company filed an appeal against the said order which was decided against the Company. The Company has also filed an appeal before the tribunal which is pending adjudication and no order has been passed in this regard. During the year, the Company paid an amount of Rs. 7.15 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of the penalty and 75% of default surcharge.

Further, during the year, the Company received another show cause notice from SRB demanding payment of sales tax amounting to Rs. 34.69 million for the period from July 2012 to December 2013 under section 47 of Sindh Sales Tax on Services Act, 2011. Subsequently an order was passed reducing the demand to Rs. 10.77 million. The Company has filed an appeal against the order with Commissioner Inland Revenue (Appeals) which is pending. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of the penalty and 75% of default surcharge.

On prudent basis, the Company has made a provision against the amount paid to SRB in these financial statements.

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		Note	2014	2013
			------------(Rupees)------------	
24.3	**Reconciliation of tax charge for the year**			
	Profit before taxation		**409,749,562**	210,276,321
	Tax at the applicable tax rate of 33% (2013 : 34%)	24.3.1	**135,217,355**	71,493,949
	Tax effect of income tax at lower rate and final tax regime		**(41,700,486)**	(7,931,464)
	Tax effect of amount relating to prior year		**(1,253,226)**	1,449,754
	Tax charge on permanent differences		**39,778,782**	(86,038)
	Deferred tax recognized at higher rate		**(3,475,349)**	(4,112,365)
	Others		**(1,384,198)**	(733,631)
			127,182,878	60,080,205

24.3.1 During the current year, Federal Government has reduced income tax rate for non-banking companies from 34% to 33%. This amendment was introduced through Finance Act, 2014.

			2014	2013
25.	**EARNINGS PER SHARE - basic and diluted**			
	Profit after taxation	Rupees	**282,566,684**	150,196,116
	Weighted average number of shares	Number of shares	**50,000,000**	50,000,000
	Earnings per share -basic and diluted	Rupees	**5.65**	3.00

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2014	2013	**2014**	2013	**2014**	2013
	----------	----------	----------	(Rupees)	----------	----------
Managerial remuneration	**6,800,000**	6,800,000	**-**	-	**24,139,731**	24,411,550
House rent allowance	**2,720,000**	2,720,000	**-**	-	**9,655,893**	9,764,620
Utilities allowance	**680,000**	680,000	**-**	-	**2,413,973**	2,441,155
Staff retirement benefits	**680,000**	680,000	**-**	-	**2,413,973**	2,246,402
Medical	**221,941**	82,888	**-**	-	**348,287**	345,841
Bonus	**15,000,000**	-	**-**	-	**4,202,000**	2,109,500
Fees for attending meetings	**-**	-	**1,900,000**	2,000,000	**-**	-
	26,101,941	10,962,888	**1,900,000**	2,000,000	**43,173,857**	41,319,068
Number of persons	**1**	1	**5**	5	**24**	24

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

27. 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:

	2014		2013	
	Key management personnel	**Associated entities other than parent company**	Key management personnel	Associated entities other than parent company
	---------- **(Rupees)** ----------			
Trade debts				
Opening balance	**73,311**	**551,492**	818	13,626,534
Invoiced during the year	**-**	**2,770,415,457**	8,478,823	7,026,109,059
Received during the year	**(73,311)**	**(2,770,129,419)**	(8,406,330)	(7,039,184,101)
Closing balance	**-**	**837,530**	73,311	551,492

	2014		2013	
	Key management personnel	**Associated entities other than parent company**	Key management personnel	Associated entities other than parent company
	---------- **(Rupees)** ----------			
Trade payable				
Opening balance	**55,780**	**17,638,067**	578,156	831,322
Invoiced during the year	**11,151,002**	**7,678,465,167**	3,822	7,442,273,588
Paid during the year	**(11,105,481)**	**(7,692,427,073)**	(526,198)	(7,425,466,843)
Closing balance	**101,301**	**3,676,161**	55,780	17,638,067

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	2014	2013
	------------(Rupees)------------	
Balances with parent company		
Trade debts	**1,220,158**	386,688
Balances with parent company	**1,280,858,579**	815,141,617

