

2021
Annual Report

 **JS Global**

EXCEPTIONAL
Values · Products · Services

 **JS Global**

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EXCEPTIONAL

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JS Global Capital Limited (“JSGCL”) is one of the Pakistan’s largest and oldest Brokerage and Investment Banking firm incorporated under the local laws of Pakistan applicable to the Company and is part of the JS Group. The Company has exceptional leadership position in the domestic capital market together with one of the largest market share in equity brokerage. Besides this, the Company offers the range of other services as well which includes Money Market, Forex and Commodity brokerage, Advisory, Underwriting, Book Running and Consultancy services. The Company objectively follows its long term strategic plan to achieve its goals which ultimately translate into better returns and value creation for all its Stakeholders.





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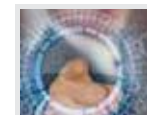
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ORGANISATIONAL OVERVIEW

Key Highlights for the year

Revenue 2021

1,313

2020 **872**
(Rupees in million)

Profit After Tax 2021

411

2020 **207**
(Rupees in million)

Donation 2021

10

2020 **5**
(Rupees in million)

Total Assets 2021

6,591

2020 **5,391**
(Rupees in million)

Equity 2021

2,196

2020 **2,446**
(Rupees in million)

Earning Per Share 2021

15

2020 **7**
(Rupees in million)

Return on Equity 2021

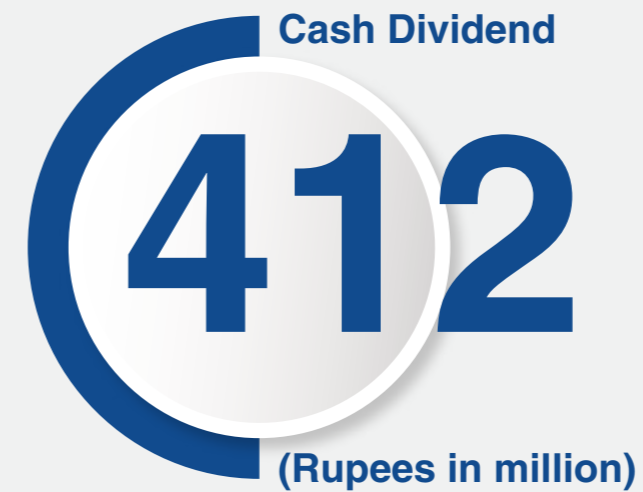
18%

2020 **9%**

Return on Assets 2021

7%

2020 **4%**



Company Information

Board of Directors

Mr. Shahab Anwar Khawaja	Chairman - Independent Director
Mr. Muhammad Kamran Nasir	Chief Executive Officer
Mr. Iftikhar Ahmed Rao	Independent Director
Mr. Muhammad Yousuf Amanullah	Executive Director
Mr. Salaal Hasan	Non-Executive Director
Ms. Shireen Raza	Non-Executive Director
Mr. Hasan Saeed Akbar	Non-Executive Director
* Syed Ghaus Ahmad	Non-Executive Director

Audit Committee

Mr. Iftikhar Ahmed Rao	Chairman
Mr. Salaal Hasan	Member
Ms. Shireen Raza	Member
Mr. Hasan Saeed Akbar	Member

Risk Management Committee

Mr. Shahab Anwar Khawaja	Chairman
Mr. Muhammad Kamran Nasir	Member
Mr. Muhammad Yousuf Amanullah	Member
* Syed Ghaus Ahmad	Member

Human Resource & Remuneration Committee

Mr. Iftikhar Ahmed Rao	Chairman
Mr. Muhammad Kamran Nasir	Member
Mr. Muhammad Yousuf Amanullah	Member
* Syed Ghaus Ahmad	Member
Mr. Hasan Saeed Akbar	Member

* Syed Ghaus Ahmed has tendered his resignation subsequent to the year ended December 31, 2021 which was approved in the BOD meeting held on February 18, 2022.

Mr. Fahad Muslim	Chief Financial Officer
Syed Sufyan Ahmed	Company Secretary

External Auditor

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

Legal Advisors

Bawaney & Partners
3rd & 4th Floors, 68-C, Lane-13, Bukhari Commercial Area, Phase-VI, D.H.A., Karachi.

Abdul Majeed Khoso
1102 Kashif Center, Shahrah e Faisal, Karachi

S.A Law Associates
Office No. 409, 4th Floor, Land Mark Plaza, Near Jang Press, Off. I.I. Chundrigar Road, Karachi.

Bankers

JS Bank Limited	BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited	MCB Bank Limited
Habib Bank Limited	Habib Metropolitan Bank Limited
Bank Alfalah Limited	United Bank Limited
National Bank of Pakistan Limited	Askari Bank Limited
Faysal Bank Limited	Sindh Bank Limited
Meezan Bank Limited	Summit Bank Limited

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi

Registered Office

The Center 17th & 18th Floor, Plot No. 28, S.B.5, Abdullah Haroon Road, Karachi.
UAN: (+92-21) 111 574 111 Fax: (+92-21) 3280 0167
Web: www.jsgcl.com | www.jsglobalonline.com

Profile of Board of Directors

Mr. Shahab Anwar Khawaja

Independent Director & Chairman

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

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

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

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

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

Mr. Iftikhar Ahmed Rao

Independent Director

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

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

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

Mr. Muhammad Kamran Nasir

Chief Executive Officer

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

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

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

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

Mr. Muhammad Yousuf Amanullah

Executive Director

Mr. Muhammad Yousuf Amanullah is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a certified Director from the Pakistan Institute of Corporate Governance. He previously served on the Boards of Jahangir Siddiqui Investment Bank Limited, JS Global Capital Limited, JS Value Fund Limited and JS Investments Limited.

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

Mr. Hasan Saeed Akbar

Non Executive Director

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

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

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

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

Ms. Shireen Raza

Non Executive Director

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

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

Mr. Salaal Hasan

Non Executive Director

Mr. Salaal Hasan is a private equity investor and venture capitalist serving as Director – Venture Capital at the JS Group, Pakistan’s leading financial services conglomerate. Salaal also serves as the Head of Ecosystem Development at JS Bank Limited and a Director at JS Global Capital Limited, where he looks after technology investments, partnerships and accelerated growth via digitization.

He serves as a Board Member for Pakistani health-tech’s AugmentCare & Sehat and ed-tech Knowledge Platform.

Prior to JS, Mr. Hasan was at PE+ Capital Advisors in Dubai, where he learnt private equity under the mentorship of Dr. Sameer Al Ansari (former Chairman and CEO of Dubai International Capital) and specialized in venture capital investments in MENA and EU based technology companies — including the regions first FCA regulated crowd-funding platform.

Salaal started his career at the World Bank working with the Governance team on Pakistan’s “Doing Business Index” and revenue mobilization.

Salaal earned his B.Eng. (Honours) in Chemical Engineering and Business Management from the University of Birmingham where he was awarded an excellence scholarship.

Syed Ghaus Ahmad

Non Executive Director

Syed Ghaus Ahmad is top performing banking executive with over 18 years of demonstrated abilities and a rich experience in areas of Business Development, Operations, Consumer Banking and Team Management within Local and Multinational Banks. He is currently using his areas of expertise and making a continued, significant contribution within the banking industry. He is currently acting as SEVP – Head of Distribution in JS Bank Limited and associated with JS Bank Limited since April 2009. Before that, he was associated with Atlas Bank Limited, Emirates Bank International / Union Bank / Standard Chartered Bank, Bank Alfalah at different levels. He has done his BBA from American College of Applied Arts, Los Angeles, California, USA in 1993. He has also obtained various courses and certifications which includes Service Quality, International Commercial Banking –NIBAF, Values in action, Passion of Service, Professional Selling Skills, Anti-Money Laundering, Banking Law & Practice, Project Management, Leadership Management Course, Service Quality Par Excellence Standards, Value added Advanced Selling Techniques and Strategic Framework.

Term of Reference (TORs) of Board Committees

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

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

- i determination of appropriate measures to safeguard the company's assets;
- ii review of annual and interim financial statements of the company, prior to their approval by the Board, focusing on,-
 - a) major judgmental areas;
 - b) significant adjustments resulting from the audit;
 - c) going concern assumption; (d) any changes in accounting policies and practices;
 - d) compliance with applicable accounting standards;
 - e) compliance with these Regulations and other statutory and regulatory requirements; and (g) all related party transactions;
- iii review of preliminary announcements of results prior to external communication and publication;
- iv facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- v review of management letter issued by external auditors and management's response thereto;
- vi ensuring coordination between the internal and external auditors of the company;
- vii review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- viii consideration of major findings of internal investigations of activities characterized by

fraud, corruption and abuse of power and management's response thereto;

- ix ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- x review of the company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- xi instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- xii determination of compliance with relevant statutory requirements;
- xiii monitoring compliance with these Regulations and identification of significant violations thereof;
- xiv review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- xv recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
- xvi consideration of any other issue or matter as may be assigned by the Board;

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

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

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

- i Monitoring and review of all material controls related to trading limits, exposure margins, collateral management, financing products and compliances activities.

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



JOURNEY

SO FAR

1991
BUSINESS
ESTABLISHED

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

1993
FOREIGN
PARTNER

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

2001
ADVISOR - ICI
AND
PACKAGES
TFC

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

2003
PRIMARY
DEALER BY
SBP

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

2006
MARKET
MAKER FOR
MOBILINK TFC

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

2008
BOOK
BUILDING
FOR NEW
LISTINGS

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

2009
FINANCIAL
INFORMATION
EXCHANGE

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

2009
INTERNATIONALLY
SOFTWARE
SOLUTION

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

2013
MULTI-EXCHANGE
TRADING
SOLUTION

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

2013
MARGIN
FINANCING
SYSTEM

First brokerage firm to introduce Margin Financing System in 2013

2015
NCS ACCOUNTS
OF NCCPL

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

2015
NCS ACCOUNTS
OF NCCPL

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

2016
INVESTMENT
CONFERENCE

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

2017
COMMERCIAL
PAPER

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

2018
AGP IPO

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

2019
CFA AWARDS

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

2020
EXCHANGE
TRADED FUNDS

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

2020
ASIAMONEY - A
VOTE OF
CONFIDENCE

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

2021
COMMERCIAL
PAPER

First & only brokerage firm to issue a 2nd Commercial Paper – PKR 1,000 mn

2021
AIR LINK IPO

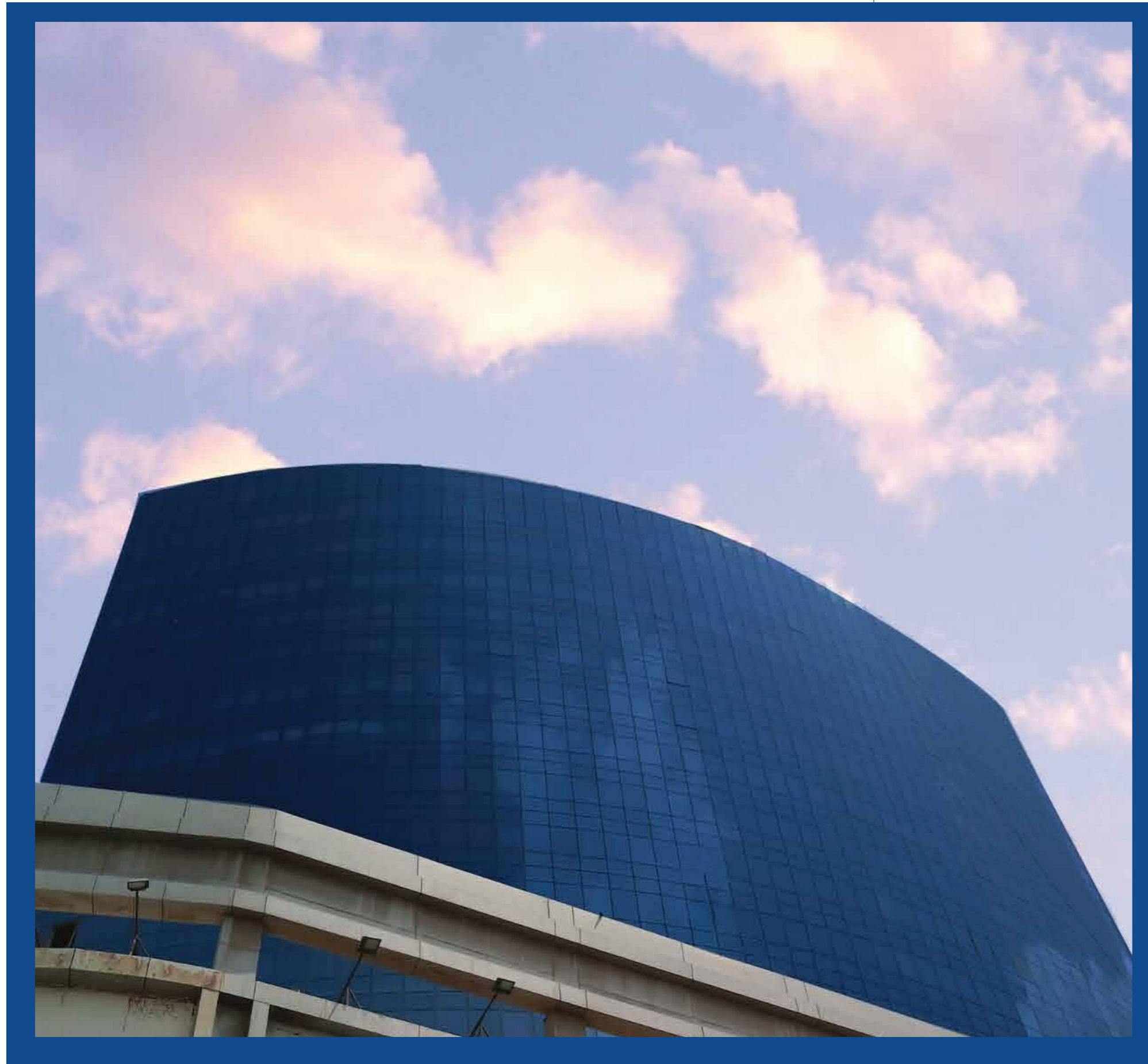
JS Global in the capacity of Consultant to the issue and Book Runner has undertaken the single-largest, historical and record setting private sector IPO of Air Link Communication

2021
BEST
CORPORATE
REPORT
AWARDS
PAKISTAN

"JS Global awarded the Certificate of Merit during the Best Corporate Report Awards 2020 from the the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan)."

2021
BEST
CORPORATE
REPORT
AWARDS SAFA

JS Global Capital Limited has also secured the Certificate of Merit in financial services category in Best Presented Annual Report Award from the South Asian Federation of Accountant (SAFA).