	2014	2013
	------------(Rupees)------------	
Balances with ultimate parent company		
Trade payables	**72,523**	-
Transactions with associated companies (due to common directorship)		
Nature of transactions		
Dividend paid to Global Investment House	**86,939,328**	76,071,912
Payment on account of expenses to associated companies	**125,784**	-
Transactions with funds managed by associated company (due to common directorship)		
Nature of transactions		
Brokerage income	**13,863,700**	8,313,457
Sale of units of JS Cash Fund	**997,724,991**	50,000,000
Purchase of units of JS Cash Fund	**700,000,000**	-
Purchase of units of JS Income Fund	**1,255,000,000**	-
Sales of units of JS Income Fund	**1,576,475,347**	-
Bonus units received from JS Income Fund	**97,233**	-
Bonus units received from JS Cash Fund	**422,231**	-
Transactions with the parent company		
Nature of transactions		
Sale of term finance certificates - net	**28,403,752**	-
Purchase of term finance certificate-net	**-**	42,640,225
Purchase of Treasury Bills - net	**-**	388,390,641
Sale of Treasury Bills - net	**3,184,678**	-
Purchase of Pakistan Investment Bonds-net	**256,170,424**	-
Sale of Pakistan Investment Bonds - net	**-**	426,533,450
Brokerage income	**4,230,478**	7,506,287
Payment for rent and utilities and consultancy charges	**2,950,145**	1,027,716
Bank guarantee charges and bank charges	**265,225**	306,027
Dividend Paid	**102,100,676**	89,338,091
Profit on PLS account	**69,023,486**	49,848,657
Exchange (loss) / gain on foreign currency deposit accounts	**(121,534)**	216,990

		2014	2013
		------------(Rupees)------------	
Transactions with ultimate parent company			
Nature of transactions			
Brokerage income		**450,214**	325,079
Payment for rent and utilities & Consultancy Charges		**42,065,280**	38,441,049
Purchase of Term Finance Certificates		**40,000,000**	-
Sale of Term Finance Certificates		**40,000,000**	
Transactions with other related parties			
Nature of transactions	**Relationship**		
Royalty expense	Key management personnel of the parent	**10,000,000**	10,000,000
Brokerage income	Key management personnel	**1,613,505**	15,347
Contributions to staff provident fund	Post-employment benefit plan	**4,784,857**	4,233,928

28. OPERATING SEGMENTS

	2014			
	Brokerage	Investment and treasury	Other operations	Total
	---------------- (Rupees) ----------------			
Segment revenues	335,201,578	399,660,622	67,987,424	802,849,624
Administrative and operating expenses	(206,577,174)	(137,703,731)	(11,482,024)	(355,762,929)
Depreciation	(4,838,815)	(423,639)	(4,467,396)	(9,729,850)
Amortisation of intangible assets	-	-	(2,146,500)	(2,146,500)
Provision for sales tax on forex and advisory	(16,390,149)	-	-	(16,390,149)
Finance cost	-	(708,398)	-	(708,398)
				418,111,798
Provision for Workers' Welfare Fund				(8,362,236)
Taxation				(127,182,878)
Profit after tax				282,566,684
Segment assets	667,769,297	2,700,659,766	75,469,552	3,427,368,096
Segment liabilities	641,682,823	145,968,508	13,455,314	801,106,645
Capital expenditure	9,963,132	214,800	14,005,919	24,183,851
Non cash items other than depreciation and amortisation				
- Gain on remeasurement of investments	-	4,998,201	-	4,998,201
- Gain on remeasurement of future equity derivatives	-	13,878,734	-	13,878,734

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, 2014 and December 31, 2013 are located and operating in Pakistan.

	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 investments in PPTFCs	-	(43,015,035)	-	(43,015,035)
- Provision for doubtful debts	-	(1,299,078)	-	(1,299,078)

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 Financial instruments by category

29.1.1 Financial assets

	2014			
	At fair value through profit or loss - held for trading	**Available for sale**	**Loans and receivables**	**Total**
Long term loans, advances and deposits	**-**	**-**	**11,915,024**	**11,915,024**
Short term investments	**869,019,584**	**224,206,450**	**-**	**1,093,226,034**
Trade debts - unsecured	**-**	**-**	**647,233,857**	**647,233,857**
Loans and advances	**-**	**-**	**12,640,321**	**12,640,321**
Short term deposits	**-**	**-**	**113,585,652**	**113,585,652**
Interest and mark-up accrued	**-**	**-**	**18,092,685**	**18,092,685**
Other receivables	**13,878,734**	**-**	**5,542,996**	**19,421,730**
Cash and bank balances	**-**	**-**	**1,300,127,346**	**1,300,127,346**
	882,898,318	**224,206,450**	**2,109,137,881**	**3,216,242,649**

	2013			
	At fair value through profit or loss - held for trading	Available for sale	Loans and receivables	Total
Long term loans, advances and deposits	-	-	9,133,551	9,133,551
Short term investments	813,745,478	-	-	813,745,478
Trade debts - unsecured	-	-	300,054,605	300,054,605
Loans and advances	-	-	11,113,642	11,113,642
Short term deposits	-	-	41,075,446	41,075,446
Interest and mark-up accrued	-	-	4,465,302	4,465,302
Other receivables	3,704,454	-	3,798,788	7,503,242
Cash and bank balances	-	-	839,211,687	839,211,687
	817,449,932	-	1,208,853,021	2,026,302,953

29.1.2 Financial liabilities

	2014		
	Amortised cost	**At fair value through profit or loss**	**Total**
Creditors, accrued expenses and other liabilities	**746,613,900**	**-**	**746,613,900**
	746,613,900	**-**	**746,613,900**

	2013		
	Amortised cost	At fair value through profit or loss	Total
Creditors, accrued expenses and other liabilities	311,697,211	-	311,697,211
	311,697,211	-	311,697,211

29.2 Financial risk management

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

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

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

29.2.1 Credit risk

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

Exposure to credit risk

Credit risk of the Company arises principally from the 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.

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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 13 to the financial statements) and impairment against investment in Privately Placed Term Finance Certificates amounting to Rs. 326,456,184 (refer note 12.5 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:

	2014	2013
	------------(Rupees)	**------------**
Long term loans, advances and deposits	**11,915,024**	9,133,551
Short term investments	**159,184,954**	813,745,478
Trade debts - unsecured	**647,233,857**	300,054,605
Loans and advances	**12,640,321**	11,113,642
Short term deposits	**113,585,652**	41,075,446
Interest and mark-up accrued	**18,092,685**	4,465,302
Other receivables	**19,421,730**	7,503,242
Cash and bank balances	**1,299,953,346**	839,132,687
	2,282,027,569	2,026,223,953

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

	2014	2013
	------------(Rupees)	**------------**
Local clients	**1,043,282,839**	700,754,047
Foreign clients	**1,624,411**	678,405
	1,044,907,250	701,432,452

	2014			2013		
	Gross	**Impairment**	**Net**	Gross	Impairment	Net
	----------------	----------------	----------------	**(Rupees)**	----------------	----------------
Past due 1-30 days	**605,928,364**	**-**	**605,928,364**	136,933,522	-	136,933,522
Past due 31 days -180 days	**40,379,266**	**-**	**40,379,266**	85,044,912	-	85,044,912
Past due 181 days -1 year	**926,226**	**-**	**926,226**	11,410,990	-	11,410,990
More than one year	**397,673,393**	**397,673,393**	**-**	468,043,028	397,673,393	70,369,635
Total	**1,044,907,250**	**397,673,393**	**647,233,856**	701,432,452	397,673,393	303,759,059

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.

29.2.1.2 Bank balances

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

	2014	2013
	------------(Rupees)	**------------**
AAA	**12,908,165**	21,209,075
AA +	**60,459**	359,580
AA	**2,733,035**	912,599
AA -	**3,334,360**	1,453,836
A+	**1,280,858,579**	815,141,617
BBB	**58,748**	55,980
	1,299,953,346	839,132,687

29.2.1.3 Investment in debt securities

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

	2014	
	Rupees	Percentage
Term Finance Certificates		
Credit rating		
AA+	**5,250,872**	**3.30%**
AA	**52,704,088**	**33.11%**
AA-	**56,149,875**	**35.27%**
A+	**42,080,120**	**26.43%**
A	**3,000,000**	**1.88%**
	159,184,955	**100.00%**

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

29.2.1.4 Impairment losses

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

	2014	2013
	------------(Rupees)------------	
Trade debtors - Equity transactions	-	1,299,078
Trade debtors - Advisory receivables	-	-
Investment in Privately Placed Term Finance Certificates	-	43,015,035

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.