Company Profile

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

JS Global was incorporated as a private limited company on June 28, 2000. However, the Company started its operations in May 2003 and the name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange (Guarantee) Limited on February 7, 2005.

During 2006-07 the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. Securities and Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated July 19, 2006 gave its approval in principle to the scheme of the transaction.

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

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

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

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

Principle Business Activities

The principle business activities of the Company are Equities brokerage, Money Market Brokerage, Forex Brokerage, Commodity brokerage, Investment banking, Underwriting, Book Runner, Consultancy and Economic & Equity Research.

Entity Rating

Long Term Rating

AA
(Double A)

Short Term Rating

A1+
(Double A)

	2021	2020	2019	2018	2017	2016	2015
Long Term Rating	AA	AA	AA	AA	AA	AA	AA
Short Term Rating	A1+	A1+	A1+	A1+	A1+	A1+	A1+
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Action	Maintained						

Broker Management Rating

Long Term Rating

BMR 1

Rating by PACRA

	2021	2020	2019	2018	2017
Long Term Rating	BMR 1	BMR 1	BMR 1	BMR 1	BMR 1
Outlook	Stable	Stable	Stable	Stable	Stable
Action	Maintained				Initial

Calendar of Major Events



18-Feb-21
Approval of annual financial results for the year ended December 31, 2020 by Board



22-Apr-21
Financial results for the 1st quarter, approved by the Board.



28-Apr-21
- 20th Annual General Meeting (AGM)
- Approval of annual accounts by shareholders
- Appointment of Auditors and fixation of its remuneration.
- Approval of Buy Back of Shares



29-Sep-21
JS Global in the capacity of Consultant to the issue and Book Runner has undertaken the single-largest, historical and record setting private sector IPO of Air Link



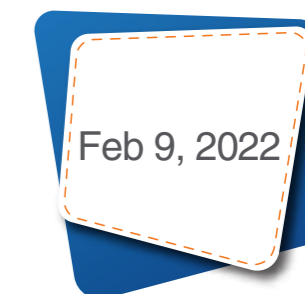
21-Oct-21
Approval of financial results for the 3rd quarter ended September 30, 2021 by Board



21-Aug-21
Financial results for the Half Year, approved by the Board.



27-Aug-21
JS Global awarded the Certificate of Merit during the Best Corporate Report Awards 2020



Feb 9, 2022
JS Global Capital Limited has also secured the Certificate of Merit in financial services category in Best Presented Annual Report Award from the South Asian Federation of Accountant (SAFA).

Key Markets

Pakistan Stock Exchange Limited

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

Pakistan Mercantile Exchanges Limited

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

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

Key Products

Equities

Regular/Ready Market

In this product, shares/stocks of all companies listed are traded. Ready market is the core market of PSX where settlements take place on a T+2 basis and accounts for a major portion of daily volumes of the exchange. Ready market transaction provide the basis of all leverage markets and products available in the exchange. Leverage products include MTS, MFS, Deliverable Futures contract and equity ETFs.

Negotiated Deal Market

This is not part of the mainstream market transactions. Here negotiated deals are conducted outside the Exchange Trading Systems and are reported through the interface provided by the Exchange. These deals may also be called Off Market Transactions. These transactions are conducted between brokers.

REIT (Real Estate Investment Trust)

REIT is a fund based trust that owns income-producing real estate, buys real estate, develops, manage/ operates and sells real estate assets. REITs are modelled after mutual funds where all taxable income is paid out as dividends to shareholders.

Deliverable Futures Contract (DFC)

DFCs are forward contracts to buy or sell a certain underlying instrument with actual delivery of the said instrument occurring. The minimum lot for purchasing these shares is 500 shares. Settlement takes place 30 days after the contract is purchased. The Opening of the Contract is Monday, preceding the last Friday of the month. The Expiration of the DFC is the last Friday of the calendar month.

Stock Index Futures Contract (SIFC)

SIFC is an agreement to buy or sell a standardized value of a stock index (basket of shares) on a future date at a specified price. SIFC gives opportunity to investors to trade in entire stock market by buying index futures instead of buying individual securities with the efficiency of mutual funds. Currently 90 days SIFCs are available at PSX.

Single Stock Cash Settled Futures (CSF)

It is like a standardized contract which allows buying or selling a certain underlying instrument at a certain date in the future, at specified price. Single Cash Settled Futures are standardized contracts to buy/sell single stock futures to be settled in cash, where the result of the trade is the cash difference between the buying and selling price. Settlement occurs purely on cash basis. Settlement can occur 30, 60, & 90 days after the contract is purchased.

Margin Trading System (MTS)

In MTS (Margin Trading System), an investor can buy MTS eligible securities having a part percentage of funds available of the total value of MTS eligible securities bought. An investor may buy a number of MTS eligible securities while having only a fixed percentage of funds available. The remaining amount is financed or leveraged by the Brokerage firm. The percentage of funds required for MTS is defined by the Brokerage firm which shall not be less than 15% of the total value of MTS eligible securities purchased or VAR (Value at Risk – A percentage number signifying the decline in the value of an asset class in a particular period of time). A mark-up rate of not more than Kibor+8% is charged against the leveraged securities held under MTS. Margin Trading Contracts are settled in T+2 days.

Margin Financing System (MFS)

In MFS (Margin Financing System), an investor can buy MTS eligible securities having a part percentage of funds available of the total value of MTS eligible securities bought. MFS can be obtained as per agreed Financier Participation Ratio (FPR). However, minimum of 25% or VaR whichever is higher should be contributed by Finantee. Financing terms and conditions are pre-determined by Margin Finantee and Margin Financier. NCCPL provides a system to MFS Participants for recording and settlement of MF Transactions. Margin Financing facility is made available only in Eligible Securities. All MF Transactions are based on counterparty risk in a disclosed manner.

Exchange Traded Fund

ETF is a pooled investment vehicle with units that can be bought or sold on the Stock Exchange at a market-determined price. Similar to mutual funds units, ETF owns the underlying assets (stocks or bonds) and offers investors a proportionate share in a pool of stocks, bonds, and other assets. The ETFs have Net Asset Values (NAVs) which are listed on PSX website. The NAV of an ETF is the sum of marked-to-market values of the individual portfolio holdings plus the portion of the assets held in cash and cash equivalents, less all the accrued ETF expenses. The NAVs of these securities are disseminated during the day. The Settlement Dates of these securities is T + 2.

Investment Banking

IPO / Listing / Book Building

End to end transaction management, including corporate restructuring, valuation, designing of marketing material, corporate road shows and book building process.

Right Issues

Advisory and arrangement of a right issue transaction for clients, valuations, preparation of marketing material, liaising with regulatory authorities and concluding the transaction.

Debt Transactions

Assisting companies in securing funding via various instruments, such as TFCs, Sukuk, Commercial papers, strategic investors, etc.

Mergers & Acquisition

We provide in-depth analysis and guidance on not only the identification of potential targets, but also the management of the entire acquisition and merger and a comprehensive approach that meets the requirements of all stakeholder

Commodities

Pakistan Mercantile Exchange Limited is Pakistan's first commodity futures market with the major commodities traded on the exchange are gold, crude oil silver, Platinum, Copper, NSDQ, S&P, Dow Jones, JPY EQTY, Major currencies, Natural Gas, and Cotton.

Fixed Income

Fixed income securities include Money Market, Corporate Debt securities/ bonds and Government Debt securities/ bonds. These bonds are investment products that provide a return in the form of fixed periodic payments as mark-up and the eventual return of principal. Any investor can purchase these securities listed at the Stock Exchange through Broker.

Money Market instruments

These include T-Bill, overnight, Repo, Reverse Repo, Commercial Paper, TDR, COI & LOP. In Islamic Terms the products include Mudarba, Musharka, Murahaba, & Bai-Muajjal.

Corporate Debt Instruments

These include Term Finance Certificates (TFCs), SUKUK Certificates, Registered Bonds, Corporate Bonds etc., and all kinds of debt instruments issued by any Pakistani company or corporation registered in Pakistan.

Government Debt Instruments

These are debt instruments issued by the Government of Pakistan. These include PIBs, Treasury Bills, National Savings Bonds, and Islamic Ijarah Sukuks.

Foreign Exchange

Facilitate banks in foreign exchange transactions (buying /selling of dollars in spot, forward and swaps)

Key Services



Geographical Presence



Vision

To be the leader in the financial service sector

Mission

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

Corporate Culture and Core Values



Quality

We strive for best quality services for our clients



Innovation

We anticipate change, create new products and solutions for our customers



Value

Our Success is incremental value for our clients and shareholders.

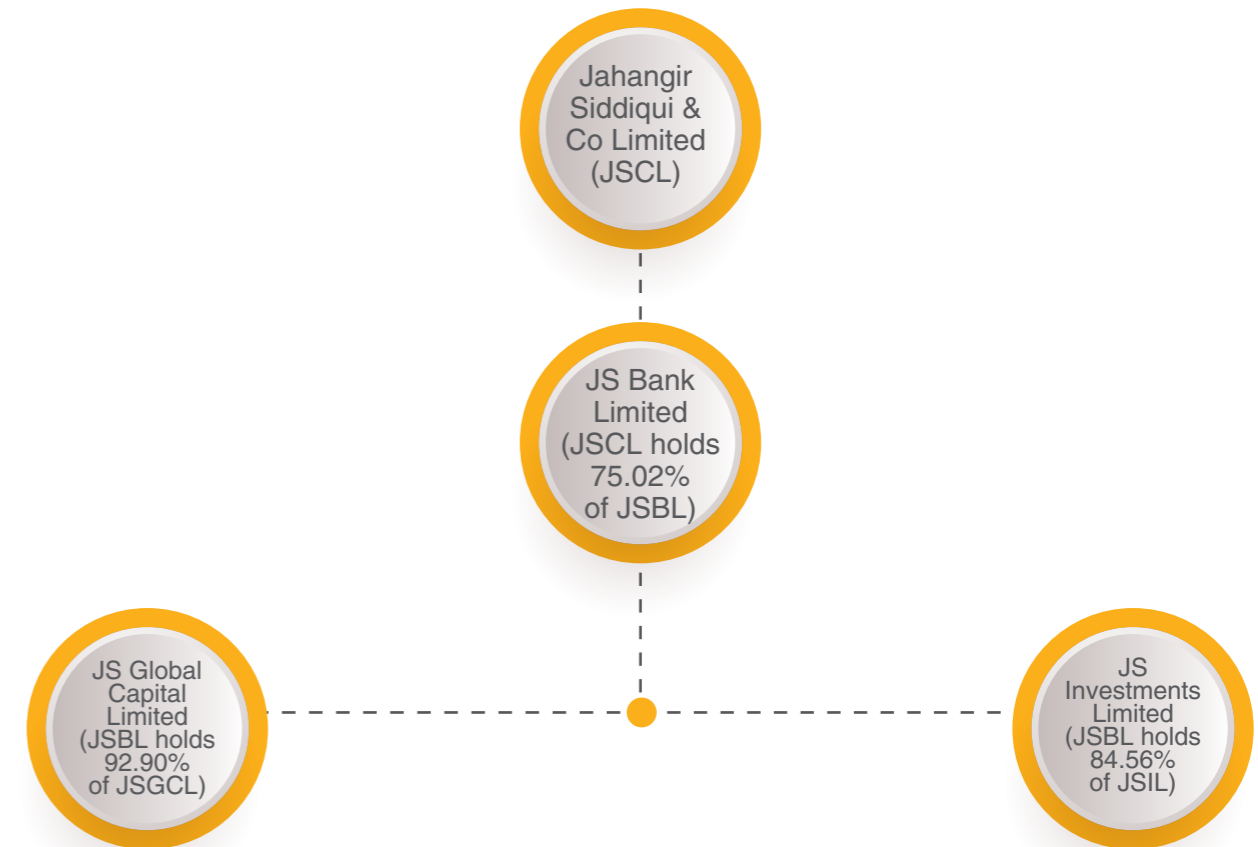


Responsibility

Consistently delivering our commitment.

Ownership, Operating Structure and Relationship with Group Companies

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



Pestel Analysis



Factors such as government or policy changes, political developments or regulatory changes can have a material and often adverse impact on the capital market. To counter any potential threats arising from these various scenarios, the Company stays abreast of all political developments and makes timely adjustments where and when it deems necessary. Quite often the responses by the Company are to anticipated changes in government policies, which is testament to the Company's acumen in foretelling any material changes in policies.



The Company's overall performance improves in tandem with global and national economic growth, and by extension, the overall performance of the country's equity capital market. Any adverse reaction in the financial market to a jump in global commodity prices, exchange rate movement, inflation or interest rates may also have an impact on the company's financial performance.

By introducing new products, innovative digital trading services, end to end research services, holistic and niche marketing, and a superior investment banking team, the company maintains and continuously strives to increase its market share.

Performance-based variable compensation structure minimizes the negative impact of such changes.



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Technological changes present an opportunity, to first movers in particular, to capitalize on the advantages of transitioning to new technologies. The Company is excited at the prospect of working with Fin Techs and other technology driven solutions and incorporate these in its products and processes and implement digital trading solutions for investors.



Preserving the environment is more important than ever and towards that end the Company continues to strive towards its goal of a paperless environment by embracing digital solutions. One example is the Company's research department which used to rely on hard copies of companies annual and interim reports. Now, all reports are accessed online, which has led to a massive reduction of the need for paper and space.



The Company makes conscious efforts to ensure compliance with all the mentioned laws, by laws, rules, emulations and other statutory obligations. The Board oversees all compliance matters and for the same, a separate compliance department has been established



GOVERNANCE

Chairman's Review Report

Dear Shareholders

I take immense pleasure in presenting you the annual performance of JS Global Capital Limited ("JSGCL" or "the Company") for FY2021. Following the pandemic year, FY2021 witnessed revival of economic activity in Pakistan and many other parts of the world, leading to other challenges such as tackling global logistical constraints and record breaking commodity prices.

Being the Chairman of the Board/Company, I once again take pride in sharing the key achievements made by the Company and maintaining its position as one of the market leader in Investment Banking and Capital markets. Commitment and efforts from the Board and its committees continued to strive for the best, resulting in accomplishment of identified milestones throughout the year. This is also evident from the fact that the overall rating of annual performance evaluation of the board and its Committees during FY2020 given by Grant Thornton Anjum Rahman, Chartered Accountants hired for this purpose was "Significantly satisfied/Very good". During FY2021, the Company in the capacity of Consultant to the issue and Book Runner has undertaken the single-largest, historical and record setting private sector IPO of Air Link Communication Limited – a mobile phone assembler and exporter in Pakistan whereby PKR 6.43 billion was raised through offering 90 million shares to institutional and high net worth individual investors. Air Link's IPO was oversubscribed by 1.64 times as over 500 institutional and high net worth individual investors placed bids for 147.65 million shares against an issuance size of 90 million shares, amounting the size of bids to around Rs. 11 billion. Further, the Company also executed foreign investor transactions worth ~US\$62mn (~30% market share) and ~US\$64mn (~50% market share) in a single day at the time of MSCI rebalancing in May-2021 and Nov-2021, respectively. These few achievements mentioned out of the many achieved in FY2021 are a testimony of the company's excelling strengths on all fronts.

The AA (long term) and A1+ (short term) entity ratings and BMR1 Management rating with stable outlook – one of the highest for any equity brokerage firm in the country – by PACRA are testament not only to the Company's commitment to being an industry leader in operational and structural excellence but to the team's hard work in ensuring that the Company continues to be known as a market leader. We continue to work on increasing the low penetration levels that continue to be a major challenge to the development of Pakistan's financial market.

Last, but not the least, strengthening of overall accountability measures should go a long way in bridging the trust gap between small investors and the markets. I would like to commend the management for their dedication and thank the stakeholders for their continued support and trust in the Company. I assure you that the Company is on the trajectory of continuously improving its compliance to all ethical and legal obligations and setting itself as a leading example in the industry. I, on behalf of the Board and the Management wish you another year of success, prosperity and health.

Shahab Anwar Khawaja
Chairman

Date: February 18, 2022

A Statement of which types of decisions are to be taken by the Board and which are to be delegated to Management

Board's Function and Decision Making

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

Matters Delegated to the Management

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

Annual Evaluation of Performance of the Members of the Board and its Committees, CEO and the Chairman

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

The report issued by PICG covers:

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

Disclosure of the Annual Performance Review of Board Members and their Committees, the CEO and the Chairman is Conducted by an External Consultant.

The annual formal process of evaluation of performance of the Board as a whole and its committees was performed by engaging external independent consultant - Grant Thornton Anjum Rahman, Chartered Accountants, a member firm of Grant Thornton International Limited.

The evaluation process was done by preparing performance assessment surveys, circulating survey questionnaires to relevant Board members & received, collated and analyzed the survey responses to issue the final report by GT. The report covered the performance of the:

Board as a whole.
Board committees and
Board members.

Directors' Training and Orientation

Majority of the Directors have complied with the requirement of the Directors' Training Program by obtaining certification from the approved and accredited institutions.

In addition, the directors were formally orientated in BOD and its Committee meetings to keep them updated of any amendment and their duties and responsibilities to allow them to effectively manage the company's business on behalf of shareholders.

External Oversight of Functions

The senior management ensures the efficiency of all its functions by regularly monitoring the KPIs and assessing the goals assigned to each department;

All of our processes are examined by the internal audit function;

The Company ensures systems controls and procedures and penetration tested independently, once in every two years.

Policy of Remuneration to Non-executive Directors

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

Policy for Security Clearance of Foreign Directors

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

Implementation of Governance Practices Exceeding Legal Requirements

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

Following additional governance practices implemented by the management include:

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

Succession Planning

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

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

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

Related Parties

The Company has provided detailed information on related party transactions in its financial statements annexed to this Annual Report. This disclosure complies with the requirements of 4th Schedule of the Corporations Act, 2017 and the relevant International Financial Reporting Standards.

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

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

Board Meetings held Outside Pakistan During the Year

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

Policy for Actual and Perceived Conflict of Interest

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

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

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

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

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

Investors' Grievance Policy

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

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

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

In case the complaint is directly lodged with SECP / PSX, the complaint shall be reopened and requirement of closing/resolving complaint within 30 days shall not be applicable. The status of pending/unresolved complaints shall be reviewed by COO on monthly basis to identify any unusual delay in resolving the complaints by the management and identify any unusual or frequent complaints which indicate control deficiency.

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

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

Policy for Safety Records of the Company

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

IT Governance Policy

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

IT Governance Policy consists of the following:

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

Whistle Blowing Policy

JS Global is committed to creating a climate where people can freely communicate their concerns or warn against the possibility of fraud, non-compliance with the Company's policies, code of conduct and regulatory framework, an effective reporting mechanism has been put in place.

This policy is designed to allow officers and all employees of the company to bring complaints to a designated platform.

This policy governs procedures that must be followed when allegations of impropriety are made by a whistleblower and such allegations:

- regardless of scope, accounting, internal accounting controls, or auditing matters, or
- regardless of the scope of liability, could cause serious damage to the JSGCL's brand or reputation or,
- could result in a material liability to the JSGCL.

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

Human Resource Management Policies

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

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

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

Business Continuity and Disaster Recovery Plan

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

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

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

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

Disclosure of Beneficial (Including Indirect) Ownership

Mr. Jahangir Siddiqui is the ultimate benefit owner of JS Global Capital Limited

Compliance with the Best Practices of Code of Corporate Governance

The Board of Directors has complied with the requirements for Listed Companies (Code of Corporate Governance) Regulations, 2019, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting framework of Securities & Exchange Commission of Pakistan (SECP). Statement of Compliance with the Code of Corporate Governance, Review Report by the Company's Auditors and Report of the Board's Audit Committee on adherence to the Code of Corporate Governance are also included in this Report.

Role of Chairman and the Chief Executive Officer

Chairman:

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

Chief Executive Officer:

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

Shares held by Sponsors / Directors / Executives:

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

Report of The Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2021. We would like to make the following submissions:

Composition of the Audit Committee

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

The Company Secretary is the Secretary of the Audit Committee.

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

The Financial Statements

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

- The annual financial statements for the year ended December 31, 2021 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- There were no issues in the application of Companies Act 2017, and these financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.

- The Chairman of Audit Committee, Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by the Chairman of Audit Committee and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All Related Party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019" which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holdings of Company's shares (if any) by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of the Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Control

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

Internal Audit

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company.
- The independent outsourced Internal Audit function has carried out its duties under the charter defined by the Committee. The

Committee has reviewed Internal Audit findings as reported by internal auditors via its reports on quarterly basis in its meeting, taking appropriate action or bringing the matters to the Board's attention where required.

- Audit Committee has provided proper arrangement for staff of independent outsourced internal audit function and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit (Internal audit coordinator) has direct access to the Chairperson of the Audit Committee and independent outsourced internal audit function has staff with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory Auditors of the Company, KPMG Taseer Hadi & Co. Chartered Accountants, have completed their audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended December 31, 2021.
- The Auditors attended the Audit Committee meeting where their audit report was discussed and external auditor has discussed the major areas concerning their audit with the members of Audit Committee.
- The Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.

- The Audit Committee has recommended the reappointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company along with its remuneration to board who recommends the same for members' approval at the forth coming Annual General Meeting.

Annual Report 2021

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.

- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Annual Report 2021 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

The Audit Committee

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



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Global Capital Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of JS Global Capital Limited ("the Company") for the year ended 31 December 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.



KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2021.

Date: 22 March 2022

Karachi

UDIN: CR202110106xZ1bjECM4

Kamf Taseer
KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 ("The Regulations")

Name of Company : JS Global Capital Limited

Year ended : December 31st, 2021

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

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

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

- The composition of the Board is as follows:

Category	Name of Directors
Independent Directors	<ul style="list-style-type: none"> Mr. Shahab Anwar Khawaja Mr. Iftikhar Ahmed Rao
Non -Executive Directors	<ul style="list-style-type: none"> Mr. Hasan Saeed Akbar Syed Ghaus Ahmad Mr. Salaal Hasan
Executive Directors	<ul style="list-style-type: none"> Mr. Muhammad Kamran Nasir Mr. Muhammad Yousuf Amanullah
Female Director	<ul style="list-style-type: none"> Ms. Shireen Raza (Non-Executive Director)

- The directors have confirmed that none of them is serving as a director on any other listed company, including **JS Global Capital Limited**.
- 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;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

- All meetings of the Board were presided over by Chairman. The Board has Complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- The Board has arranged Directors' Training program for the following Directors who have acquired the prescribed Certification under Regulation 19 during the year ended December 31st, 2021:

Name of Directors:

- Mr. Iftikhar Ahmed Rao (Independent Director)
- Mr. Hasan Saeed Akbar (Non-Executive Director)
- Syed Ghaus Ahmad (Non-Executive Director)
- Ms. Shireen Raza (Non-Executive Director)

The CEO, Mr. Muhammad Kamran Nasir and two other Directors, namely, Mr. Shahab Anwar Khawaja (Independent Director) and Mr. Muhammad Yousuf Amanullah (Executive Director) had already acquired Certification earlier, which fulfills the requirements of Regulation 19 which required Certification of at least 75% of the Directors on the Board of the Company by June 30th, 2021.

- There is no new appointment of Chief Financial Officer and Company Secretary during the year. Further, the Board has approved appointment of Head of Internal Audit including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below.-

a) Audit Committee

- Mr. Iftikhar Ahmed Rao – Chairman
- Mr. Hasan Saeed Akbar - Member
- Ms. Shireen Raza - Member
- Mr. Salaal Hasan - Member

b) HR and Remuneration Committee

- Mr. Iftikhar Ahmed Rao – Chairman
- Mr. Muhammad Kamran Nasir – Member
- Mr. Muhammad Yousuf Amanullah - Member
- Mr. Hasan Saeed Akbar – Member
- Syed Ghaus Ahmad - Member

c) Nomination Committee

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

d) Risk Management Committee

- Mr. Shahab Anwar Khawaja – Chairman
 - Mr. Muhammad Kamran Nasir – Member
 - Mr. Muhammad Yousuf Amanullah - Member
 - Syed Ghaus Ahmad - Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following,-

a) Audit Committee – Quarterly

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

c) Risk Management Committee - Quarterly

15. The Board has outsourced the internal audit function to the Holding Company who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the **Institute of Chartered Accountants of Pakistan** and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with **International Federation of Accountants (IFAC)** guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed **IFAC** guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

The explanation as required under these regulations are as follows;

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

19. There were no non-compliance with any other requirements.

Shahab Anwar Khawaja
Chairman

Muhammad Kamran Nasir
Chief Executive Officer

Dated: February 18th, 2022
Karachi

Presence of the Chairman of the Audit Committee at the AGM

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

External Search Consultancy used in the Appointment of the Chairman or a Non-executive Director

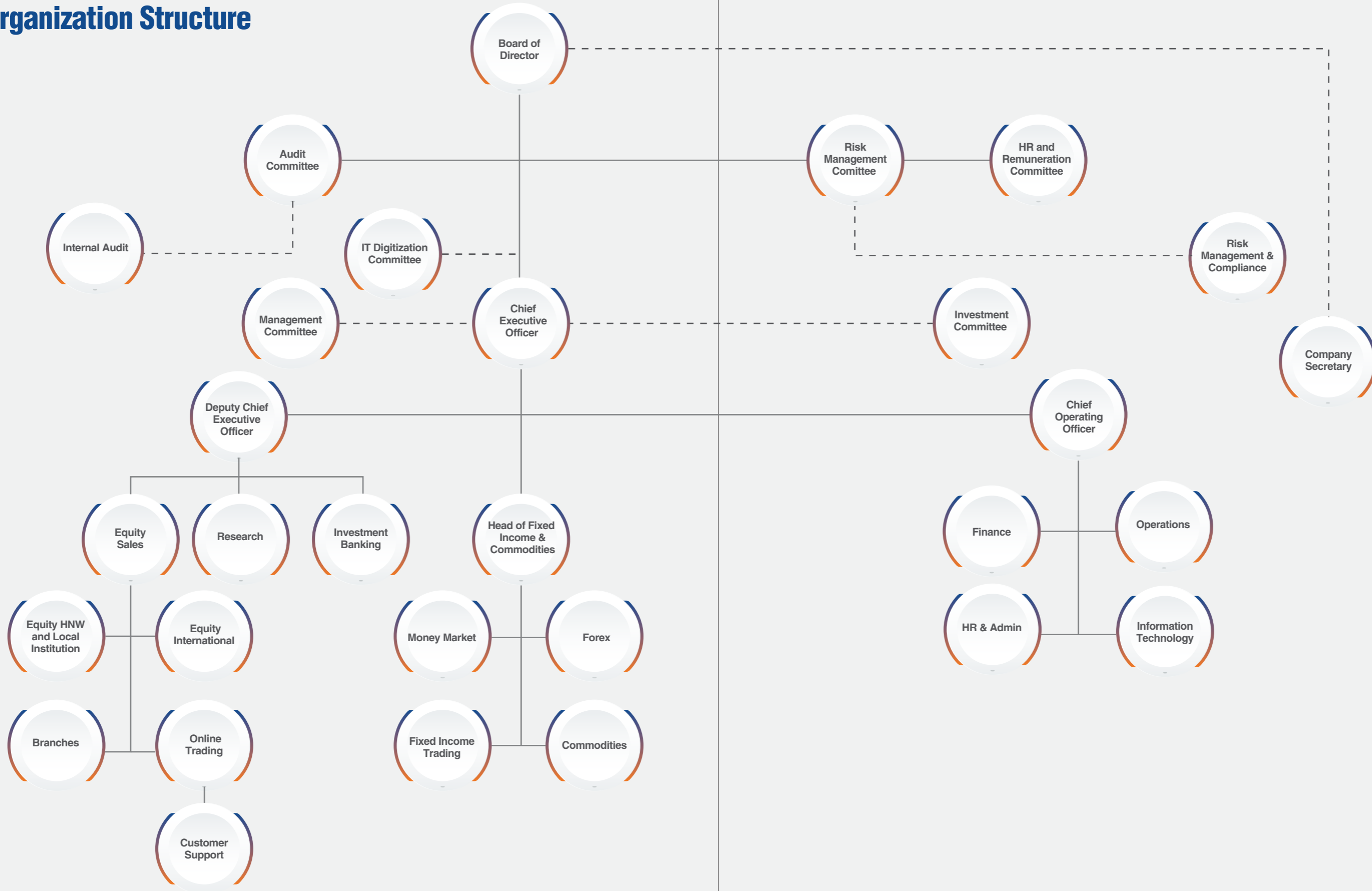
There is no external search consultancy used in the appointment of the Chairman or a non-Executive Director.

Chairman's Significant Commitments

Chairman's significant commitments during the year included:

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

Organization Structure





RISKS AND OPPORTUNITIES

Key Risks and Opportunities Effecting Availability, Quality and Affordability of Capitals in the Short, Medium and Long Term.

Risk Management

Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.

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

The Board of Directors of the Company is responsible for the risk management and determining the company's level of risk tolerance. In this regard, the Board has established and approved Risk Management Policy. The board regularly undertakes an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders. In addition to this the Board also reviews reports from various third party service providers, auditors and consultants to remain updated on key operational and financial matters of the Company.