29.2.1.5 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.

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

	2014		2013	
	(Rupees)	**Percentage**	(Rupees)	**Percentage**
Services (Including Insurance)	**1,031,135**	**0.16%**	159,405,861	14.38%
Manufacturing	**7,385,376**	**1.14%**	1,210,409	0.11%
Banking and financial institutions	**46,770,172**	**7.23%**	16,209,426	1.46%
Individuals	**592,047,174**	**91.47%**	126,356,033	84.05%
	647,233,857	**100.00%**	303,759,059	100.00%

29.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities:

	2014					
	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	**746,613,900**	**746,613,900**	**746,613,900**	**-**	-	**-**
	746,613,900	**746,613,900**	**746,613,900**	**-**	**-**	**-**

	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	311,697,211	311,697,211	311,697,211	-	-	-
	311,697,211	311,697,211	311,697,211	-	-	-

On the balance sheet date, the Company has cash and bank balances of Rs.1,300 million (2013: Rs. 839.211 million) as mentioned in note 18 and unutilised credit lines of Rs. 250 million (2013: Nil) against the investments of the Company .

29.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the Company's 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. 44,400 equivalent to USD 441 (2013 : Rs. 5.24 million equivalent to USD 49,856) at the year end.

	Balance sheet date rate	
	2014	2013
Pak rupees / US Dollar	**100.6**	105.2

Sensitivity analysis

A 10% strengthening / weakening of the Rupee against US Dollar at December 31, 2014 would have increased / (decrease) the profits of the Company as follows:

	Impact on profit or loss before tax	
	2014	2013
	----------------(Rupees)----------------	
Strengthening of Rupees by 10%	**(4,440)**	(524,489)
Weakening of Rupees by 10%	**4,440**	524,489

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, 2014, investments in term finance certificates exposed to interest rate risk are detailed in note 12.3 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	
	2014	2013
	-----------(Rupees)------------	
Fixed rate investments (note 12.3, 14.4 & 18)	**1,349,274,056**	1,117,766,801
Variable rate investments (note 12.3)	**108,433,489**	129,600,194

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2014

	Impact on profit or loss before tax	
	100 bp increase	100 bp decrease
	----------------(Rupees)----------------	
As at December 31, 2014		
Cash flow sensitivity - variable rate instruments	**1,084,335**	**(1,084,335)**
As at December 31, 2013		
Cash flow sensitivity - variable rate instruments	1,296,002	(1,296,002)

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, 2014		
Term Finance Certificates	**(507,515)**	**507,515**
	(507,515)	**507,515**
As at December 31, 2013		
Treasury Bills	(2,483,833)	2,483,833
Term Finance Certificates	(333,433)	333,433
	(2,817,266)	2,817,266

The Company is exposed to other price risk on investments in 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, 2014		
Quoted equity securities	**70,983,463**	**(70,983,463)**
	70,983,463	**(70,983,463)**
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)

29.2.4 Operational risk

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

29.3 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

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

Financial assets at fair value through profit or loss

	2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Listed securities	**780,941,413**	**-**	**-**	**780,941,413**
Government securities and unlisted term finance certificates	**-**	**88,078,172**	**-**	**88,078,172**
	780,941,413	**88,078,172**	**-**	**869,019,585**
Available for sale				
Government securities	**-**	**224,206,450**	**-**	**224,206,450**

Financial assets at fair value through profit or loss

	2013			
	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

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

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

30. RECLASSIFICATION

Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which is as follows:

		Reclassified	
Description	**Rupees**	**From**	**To**
Provision for taxation	64,804,262	Provision for taxation	Advance tax
Derivative financial assets	3,704,454	Trade debts	Other receivables

31. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of Nil (December 31, 2013 : Nil) amounting to Nil (December 31, 2013: Nil) and bonus of Nil (December 31, 2013: Nil) in their meeting held on January 29, 2015. 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, 2015.