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

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

Strategy to Mitigate the Risk

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

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

These risks and their sub-categories are defined as follows for which the Company's management shall ensure effective management through an integrated Company-wide risk management and Internal Control mechanism.

Framework:

Sr. No.	Risk type	Strategy to mitigate the risk	Likelihood	Materiality
1	Credit Risk	<p>Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients.</p> <p>The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency.</p>	Low	Medium
2	Market Risk	<p>To manage and control market risk, a well-defined risk management structure approved by the Board. Risk Management Department is actively involved in identifying, measuring and setting risk control limit to optimise the risk and return of the Company. The Company's Investment Committee (IC) are primarily responsible for the oversight of the market risk, supported by Risk Management Department (RMD).</p>	High	High
3	Interest Rate Risk	<p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Company manages fair value risk by investing primarily in variable rate term finance certificates, preferably with no cap and floor which insulates the Company from fair value interest rate risk, as coupon rates correspond with current market interest rate. The Company also invests in fixed rate bank accounts and Government securities such as Market Treasury Bills and Pakistan Investment Bonds.</p>	Low	Low

Sr. No.	Risk type	Strategy to mitigate the risk	Likelihood	Materiality
4	Operational Risk	<p>Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.</p> <p>The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.</p> <p>The Company has the strategy for identification, assessment, mitigation, monitoring reporting and measurement of Operational Risk. The management ensures that adequate strategies are implemented to achieve the operational objective of the Company.</p>	Medium	Medium
5	Liquidity Risk	<p>Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.</p> <p>The Company has in place Board Approved policy for Liquidity Risk Management. The policy comprehensively defines risk methodology, control structure role and responsibility for managing the risk.</p>	Low	Low

Our Response to Critical Challenges and Uncertainties

Considering our strong capital base and liquidity position, JS Global is well positioned to meet all critical challenges and uncertainties. Implementing a proactive approach, critical challenges like COVID-19 Pandemic. The company has responded stronger agility and resilient to the challenges emerged due to the COVID-19 pandemic. Through the pandemic, the Company tested its processes, systems sustainability, risk management processes and internal controls.

Management has formed a team to provide guidance in the fight against the pandemic. The team continues to monitor the COVID-19 pandemic and its impact on the business and employees. The Company is aware of the various challenges has responded with a particular sense of responsibility on all fronts.

There are a variety of other challenges on the country's economic front which ultimately impact performance of the Company. The management of the Company closely eye on the political, economic and government's regulatory policies that may affect the Company. Timely adjustments are made in the organizational processes and policies in response to actual or anticipated impact.

Opportunity.

The pro-active actions by the government & central bank supported economic activity and led to a GDP growth of 3.9% during CY21, and Moreover, the participation in equity markets remained robust during CY21 as daily traded volumes registered a jump of 44% as compared to the previous year. (Economic and stock market described in detail in the report of the Director). The situation created the opportunities for the business growth and economic development. The company emphasized seizing

opportunities by leveraging our strengths and capabilities.

The Company's management has focused on maintaining its position as a leading brokerage and corporate banking company in Pakistan. The Company in the capacity of Consultant to the issue and Book Runner has undertaken the single-largest, historical and record setting private sector IPO.

Financial results reflect our performance which posted growth of 98.37%, the company also declared cash dividends of 150% during the period.

Initiatives taken by management to promote and enable innovation

Management is proud to create a culture which promotes innovative thinking, creates innovative platforms and enhances employee engagement initiatives. Over the year, the following initiatives were undertaken by management:

The Company always been at the forefront of developing new products and services for the capital markets of Pakistan. In this context, another step forward has been taken by the Company to develop and deliver a new product to the capital market i.e. "Exchange Traded Fund (ETF) and professional market making.

The IT function proactively from an innovation standpoint, bringing ideas to the business.

During the COVID-19 outbreak, our IT innovation was very helpful and we worked efficiently and smoothly.

Inadequacy in the Capital Structure and Plans to Address Such Inadequacy.

In compliance with the regulatory requirement, the minimum net worth of the trading and clearing member is PKR 500 million, whereas the net value of the Company at the end of year FY2021 is PKR 2,196 million.



STRATEGY AND KEY PERFORMANCE INDICATORS

SWOT Analysis

Strengths

Strong brand name Premium quality services
 Strong working capital
 Strong nation wide branch network Consistent vision of growth
 Presence in major cities Growing customer base

Weaknesses

Low Volumes at Exchange Lack of proper sales strategy
 Strategic human resource turnover

Opportunities

Develop, grow and maintain competitive advantage in the digital financial services space.
 Create new products Premium quality service

Threats

Regulatory changes Imposition of new taxes, duties and levies
 Adverse change in the political environment. COVID 19 pandemic

Strategic Direction

Corporate Strategy

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

The following core strategic objectives guide our business.

Market Share Growth

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

Brand Image

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

Shareholders' Equity

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

Short term

By introducing new products, innovative digital trading services, and provide high-quality client service to meet client needs.

Continue to enhance our controls and implement sound and prudent risk management practices.

Continuously improving processes to increase operational efficiency.

Medium-term

The most customer centric and innovative Brokerage Firm in the country.

Maintain a sound fiscal foundation with a controlled risk management framework.

Developing our people is important to us. Human capital is an asset and plays an important role in our success.

Long - term

Maximise long-term shareholder value and sustainable returns.

Our Business Model

The Company's business model in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework.

	Key Input	Process	Output & Outcome
<p>Investors</p>	Investors have placed their trust in us by investing in our value-added strategy to create value.	We allocate capital to run our operations and invest in areas which offer best prospects for growth and long-term financial returns.	Total Assets: Rs. 6,590.5 million, PAT: Rs. 410.53 million, EPS: Rs.14.27, ROA: 6.23% and ROE: 17.68%
<p>Employees</p>	We have a team of competent professionals who invest their time and talent in the management of the company's operations.	Enhance productivity with a focus on talent management, retention, training and integrating versatile resources.	Total number of Employees 181, In all major cities of Pakistan
<p>Customers</p>	We have a team of competent professionals who invest their time and talent in the management of the company's operations.	We deliver the best services to enhance our brand, but also to understand the needs of our customers.	All Institutional and international customers with digital trading platform, having 8 Eight Branches in all major cities in Pakistan.
<p>Regulators & Government</p>	Putting the trust of our valued customers in our quality services.	A separate compliance section to ensure that all regulatory requirements are adhered to in a timely and accurate manner.	Compliant Financial & Other Regulatory Reporting. Contribution to GDP Tax: Rs. 124.8 million.
<p>Community</p>	Ongoing monitoring and guidance ensures transparency and consistency in operational practices and reporting.	Working to improve collaboration with our communities for delivering our social responsibilities and conducting business without causing disruptions in the society	Donations: Rs 10.26 million and IPO Transaction of Rs. 6,435 million

Value Chain

JS Global Capital Limited is a financial services company incorporated in Pakistan. It is one of the largest brokerage and investment banking firms in Pakistan with a leading position in domestic capital markets.

The role of the Securities Brokerage Company is to act as intermediary between buyers and sellers in order to facilitate a financial market transaction. Brokerage firms generally receive compensation through commissions or fees that are billed after the transaction has been successfully completed. The principle business activities of the Company are Equities brokerage, Money Market Brokerage, Forex Brokerage, Commodity brokerage, Investment banking and Economic & Equity Research.

JS Global adds value to its business model, through our people, our system and our relationships, to create additional value for our shareholders.

Key Quantitative Information

JS Global has employed around 181 people including branches & head office at country level.

Disclosure of total & average number of employees has been made in note 26.1 of the financial statements.

Significant Changes from Prior Years

The Company bought back 3,079,703 ordinary shares @ PKR 80/- per share against the announced (3rd) buy back offer of 3,991,525 ordinary shares. The total consideration paid was PKR 246.38 million out of PKR 504.48 million reserves as at May 31, 2021. The cumulative percentage of holding by JS Bank Limited has now reached to 92.90%.

Specific Processes used to Make Strategic Decisions

The strategic decision-making process focuses on the structural decisions that are needed to leverage an organization's strengths, mitigate weaknesses, take advantage of opportunities and respond to threats. Business strategy and market dynamics are regularly reviewed the Management of the Company. The Board involve in the policy decision-making process by reviewing, approving and monitoring the implementation of policy decisions.

Management Committee is typically involved in the strategic decision making process. Supported by key team members, the Management Committee identifies an issue or opportunity and develops a methodology to address it.

Key Performance Indicators

Strategic Objectives	Key Performance Indicators	Measure
Market Share	Market Share Volume Growth	Take technology to the next level as an opportunity. Moving forward, focusing on delivering high-quality services and continuing to be a market leader.
Brand Image	Premier brokerage and financial services firm.	Brand affinity, brand recognition
Shareholders' Equity	Return of assets and return on equity	Maximise long-term shareholder value and sustainable returns.

Strategies to Overcome the Liquidity Problems, Including Financing Arrangements

JSGCL manages the working capital adequate liquidity available on the balance sheet. External sources are organised after an in-depth analysis of the cash flows necessary to meet the need for investments or additional working capital on specific events. Investments are made upon review and evaluation of all factors associated with such investments and upon recommendation by the Investment Committee.

Significant Plans and Decisions Such as Corporate Restructuring, Business Expansion and Discontinuance of Operations etc.

The Company does not intend any immediate plans for corporate restructuring.

Significant Changes in Objectives and Strategies

There is no significant deviation from our core strategic directions and objectives. Strategic direction and objectives are outlined in different sections of this annual report.

Pandemic Recovery Plan by the Management and Policy Statement

Introduction

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

1. Mandatory Work From Home for 50% Staff

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

2. Awareness Training About COVID-19

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

3. Caution Signs

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

4. Hand Wash and Sanitizers

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

5. Fumigation Sprays

Sprays are done to disinfect the head office and branches.

6. Personal Protective Equipment

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

7. Temperature Checking

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

8. Maintaining Safe Distance

We at JSGCL are maintaining safe distance at;

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

Future Outlook

Looking ahead, JS Global is well-positioned for sustainable growth and building long-term shareholder value. We will focus on using technology to ensure that client needs are fully met in an advanced, secure and convenient manner. We will continue to maintain and increase market share.

- In response to evolving business dynamics, we will accelerate the digital transformation and focus on business re-engineering.
- Strategic human resource is a major challenge facing the brokerage industry. Therefore, the Company intends to continue investing in people and making JS Global the best place to build career and developing the competencies and skills of their employees along-with technical abilities to innovate new products. More importantly, inculcating ethics and good business practices.
- Timely corrective measures by the government and State Bank of Pakistan is expected to support the economy and keep it on the upward growth trajectory.
- Key performance indicators designed to meet the management objective remain customer satisfaction maximization.

Uncertainties that could Affect the Company's Resources, Revenues and Operations

All projections are inherently subject to risks and uncertainties, some of which are uncontrollable. The factors that could have an impact on the Company's resources, revenues and activities are:

- Impact of COVID-19 on economic activity;

- Law and order situation;
- Change in government rules and regulations;
- Emergence of disruptive technologies;
- Risk of cyber-attacks;

Sources of Information and Assumptions used for Projections / Forecasts

The future projections and forecasts are based on certain assumptions after critically analyzing the current macroeconomic conditions, historical trends, and prospective developments as well as other relevant factors that might have an impact on the Brokerage Industry.

The external information, such as industry trends, macro, and microeconomic factors and, market dynamics reliable sources i.e. Bloomberg, Business new papers and Research reports.

The management internally carries out a corporate planning activity to forecast future revenues and trends for the Company while considering the market dynamics, seasonal variations, and international economic trends. The Board critically scrutinizes the budgets and forecasts. The future projections are based on management's best judgments and estimates.

Our Performance Against Last Year's Targets

Last year target	Our performance in 2021
JS Global is well-positioned for sustainable growth and building long-term shareholders' value	The Company continued its growth trajectory and recorded excellent results for the year 2021 with all-around growth. The Company's profitability witnessed a massive upwards trend, as it recorded a net profit of Rs. 410.53 million compared to Rs. 206.95 million in the previous year.
Market Share	<p>The Company continued to maintain its market share by ensuring that customers receive high-quality services.</p> <ul style="list-style-type: none"> • Setting yet another benchmark by single handedly carrying out the largest placed foreign orders, beating the record set by JS Global itself. We are the only firm in Pakistan that has maintained the record of execution of foreign investor transactions worth ~US\$62mn (~30% market share) and ~US\$64mn (~50% market share) in a single day at the time of MSCI rebalancing in May-2021 and Nov-2021, respectively.
Brand Image	<ul style="list-style-type: none"> • The highest possible credit and brokerage management ratings, i.e., AA long-term, A1+ short-term and BMR 1 respectively. • An extensive network of branches serving clients nationwide. JSGCL is ubiquitous in all large cities of the country such as Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Hyderabad. • JS Global as Consultant and Book Runner executed the largest private sector IPO of Air Link Communication Limited whereby PKR 6.43 billion were raised from institutional, individual and foreign investors. The Air Link IPO despite its massive size was oversubscribed by 1.64 times. Previously, JS Global had already set the record for the largest pharmaceutical sector transaction in its role as Consultant for AGP Limited. • JS Global has always been at the forefront of developing new products and services for the capital markets of Pakistan. In this context, another step forward has been taken to develop and deliver a new product to the capital market i.e. "Exchange Traded Fund (ETF) and professional market making. JS Global is the first designated Market Maker and Authorized participant of ETF for all the funds on PSX to date. • JS Global has been awarded a number of awards by various national and international organizations.

Competitive Landscape and Market Positioning

At present, there are over 200 brokerage firms licensed by the Securities and Exchange Commission of Pakistan. Out of these, merely 20 have Entity Ratings and 19 have Broker Management Ratings. Moreover, only 9 brokerage firms are listed on the Pakistan Stock Exchange. Naturally, growth in the industry is proportional to trading and investment activity in both volume and value terms.

JS Global Capital Limited is one of Pakistan's oldest and premier brokerage and financial services firms engaged in Equity Trading, Investment Banking, Money Market and Foreign Exchange Trading, Commodities Trading and Equity Research. JS Global is backed by reputable domestic shareholders namely JS Bank Limited. JS Global is listed on the Pakistan Stock Exchange.

JS Global is uniquely positioned in the minds of its existing and potential customers as a provider of top notch and a diverse range of financial services. Key facts and achievements that have helped foster this positive perception are:

- The highest possible credit and brokerage management ratings, i.e., AA long-term, A1+ short-term and BMR 1 respectively.
- An extensive network of branches serving clients nationwide. JSGCL is ubiquitous in all large cities of the country such as Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Hyderabad.
- JS Global as Consultant and Book Runner executed the largest private sector IPO of Air Link Communication Limited whereby PKR 6.43 billion were raised from institutional, individual and foreign investors. The Air Link IPO despite its massive size was oversubscribed by 1.64 times. Previously, JS Global had already set the record for the largest pharmaceutical sector transaction in its role as Consultant for AGP Limited.
- JS Global has always been at the forefront of developing new products and services for the capital markets of Pakistan. In this context, another step forward has been taken to develop and deliver a new product to the capital market i.e. "Exchange Traded Fund (ETF) and professional market making. JS Global is the first designated Market Maker and Authorized participant of ETF for all the funds on PSX to date.
- Setting yet another benchmark by single handedly carrying out the largest placed foreign orders, beating the record set by JS Global itself. We are the only firm in Pakistan that has maintained the record of execution of foreign investor transactions worth ~US\$62mn (~30% market share) and ~US\$64mn (~50% market share) in a single day at the time of MSCI rebalancing in May-2021 and Nov-2021, respectively.
- JS Global has been awarded a number of awards by various national and international organizations.
- For the historical milestone please also refer to Journey So Far on page 3 of this annual report.

Resource Allocation

Financial capital liquidity and cash flow management analysis

Effective management of resources and working capital by:

Budgeted cash inflows and outflows with daily, monthly, quarterly and yearly planning; and Timely negotiations with financial institutions for external financing and opportunity planning.

The budgeting and planning further help in maintaining a healthy working capital cycle. Liquidity requirements are managed using sales revenue, return on investment and external financing when deemed economic.

Human Capital

Without a doubt, the success of organizations resides in the quality of their human resources. For JSGCL, human capital constitutes the most valuable core strategic asset. JSGCL has a diverse pool of people with varied experiences, professional attitudes, capabilities and skills. All employees are equally important and receive ongoing training, motivation and guidance to further enhance human resource capabilities.

Natural Capital

The company is currently digitizing manual processes in key areas to minimize the environmental impact. Digitization will reduce paper use and ease the environmental burden.

Intellectual Capital

The Company deems technological innovations as essential to growth and has geared itself to capitalize from every new opportunity in this regard. Moving forward, we are excited at the prospect of working with FinTechs to drive innovation in our products and processes and complement our digital trading solutions at the front of our agenda. Our vision is to be the most innovative Brokerage House in Pakistan by deploying cutting-edge technology.

Best Corporate Report 2020 Awards – ICAP & ICMA

- JS Global Capital Limited has secured the Certificate of Merit in NBFIs & Modaraba sector at the “Best Corporate Report 2020 Awards”. The recognition was jointly announced by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). The award represents the Company’s commitment to having the best reporting and governance, reflected by the stringent policies implemented at the Company. Furthermore, full disclosure of the Company’s operational environment, strategic objectives, risk management, and governance processes provided firm grounds for winning this award. The adoption of the International Integrated Reporting Framework in our report is a testament to our commitment to keeping our stakeholders well informed regarding the Company’s business operations and their performance.



Excellence Award as a Leading Brokerage House

- JS Global Secured Excellence Award as a Leading Brokerage House for channelizing investment in Pakistan capital market through Roshan Digital Account Roshan Digital Account “RDA”. RDA has proven to be a successful solution for Pakistan’s worker remittances. More than just attracting remittances for FX building, this initiative enables Pakistani expatriates to participate in Pakistan’s recovery through investments in various asset classes.



Best Presented Annual Report 2020 Award South Asian Federation of Accountant (SAFA)

- JS Global Capital Limited has also secured the Certificate of Merit in financial services category in Best Presented Annual Report Award from the South Asian Federation of Accountant (SAFA). The SAFA Best Award is considered as the most prestigious accolade for financial reporting in the South Asian region and signifies SAFA’s recognition and reward for organizations which have achieved quality in presentation and disclosure of high quality, relevant, reliable and objective financial statements in accordance to the framework stipulated by the International Accounting Standards. SAFA is an apex Body of the South Asian Association for Regional Co-operation (SAARC) and a Regional Grouping of the International Federation of Accountants (IFAC). SAFA consists of the institutes of chartered accountants and the institutes of cost & management accountants in the SAARC countries who have associated together with the objective of developing the accountancy profession in the region.



Certificate of Appreciation - Implementing RAAST Payment Gateway

- JS Global Capital Limited has been awarded Certificate of Appreciation by Central Depository Company of Pakistan Limited to acknowledge the support extended in implementing RAAST payment gateway for dividend disbursement in the capital market.





**STAKEHOLDER
RELATIONSHIP
AND ENGAGEMENT
POSITION**

Stakeholders' Engagement Analysis, Policy and Procedures.

Stakeholder identification is important not only for determining who the company's stakeholders are but also for determining the best way or ways to manage their expectations. The management of the Company takes pleasure in identifying and assessing the needs of all the stakeholders of the Company. Our stakeholders are all the people and corporations impacted by our business processes. Our stakeholders include:



JS Global Capital Limited ("JSGCL") works collaboratively with stakeholders through open and sustained relationships. It also protects fair dealing with banks, better risk management, compliance with laws and regulations, better corporate recognition, and a greater commitment and participation of valuable and knowledgeable human resources and a focus on creating an excellent image for the general public at large. The Company endeavors to provide full and fair disclosure of all relevant information to its stakeholders and to provide a broad range of information on strategy and financial information through its Annual Report and website for all stakeholders.

Stakeholders' Engagement

A) Shareholders

Engagement

JSGCL is committed at all times to disclose and distribute all the information to the public in full and in a timely and accurate manner, in accordance with the listing rules stipulated by the Pakistan Stock Exchange ("PSX"), as well as the Securities and Exchange Commission of Pakistan ("SECP").

All disclosures and announcements submitted to the PSX and also available on the Company's Investor Relations website. The Company also makes timely public announcements of relevant information through PSX and the Company's website.

Communicate all essential and relevant information to shareholders and other potential investors in balanced, effective, accurate and straightforward language.

The confidence put in the Company by the investors is honored and acknowledged by providing them with fair operating results of the Company. General meetings provide the shareholders a platform to voice their concerns and raise their queries which are addressed appropriately. The Company also engages shareholders through issuance of annual/quarterly financial reports and notices/updates.

Activity	Frequency
Annual General Meetings	Annually
Extraordinary General Meetings	As required
Quarterly, Half-Yearly and Annual Reports	Annually / Quarterly
Analyst briefing	Ongoing basis

B) Customers

Engagement

The Company's goal is to retain customers and build brand reputation so that the company's name becomes synonymous with a "customer-focused culture". The Company has always given priority to Customer Relationship through fair treatment of customers and high customer satisfaction and loyalty by dedicated.

JSGCL have a comprehensive customer protection policy that encompasses broad guidelines to manage the customers throughout their journey, ranging from product development, sales practices, marketing activities, communication protocols and handling of customers.

In addition, besides a comprehensive sales team a fully dedicated customer support team to meet the daily needs of customers and improve the customer journey, customer support team also ensures diligent complaint closures, while maintaining high Fair Treatment of Customers standards.

Activity	Frequency
Online, phone, social media and postal communication.	Regular and on need basis
Customer satisfaction surveys and feedback	On need basis

C) Employees

Engagement

The company has an excellent mix of professional employees who are well engaged and devoted to their respective jobs. Our Human Resources department adopted policies that promote a culture of reward based on merit and promote teamwork. We employ the best individuals and strive to retain, motivate, empower and reward them for their contributions. We are committed to providing the perfect work environment for our employees to achieve the highest level of performance possible.

Activity	Frequency
Multiple in - house and external trainings are conducted for continuing professional developments of our employees. The Company provides a nurturing and employee friendly work environment.	Continuous
Regular employee surveys to understand and act on needs and wellbeing	
Offering personalized experiences and opportunities for personal and professional growth	

D) Banks and Other Lenders;

Engagement

We value our relationship with banks and financial institutions, the company has issued short-term commercial paper and secured long-term facilities from banks and other financial institutes at attractive rates. We also engaged with bank on regular basis to handle daily operations i.e. settlement with National Clearing Company Limited and local and international clients' funds management.

Activity	Frequency
We strive to comply with the agreed timelines and secure our lenders' interest.	Continuous

E) Regulators;

Engagement

To ensure sound business operations, regulatory compliance and a transparent legal environment, engagement at the regulators' level is carried out frequently throughout the year. Company constantly liaisons with the Government authorities and regulators in terms of matters/ issues relating to develop new business products in the Country. The Company abides by the laws and regulations of the country and makes certain that all the requirements of relevant regulators are met in a timely manner.

Activity	Frequency
Various statutory forms and returns are periodically submitted as per requirements of the law in addition to the information required by regulators	As and when required

F) Media;

Engagement

The media play an important role in today's tech age. Whether they are traditional or social media platforms, the need for rapid communication and widespread distribution of media has become the current need. The Company continues to be aware of media developments to maintain its digital footprint, public reach and promote a positive brand image.

Activity	Frequency
Hardcore Marketing, customers' awareness/ education and various interviews of senior management at mainstream media.	Continuous basis

Community/Society

Engagement

The Company engages with the general public through CSR initiatives. This helps us identify the need for intervention in sectors such as education, health, welfare, environmental sustainability, leadership development, promotion of sports, arts and culture.

Activity	Frequency
CSR activities	As and when required

G) Analysts

Engagement

To attract potential investors, the Company regularly engages with analysts on details of projects already disclosed to the regulators, with due regard for regulatory restrictions imposed on inside information and/or trading to avoid any impact on the Company's reputation or share price. The Company organizes Analyst Briefings to apprise the attendees on operational and financial performance.

Activity	Frequency
Corporate Briefing	As and when required

Encouraging Minority Shareholders to Attend General Meetings

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

Investors' Relations Section on The Corporate Website

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

Issues Raised in Last AGM

Twentieth Annual General Meeting of the Company was held on April 22, 2021 via zoom video conference call at 17th Floor, The Center, Abdullah Haroon Road, Saddar, Karachi which concluded with the passing of ordinary and special resolutions. Contained in Notice of AGM.

Statement of Value Added and Its Distribution with Graphical Presentation:

	2021		2020	
	Million	%	Million	%
Wealth Generated	1,313	100%	872	100%

	2021		2020	
	Million	%	Million	%
Remuneration	406	31%	275	32%
Government taxes (Accrual Basis)	62	5%	61	7%
Dividends	275	21%	-	0%
Finance Cost	29	2%	17	2%
Donations	10	1%	5	1%
Retained within the business	531	40%	515	59%

Compliance of Corporate Governance Code for Securities and Futures Broker*

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

Karachi: February 18, 2022.

Muhammad Kamran Nasir
Chief Executive Officer

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



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

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

JSGCL carries out major benevolent activities in partnership with Future Trust by donating certain amount each year to support its cause. Future Trust (the Trust) was founded in 2015. The Trust is a non-profit charitable organization, set up by JS Group for the promotion, advancement and encouragement of technology and providing quality services in the field of healthcare, education, career counseling, professional training, emotional well-being and general improvement of socio economic conditions and living standards of the people of Pakistan. The Trust also provides monthly sustenance to various penurious families for their livelihood.





**STRIVING FOR
EXCELLENCE IN
CORPORATE
REPORTING**

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

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

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

Statement of Adoption and Adherence with the International Integrated Reporting Framework

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

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

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

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



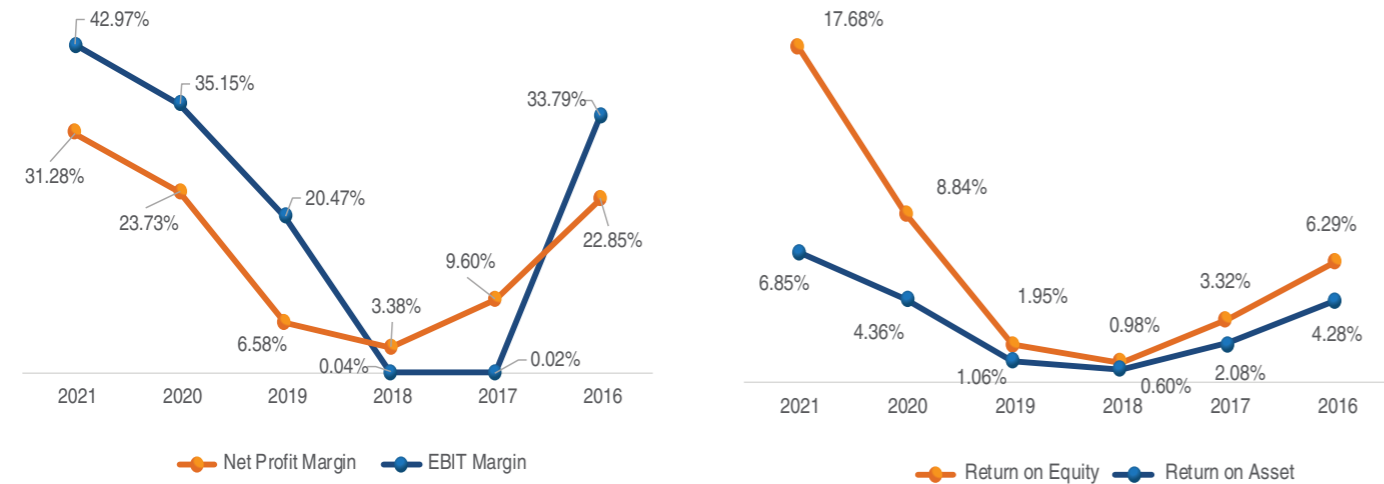
FINANCIAL PERFORMANCE AND POSITION

Analysis of Financial Statements

Rupees in million

Key Performance Indicators	UOM	2021	2020	2019	2018	2017	2016
Profitability Ratios							
Profit before tax ratio	%	40.78%	33.21%	14.93%	13.04%	22.27%	31.94%
Return on Equity	%	17.68%	8.84%	1.95%	0.98%	3.32%	6.29%
Return on Asset	%	6.85%	4.36%	1.06%	0.60%	2.08%	4.28%
Return on Capital Employed	%	0.02%	12.25%	5.98%	4.06%	9.72%	9.38%
Net Profit Margin	%	31.28%	23.73%	6.58%	3.38%	9.60%	22.85%
EBIT Margin	%	42.97%	35.15%	20.47%	0.04%	0.02%	33.79%
Liquidity Ratios							
Current Ratio	Times	1.41	1.42	2.01	1.93	3.00	2.20
Operating Cash Flow Ratio	Times	0.34	0.56	0.74	0.70	1.45	0.55
Operating Cash Flow Ratio	Times	0.17	0.13	0.13	0.05	0.20	0.14

Profitability Ratios



The company continued its growth trajectory and recorded excellent results for the year 2021 - with an all-around growth. The profitability ratios have seen an upward trend wherein the company made a net profit of Rs. 410.53 million compared to a net profit of Rs. 206.95 million in the previous year. The increase in profitability is mainly attributed to the significantly higher volumes at the bourse during the period, daily weighted average traded volumes reached 474 million shares, up by 44% on a YoY basis. The company continued to maintain its market share by ensuring that customers receive high-quality services.