BASIR SHAMSIE
Chairman

MUHAMMAD KAMRAN NASIR
Chief Executive

PATTERN OF SHAREHOLDING
for the year ended December 31, 2014

No. of shareholders		Share Holding From		Share Holding To	Total Shares Held
558	Shareholding from	1	to	100	6,829
271	Shareholding from	101	to	500	82,935
150	Shareholding from	501	to	1000	129,241
214	Shareholding from	1001	to	5000	453,907
32	Shareholding from	5001	to	10000	247,851
14	Shareholding from	10001	to	15000	178,681
6	Shareholding from	15001	to	20000	101,738
4	Shareholding from	20001	to	25000	96,380
6	Shareholding from	25001	to	30000	170,869
4	Shareholding from	30001	to	35000	124,690
1	Shareholding from	50001	to	55000	54,054
1	Shareholding from	95001	to	100000	100,000
1	Shareholding from	130001	to	135000	134,000
1	Shareholding from	215001	to	220000	218,501
1	Shareholding from	295001	to	300000	300,000
1	Shareholding from	340001	to	345000	340,323
1	Shareholding from	21730001	to	21735000	21,734,832
1	Shareholding from	25525001	to	25530000	25,525,169
1,267					50,000,000

S.No.	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	Individuals	1240	2,140,973	4.28%
2	Investment Companies	24	21,988,535	43.98%
3	Banks	1	25,525,169	51.05%
4	Insurance Companies	2	345,323	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%
		1267	50,000,000	100.00%

* Includes 967 CDC Beneficial Owner as per list appear on CDS.

PATTERN OF SHAREHOLDING
for the year ended December 31, 2014

		NO.	SHARES
1	**Associated Companies, Undertakings and Related Parties**		
	JS Bank Limited.	1	25,525,169
	Global Investment House	1	21,734,832
	Jahangir Siddiqui Securities Services Limited	1	218,501
		3	47,478,502
2	**NIT and ICP**	Nil	Nil
3	**List of Directors, CEO and their spouses and minor children**		
	Mr. Abdul Hamid Mihrez	1	4
	Mr. Muhammad Yousuf Amanullah	1	1
	Mr. Ammar Talib Hajeyah	1	4
	Mr. Basir Shamsie	1	1
	Mr. Khurshid Hadi	1	1
	Mr. Farid Arshad Masood	1	1
	Mr. Fouad Fahmi Darwish	1	4
	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**	**345,323**
7	**Joint Stock Companies & Others**	**22**	**35,202**
8	**Individuals**	**1,232**	**2,140,956**
	Total	**1,267**	**50,000,000**

PATTERN OF SHAREHOLDING
for the year ended December 31, 2014

Detail of share holding 10% or more

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

The Directors, CEO, CFO, Company Secretary and their spouses and minor children had reportedly carried out no trading in the shares of the Company during the year ended December 31, 2014.

Form of Proxy
14th Annual General Meeting

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

I/We--of----------------------------
being member(s) of JS Global Capital Limited holding-----------------------------------ordinary shares as per Registered Folio No. / CDC A/c. No. (for members who have shares in CDS) --hereby appoint Mr. / Mrs. / Miss --- of (full address)---or failing him/her Mr. / Mrs. / Miss --- of (full address)--
as my / our proxy in my / our absence to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **March 31, 2015** and / or any Adjournment thereof.
As witness my / our hand / seal this --- day of 2015.

Signed by ---

In the presence of ---

WITNESS:

1. Name:__________________________________
Signature: ________________________________
Address: ________________________________
____
CNIC or Passport No.: _______________________

WITNESS:

2. Name:__________________________________
Signature: ________________________________
Address: ________________________________
____
CNIC or Passport No.: _______________________

Signature on Rs.5/- Revenue Stamp

The Signature should agree with the specimen registered with Company

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 meeting.

3. No Person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.

4. If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

5. 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 attending the meeting. The form of Proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose name, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted along with Proxy form.

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Global Capital Limited
6th Floor, Faysal House,
Main Shahra-e-Faisal
Karachi.

JS Global Capital Limited

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www.jsglobalonline.com

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Lahore, Pakistan.
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Rabi Shopping Center
Adjacent Belair Hospital
Saddar Cantt, Hyderabad, Pakistan.
Tel: +92 22 278 4876-9

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Ground Floor, Mezan Executive
Tower, Plot # 4 Liaquat Road,
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