Key Performance Indicators	UOM	2021	2020	2019	2018	2017	2016
Investment/Market Ratios							
Earning per Share	Rs.	14.94	6.77	1.55	0.67	2.25	4.50
Price Earnings Ratio	%	5.70	12.26	47.93	48.18	18.66	12.00
Price to Book Ratio	%	1.07	1.04	1.01	0.47	0.61	0.80
Market Value per Share (Year End)	Rs.	85.15	83.00	74.11	32.50	42.00	54.00
Market Value per Share (Highest)	Rs.	131.10	83.00	123.99	48.00	86.17	58.24
Market Value per Share (Lowest)	Rs.	63.50	50.00	24.26	25.01	37.00	37.81
Breakup Value/Book Value per Share	Rs.	79.93	80.06	73.09	68.63	68.45	67.24
No. of Shares (million) - based on par value of 10	Nos.	27,477,297	30,557,000	30,557,000	38,007,000	38,007,000	38,007,000

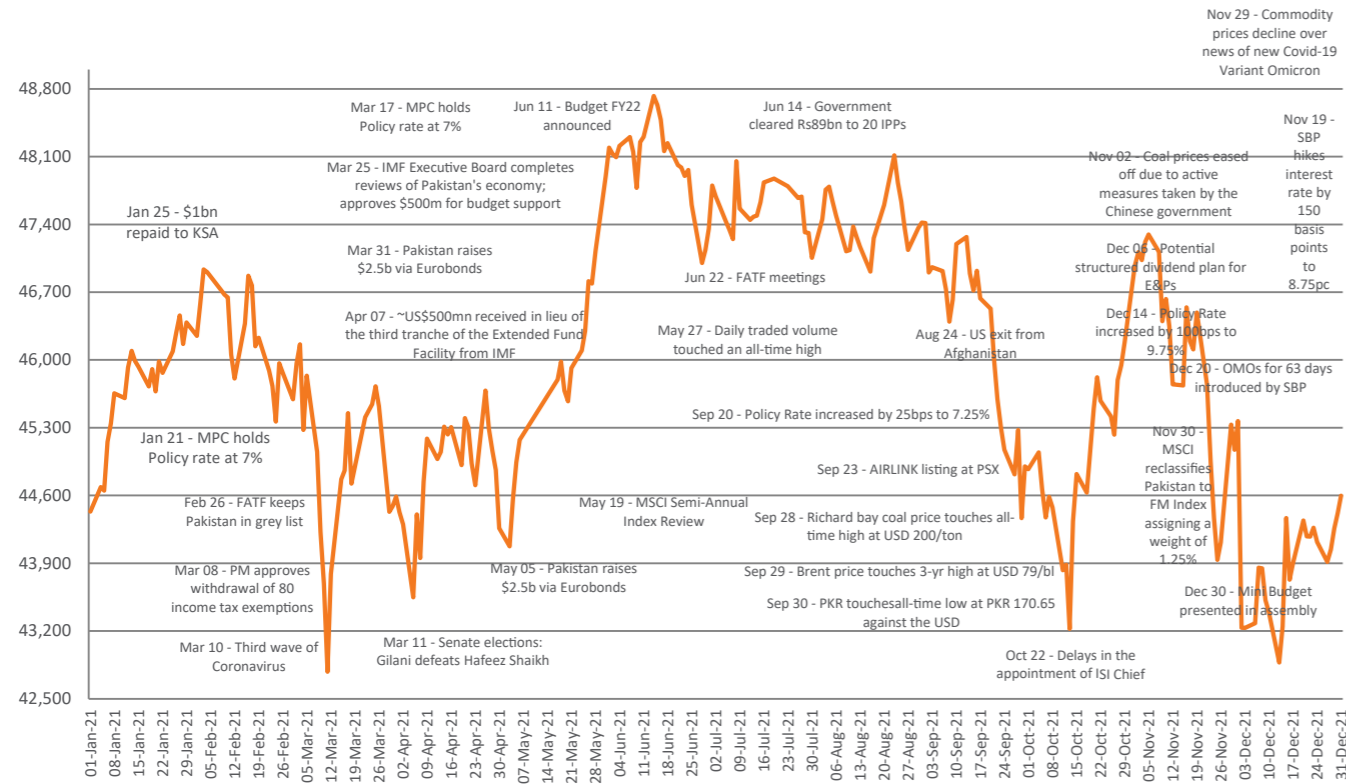
Share Price Sensitivity Analysis

Share price in the stock market moves due to various factors such as company performance, general market sentiment, economic events, and interest rates, etc. Being a responsible and law-compliant company, JS Global Capital Limited circulates price-sensitive information to stock exchange in accordance with the requirements of listing regulations in a timely manner. During the year 2021, the Company's share price touched the peak of Rs. 131.10, while the lowest recorded price was Rs. 63.50 and the closing price was Rs. 85.15 at the end of the year

Share Price History



Recap of KSE-100 Index) FY-2021



Key Performance Indicators

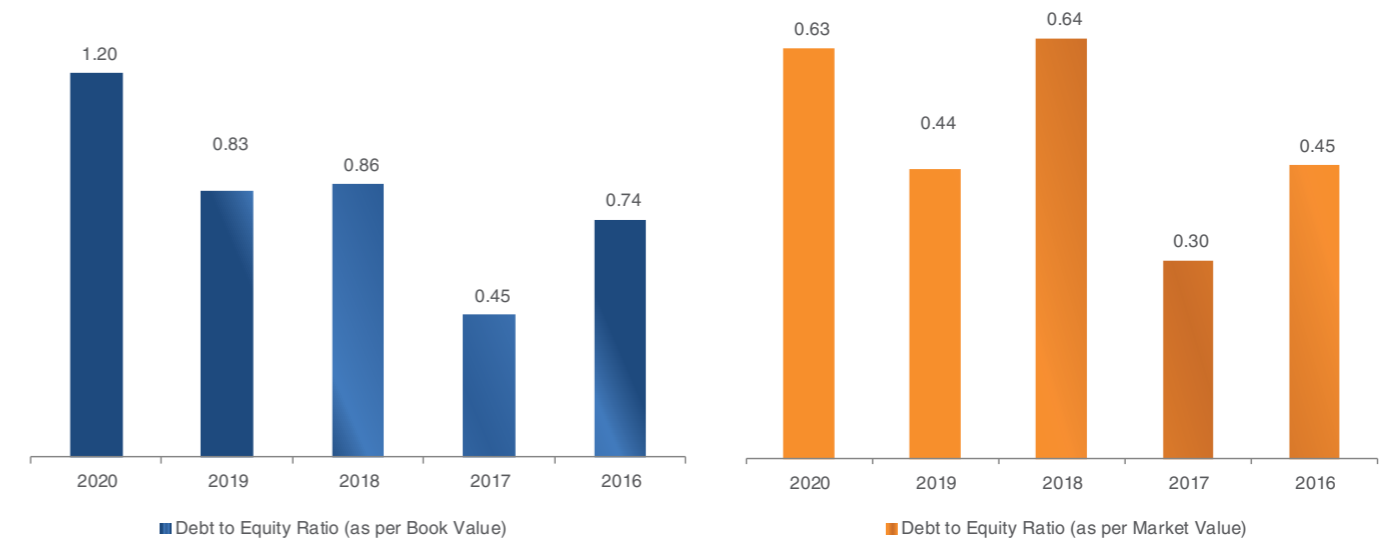
Capital Structure

	UOM	2021	2020	2019	2018	2017	2016
Debt to Equity Ratio (as per Book Value)	%	2.00	1.20	0.83	0.86	0.45	0.74
Debt to Equity Ratio (as per Market Value)	%	1.03	0.63	0.44	0.64	0.30	0.45
Interest Coverage Ratio	Times	(19.70)	18.13	3.70	14.89	4.65	386.16

Activity/Turnover Ratios

Total Assets Turnover Ratio	Times	0.07	0.04	0.01	0.01	0.02	0.04
Fixed Assets Turnover	Times	0.20	0.13	0.06	0.08	0.54	1.13

Capital Structure Ratios



Capital Structure

The Company has maintained the sizeable market share with its established brand name, sound operating platform, strong sponsor profile and robust capital structure; showcasing well-managed liquidity and improved efficiency ratios. All this continues to position your Company as the top-tier brokerage house in the financial services industry. During the year, a substantial boom in traded volumes was witnessed at the bourse, the core revenue of the Company remained robust. The Company's investment portfolio is compliant to its investment policy and is dominated by bank placements and equity spread transactions which provide stable stream of income. The topline of the Company depicts diversified revenue stream supplemented by consultancy income, Ready Buy and Future Sell trade 'RBFS', margin financing and investment return on financial assets.

Ownership Structure:

JS Bank Limited (JSBL) is the major shareholder of the company, holding ~92.09% stake, JS Bank is the subsidiary of Jahangir Siddiqui & Co. Limited (JSCL). The remaining stake lies with the general public and other market participants as at December 31, 2021.

Business Acumen:

JS Bank is a medium-sized commercial bank, operating with 281 branches in Pakistan and one branch in Bahrain. JS Bank is one of the fastest growing Bank in Pakistan, with both domestic and international presence. The Bank is a leader in the digital financial services, SME & consumer loans space. JS Bank has been recognized on multiple international and national forums including the prestigious AsiaMoney, Asian Banking and Finance, DIGI and Pakistan Banking Awards. The Bank is part of JS Group, one of Pakistan's most diversified and progressive financial services groups.

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

Financial:

With a strong capital structure, JS Bank's equity stood at ~PKR 22,024 million at end Dec'21. JS Bank has a long-term rating of AA- and short-term rating of A1+.

Vertical Analysis

Statement of Financial Position

	2021		2020	
	Rupees	%	Rupees	%
Non-current assets				
Property and equipment	857.69	13.01%	895.58	16.61%
Investment property	123.32	1.87%	126.50	2.35%
Intangible assets	5.00	0.08%	5.00	0.09%
Long term investment	62.34	0.95%	112.18	2.08%
Long term loans, advances and deposits	31.11	0.47%	32.49	0.60%
Deferred taxation - net	112.54	1.71%	114.77	2.13%
Total Non-current assets	1,192.00	18.09%	1,286.51	23.87%
Current assets				
Short term investments	1,392.51	21.13%	237.12	4.40%
Trade debts	1,537.97	23.34%	1,097.30	20.36%
Receivable against margin finance	453.31	6.88%	419.52	7.78%
Loans and advances - considered good	30.30	0.46%	21.43	0.40%
Deposits and short-term prepayments	619.82	9.40%	569.43	10.56%
Interest and mark-up accrued	13.95	0.21%	6.37	0.12%
Other receivables	7.49	0.11%	14.59	0.27%
Advance tax	56.31	0.85%	116.92	2.17%
Cash and bank balances	1,286.87	19.53%	1,621.54	30.08%
Total Current assets	5,398.53	81.91%	4,104.22	76.13%
Total Assets	6,590.53	100.00%	5,390.73	100.00%
Capital and reserves				
Issued, subscribed and paid up capital	274.77	4.17%	305.57	5.67%
Share premium	1,810.10	27.47%	1,810.10	33.58%
Re-measurement FV	9.39	0.14%	11.44	0.21%
Accumulated profit / (loss)	102.11	1.55%	319.32	5.92%
Total capital and reserves	2,196.38	33.33%	2,446.44	45.38%
Non current liabilities				
Deferred liability	-	0.00%	1.84	0.03%
Long-term financing	552.14	8.38%	37.27	0.69%
Liability against assets subject to finance lease	7.60	0.12%	16.64	0.31%
Total non current liabilities	559.74	8.49%	55.75	1.03%
Current liabilities				
Creditors, accrued expenses and other liabilities	2,724.57	41.34%	2,802.41	51.99%
Unclaimed dividend	3.36	0.05%	3.36	0.06%
Current portion of deferred liability	1.90	0.03%	4.67	0.09%
Commercial Paper	953.67	14.47%	-	0.00%
Accrued profit	6.33	0.10%	-	0.00%
Current maturity of long-term financing	135.31	2.05%	69.59	1.29%
Current maturity of liability against assets subject to finance lease	9.27	0.14%	8.51	0.16%
Taxation - net	-	0.00%	-	0.00%
Total current liabilities	3,834.42	58.18%	2,888.54	53.58%
Total liabilities and equity	6,590.53	100.00%	5,390.73	100.00%

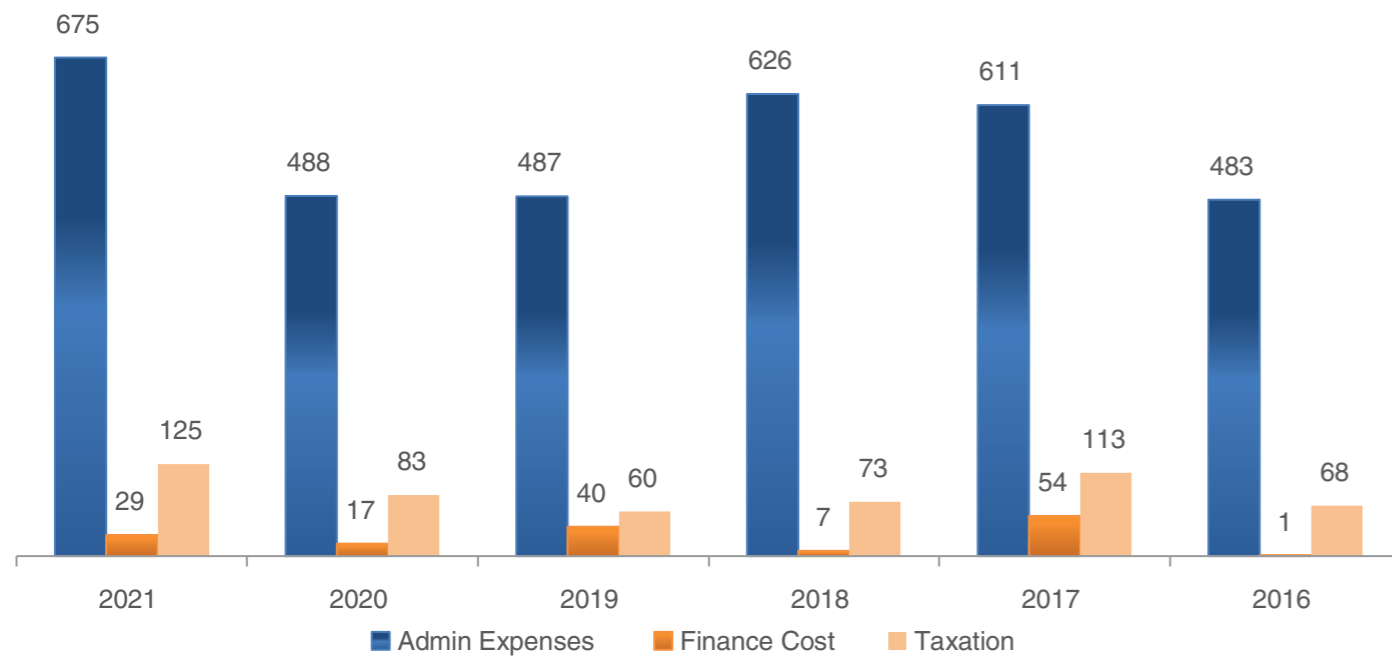
Rupees in million

	2019		2018		2017		2016	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Non-current assets								
Property and equipment	518.46	12.67%	216.76	4.48%	72.42	1.92%	65.7	1.47%
Investment property	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Intangible assets	14.51	0.35%	17.79	0.37%	8.60	0.23%	10.7	0.24%
Long term investment	130.10	3.18%	142.00	2.93%	49.35	1.31%	60.6	1.36%
Long term loans, advances and deposits	32.48	0.79%	26.50	0.55%	26.86	0.71%	22.8	0.51%
Deferred taxation - net	121.37	2.97%	122.10	2.52%	125.46	3.33%	103.5	2.32%
Total Non-current assets	816.91	19.96%	525.14	10.85%	282.69	7.51%	263.3	5.91%
Current assets								
Short term investments	518.53	12.67%	1,019.07	21.05%	617.09	16.40%	819.7	18.39%
Trade debts	515.71	12.60%	1,085.99	22.44%	561.60	14.93%	922.9	20.70%
Receivable against margin finance	315.47	7.71%	297.73	6.15%	328.17	8.72%	855.5	19.19%
Loans and advances - considered good	17.97	0.44%	13.52	0.28%	16.13	0.43%	12.6	0.28%
Deposits and short-term prepayments	552.88	13.51%	136.24	2.81%	184.25	4.90%	461.9	10.36%
Interest and mark-up accrued	14.95	0.37%	12.68	0.26%	15.15	0.40%	17.3	0.39%
Other receivables	4.31	0.11%	56.94	1.18%	21.72	0.58%	10.0	0.22%
Advance tax	132.06	3.23%	121.13	2.50%	57.13	1.52%	47.3	1.06%
Cash and bank balances	1,203.06	29.40%	1,571.60	32.47%	1,678.53	44.61%	1,047.8	23.50%
Total Current assets	3,274.94	80.04%	4,314.91	89.15%	3,479.77	92.49%	4,194.9	94.09%
Total Assets	4,091.85	100.00%	4,840.05	100.00%	3,762.45	100.00%	4,458.2	100.00%
Capital and reserves								
Issued, subscribed and paid up capital	305.57	7.47%	380.07	7.85%	380.07	10.10%	380.1	8.53%
Share premium	1,810.10	44.24%	1,810.10	37.40%	1,810.10	48.11%	1,810.1	40.60%
Re-measurement FV	5.51	0.13%	8.16	0.17%	26.81	0.71%	66.4	1.49%
Accumulated profit / (loss)	112.37	2.75%	410.07	8.47%	384.43	10.22%	298.9	6.70%
Total capital and reserves	2,233.55	54.59%	2,608.40	53.89%	2,601.42	69.14%	2,555.5	57.32%
Non current liabilities								
Deferred liability	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Long-term financing	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Liability against assets subject to finance lease	227.45	5.56%	-	0.00%	-	0.00%	-	0.00%
Total non current liabilities	227.45	5.56%	-	0.00%	-	0.00%	-	0.00%
Current liabilities								
Creditors, accrued expenses and other liabilities	1,602.62	39.17%	2,228.28	46.04%	1,157.61	30.77%	1,902.7	42.68%
Unclaimed dividend	3.36	0.08%	3.36	0.07%	3.43	0.09%	-	0.00%
Current portion of deferred liability	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Commercial Paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Accrued profit	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Current maturity of long-term financing	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Current maturity of liability against assets subject to finance lease	24.87	0.61%	-	0.00%	-	0.00%	-	0.00%
Taxation - net	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total current liabilities	1,630.85	39.86%	2,231.65	46.11%	1,161.04	30.86%	1,902.7	42.68%
Total liabilities and equity	4,091.85	100.00%	4,840.05	100.00%	3,762.45	100.00%	4,458.2	100.00%

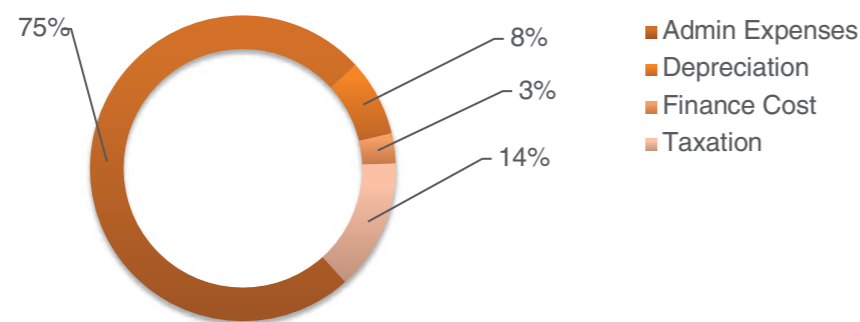
Statement of Profit & Loss

	2021		2020	
	Rupees	%	Rupees	%
Revenue	1,166.70	100%	727.41	100%
Admin Expenses	(675.32)	58%	(487.85)	67%
EBITDA	491.38	42%	239.55	33%
Depreciation	(73.29)	6%	(77.78)	11%
Other Income	145.88	13%	144.75	20%
EBIT	563.97	48%	306.52	42%
Finance Cost	(28.63)	2%	(16.91)	2%
Profit Before Tax	535.34	46%	289.61	40%
Taxation	(124.81)	11%	(82.66)	11%
Profit After Tax	410.53	35%	206.95	28%

Vertical Analysis-Expenses (2016 ~ 2021)

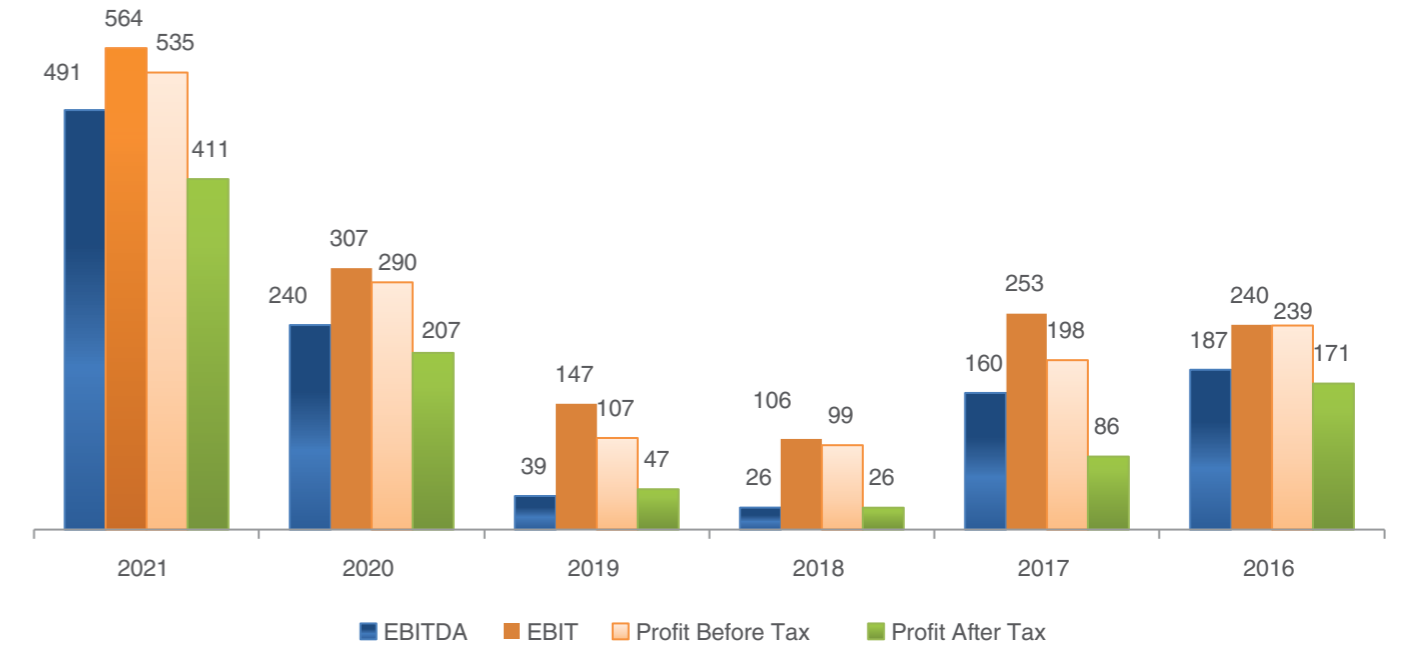


Vertical Analysis-Statement of Profit & Loss (2021)



Rupees in million

	2019		2018		2017		2016	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Revenue	526.63	100%	651.70	100%	770.95	100%	669.99	100%
Admin Expenses	(487.31)	93%	(625.96)	96%	(610.92)	79%	(482.79)	72%
EBITDA	39.32	7%	25.74	4%	160.04	21%	187.20	28%
Depreciation	(84.14)	16%	(25.86)	4%	(27.46)	4%	(25.99)	4%
Other Income	191.91	36%	106.06	16%	120.27	16%	78.43	12%
EBIT	147.09	28%	105.95	16%	252.85	33%	239.63	36%
Finance Cost	(39.80)	8%	(7.11)	1%	(54.41)	7%	(0.62)	0%
Profit Before Tax	107.29	20%	98.84	15%	198.44	26%	239.01	36%
Taxation	(60.04)	11%	(73.20)	11%	(112.91)	15%	(67.97)	10%
Profit After Tax	47.25	9%	25.64	4%	85.53	11%	171.04	26%



The Company's topline depicts diversified revenue stream brokerage income, supplemented by consultancy income, equity spread transactions "RBFS trade", margin financing, and the return on investment. The topline increased by 60% compared to the same period last year. This increase is a direct result of the significant rise in traded volumes on the bourse over the period. On the other hand, administrative expenses represent 58% of the revenue. The company registered a profit after-tax of Rs. 410.53 million versus Rs 206.95 million a year ago, depicting an increase of 98%. The earnings per share reached Rs. 14.27 per share, compared to Rs. 6.77 in 2020.

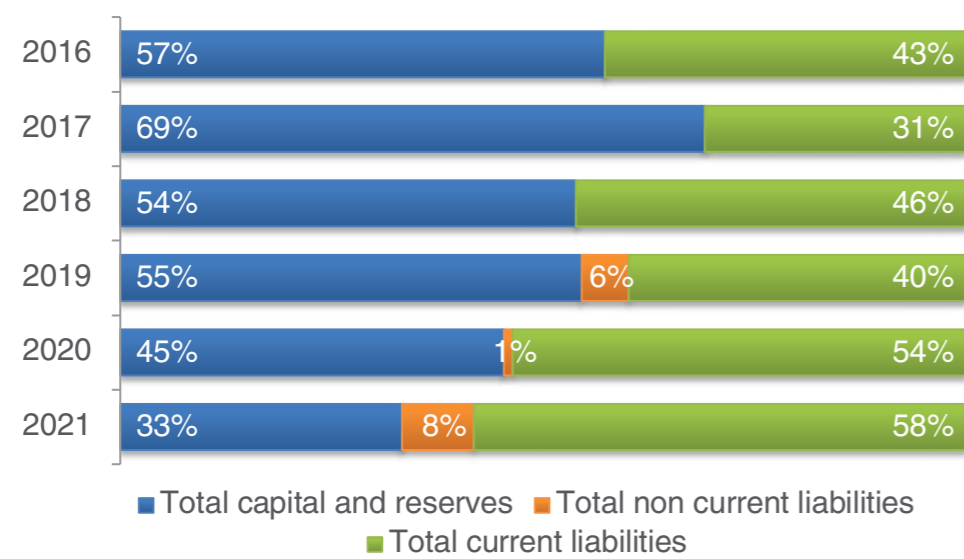
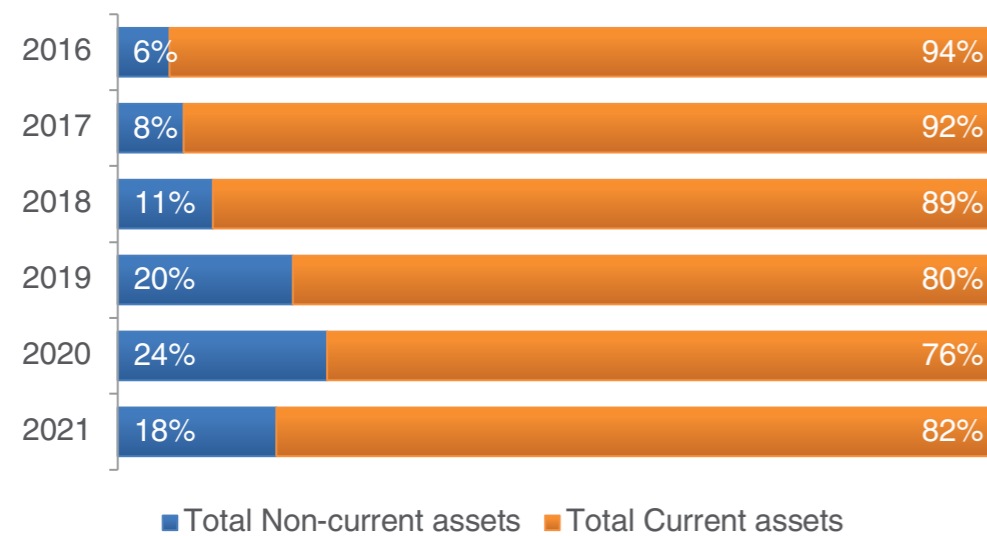
Financial Position's Vertical Analysis

Total assets comprises of current and non-current assets. The position at 31 December 2021 shows that on total assets, current assets are 81.91% and non-current assets are 18.09%.

Non-current liabilities are primarily 8.38% long-term financing and liabilities for leased assets are 0.12%.

On the other side, equity is 33.33% non-current liabilities of 8.49% and current liabilities of 58.18%. Capital and reserves mainly constitutes paid up capital 4.17%, share premium 27.47% and unappropriated profits 1.55%.

Current liabilities comprise primarily Creditors, accrued expenses and other liabilities of 41.34%, commercial paper of 14.47% and current maturities of long-term financing with 2.05% of overall financial position for the year.



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Horizontal Analysis

Statement of Financial Position	2021		2020	
	Rupees	2021 vs 2020 %	Rupees	2020 vs 2019 %
Non-current assets				
Property and equipment	857.69	-4.23%	895.58	72.74%
Investment property	123.32	-2.52%	126.50	0.00%
Intangible assets	5.00	0.00%	5.00	-65.55%
Long term investment	62.34	-44.43%	112.18	-13.78%
Long term loans, advances and deposits	31.11	-4.26%	32.49	0.03%
Deferred taxation - net	112.54	-1.94%	114.77	-5.44%
Total Non-current assets	1,192.00	-7.35%	1,286.51	57.48%
Current assets				
Short term investments	1,392.51	487.26%	237.12	-54.27%
Trade debts	1,537.97	40.16%	1,097.30	112.77%
Receivable against margin finance	453.31	8.05%	419.52	32.98%
Loans and advances - considered good	30.30	41.39%	21.43	19.25%
Deposits and short-term prepayments	619.82	8.85%	569.43	2.99%
Interest and mark-up accrued	13.95	118.93%	6.37	-57.38%
Other receivables	7.49	-48.62%	14.59	238.54%
Advance tax	56.31	-51.84%	116.92	-11.47%
Cash and bank balances	1,286.87	-20.64%	1,621.54	34.79%
Total Current assets	5,398.53	31.54%	4,104.22	25.32%
Total Assets	6,590.53	22.26%	5,390.73	31.74%
Capital and reserves				
Issued, subscribed and paid up capital	274.77	-10.08%	305.57	0.00%
Share premium	1,810.10	0.00%	1,810.10	0.00%
Re-measurement FV	9.39	-17.94%	11.44	107.65%
Accumulated profit / (loss)	102.11	-68.02%	319.32	184.18%
Total capital and reserves	2,196.38	-10.22%	2,446.44	9.53%
Non current liabilities				
Deferred liability	-	-100.00%	1.84	0.00%
Long-term financing	552.14	1381.45%	37.27	0.00%
Liability against assets subject to finance lease	7.60	-54.33%	16.64	-92.68%
Total non current liabilities	559.74	903.94%	55.75	-75.49%
Current liabilities				
Creditors, accrued expenses and other liabilities	2,724.57	-2.78%	2,802.41	74.86%
Current portion of deferred liability	1.90	-59.36%	4.67	0.00%
Commercial Paper	953.67	100.00%	-	0.00%
Accrued profit	6.33	0.00%	-	0.00%
Current maturity of long-term financing	135.31	94.46%	69.59	0.00%
Unclaimed dividend	3.36	0.00%	3.36	0.00%
Current maturity of liability against assets subject to finance lease	9.27	8.98%	8.51	-65.78%
Total current liabilities	3,834.42	32.75%	2,888.54	77.12%
Total liabilities and equity	6,590.53	22.26%	5,390.73	31.74%

Rupees in million

	2019		2018		2017		2016	
	Rupees	2019 vs 2018 %	Rupees	2018 vs 2017 %	Rupees	2017 vs 2016 %	Rupees	2016 vs 2015 %
	518.46	139.19%	216.76	199.31%	72.42	10.30%	65.65	9.60%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	14.51	-18.42%	17.79	106.85%	8.60	-19.93%	10.74	-26.58%
	130.10	-8.38%	142.00	187.76%	49.35	-18.56%	60.59	296.73%
	32.48	22.58%	26.50	-1.36%	26.86	17.70%	22.82	38.77%
	121.37	-0.60%	122.10	-2.68%	125.46	21.23%	103.49	-11.49%
	816.91	55.56%	525.14	85.77%	282.69	7.36%	263.30	17.98%
	518.53	-49.12%	1,019.07	65.14%	617.09	-24.72%	819.72	6.98%
	515.71	-52.51%	1,085.99	93.37%	561.60	-39.15%	922.95	439.82%
	315.47	5.96%	297.73	-9.28%	328.17	-61.64%	855.46	32.89%
	17.97	32.91%	13.52	-16.19%	16.13	28.42%	12.56	-3.37%
	552.88	305.81%	136.24	-26.06%	184.25	-60.11%	461.94	142.84%
	14.95	17.88%	12.68	-16.27%	15.15	-12.35%	17.28	-32.55%
	4.31	-92.43%	56.94	162.21%	21.72	117.18%	10.00	-48.68%
	132.06	9.02%	121.13	112.01%	57.13	20.92%	47.25	0.00%
	1,203.06	-23.45%	1,571.60	-6.37%	1,678.53	60.20%	1,047.75	-29.21%
	3,274.94	-24.10%	4,314.91	24.00%	3,479.77	-17.05%	4,194.91	26.76%
	4,091.85	-15.46%	4,840.05	28.64%	3,762.45	-15.61%	4,458.22	26.20%
	305.57	-19.60%	380.07	0.00%	380.07	0.00%	380.07	-23.99%
	1,810.10	0.00%	1,810.10	0.00%	1,810.10	0.00%	1,810.10	0.00%
	5.51	-32.47%	8.16	-69.57%	26.81	-59.64%	66.43	325.29%
	112.37	-72.60%	410.07	6.67%	384.43	28.61%	298.90	-46.59%
	2,233.55	-14.37%	2,608.40	0.27%	2,601.42	1.80%	2,555.50	-11.43%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	227.45	0.00%	-	0.00%	-	0.00%	-	0.00%
	227.45	0.00%	-	0.00%	-	0.00%	-	0.00%
	1,602.62	-28.08%	2,228.28	92.49%	1,157.61	-39.16%	1,902.71	204.42%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	3.36	0.00%	3.36	-2.03%	3.43	0.00%	-	0.00%
	24.87	0.00%	-	0.00%	-	0.00%	-	0.00%
	1,630.85	-26.92%	2,231.65	92.21%	1,161.04	-38.98%	1,902.71	193.97%
	4,091.85	-15.46%	4,840.05	28.64%	3,762.45	-15.61%	4,458.22	26.20%

For the current and last Six Years

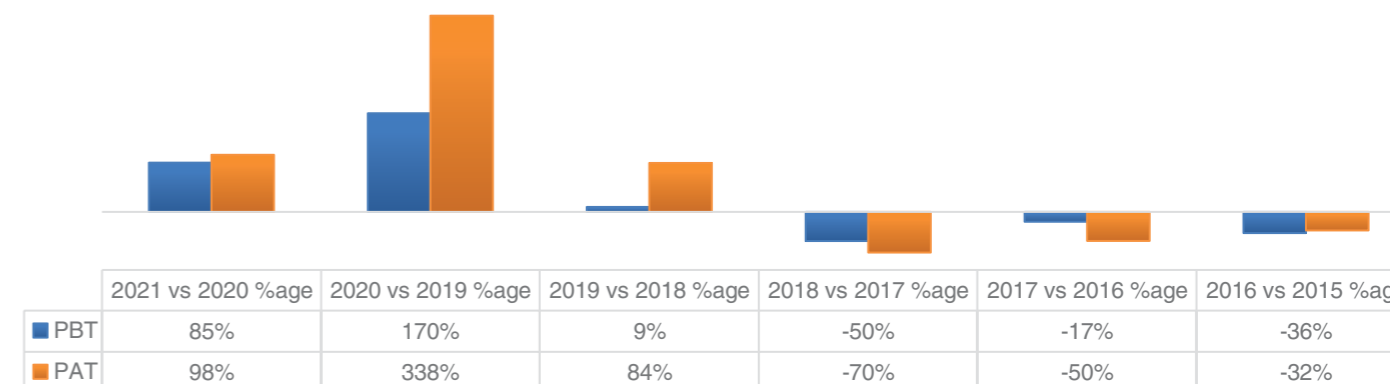
Statement of Profit & Loss	2021		2020	
	Rupees	2021 vs 2020 %	Rupees	2020 vs 2019 %
Revenue	1,166.70	60.39%	727.41	38%
Admin Expenses	(675.32)	38.43%	(487.85)	0.11%
EBITDA	491.38	105.12%	239.55	509%
Depreciation	(73.29)	-5.78%	(77.78)	-8%
Other Income	145.88	0.78%	144.75	-25%
EBIT	563.97	83.99%	306.52	108%
Finance Cost	(28.63)	69.32%	(16.91)	-58%
Profit Before Tax	535.34	84.84%	289.61	170%
Taxation	(124.81)	50.99%	(82.66)	38%
Profit After Tax	410.53	98.37%	206.95	338%

Profit and Loss Horizontal Analysis

The Company earned net income of PKR 410.53 million for the year ended December 31, 2021 vis-a-vis net income of PKR 206.95 million in the comparative period last year clocking an increase of 98.37% over the same period. Operating revenue of the Company increased by 72.95% over the same period last year. On the cost front, the Company incurred PKR 737.686 million (up by 31.79%) for the said period in respect of administrative and operating expenses. The Earnings per Share (EPS) of the Company for the period stood at PKR 14.27 against EPS of PKR 6.77 for the corresponding period last year, reflecting an increase of 110.78%. The increase in profitability is directly attributable to the significant higher volumes at the bourse during the period under consideration vis-à-vis comparative period last year.

Rupees in million									
Statement of Profit & Loss	2019		2018		2017		2016		
	Rupees	2019 vs 2018 %	Rupees	2018 vs 2017 %	Rupees	2017 vs 2016 %	Rupees	2016 vs 2015 %	
Revenue	526.63	-19%	651.70	-15%	770.95	15%	669.99	-9%	
Admin Expenses	(487.31)	-22%	(625.96)	2%	(610.92)	27%	(482.79)	5%	
EBITDA	39.32	53%	25.74	-84%	160.04	-15%	187.20	-32%	
Depreciation	(84.14)	225%	(25.86)	-6%	(27.46)	6%	(25.99)	19%	
Other Income	191.91	81%	106.06	-12%	120.27	53%	78.43	-40%	
EBIT	147.09	39%	105.95	-58%	252.85	6%	239.63	-38%	
Finance Cost	(39.80)	459%	(7.11)	-87%	(54.41)	8668%	(0.62)	-91%	
Profit Before Tax	107.29	9%	98.84	-50%	198.44	-17%	239.01	-36%	
Taxation	(60.04)	-18%	(73.20)	-35%	(112.91)	66%	(67.97)	-46%	
Profit After Tax	47.25	84%	25.64	-70%	85.53	-50%	171.04	-32%	

Annual Profitability Growth



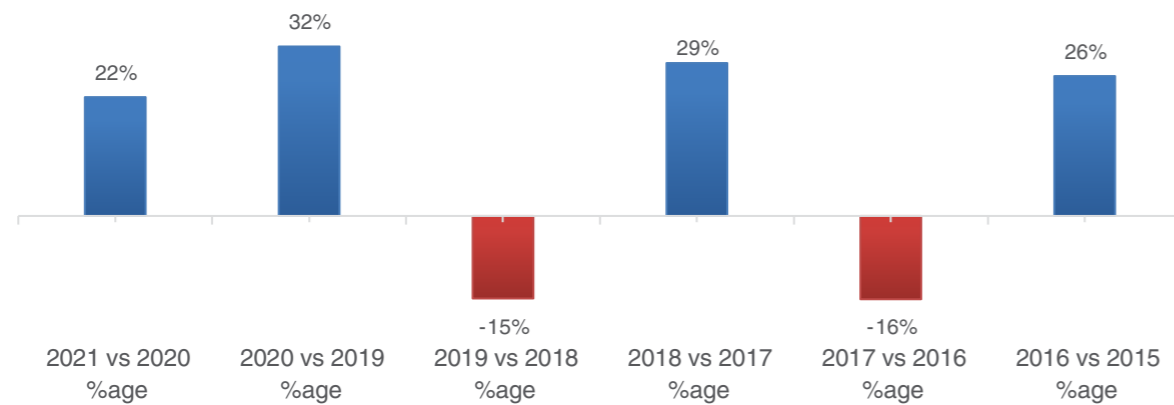
Financial Position Horizontal Analysis

Non-current assets declined by Rs 94.51 million (7.35%) compared with the previous year. This is primarily due to the early redemption of long-term investments (market-making) in Sukuk certificates.

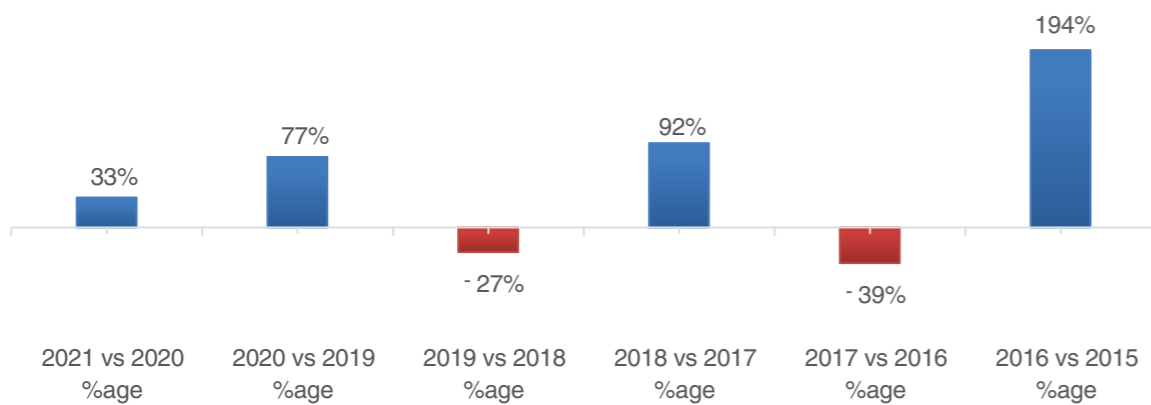
Current assets primarily comprises of short-term investments, trade debts, Receivable against margin finance, deposits, and cash & bank balances. On an aggregate basis, current assets increased by Rs.1,294.31 million (31.54%) mainly due to increase in short-term investments (487.26%), trade debts (40.16%) and accrued interest (118.93%) as compared to last year.

Shareholders' equity was reduced by Rs. 250.06 million (10.22%) mainly due to the third buyback of own shares and the 150% dividend paid and declared during the period.

Horizontal Analysis-total Assets



Horizontal Analysis Non Current Liabilities



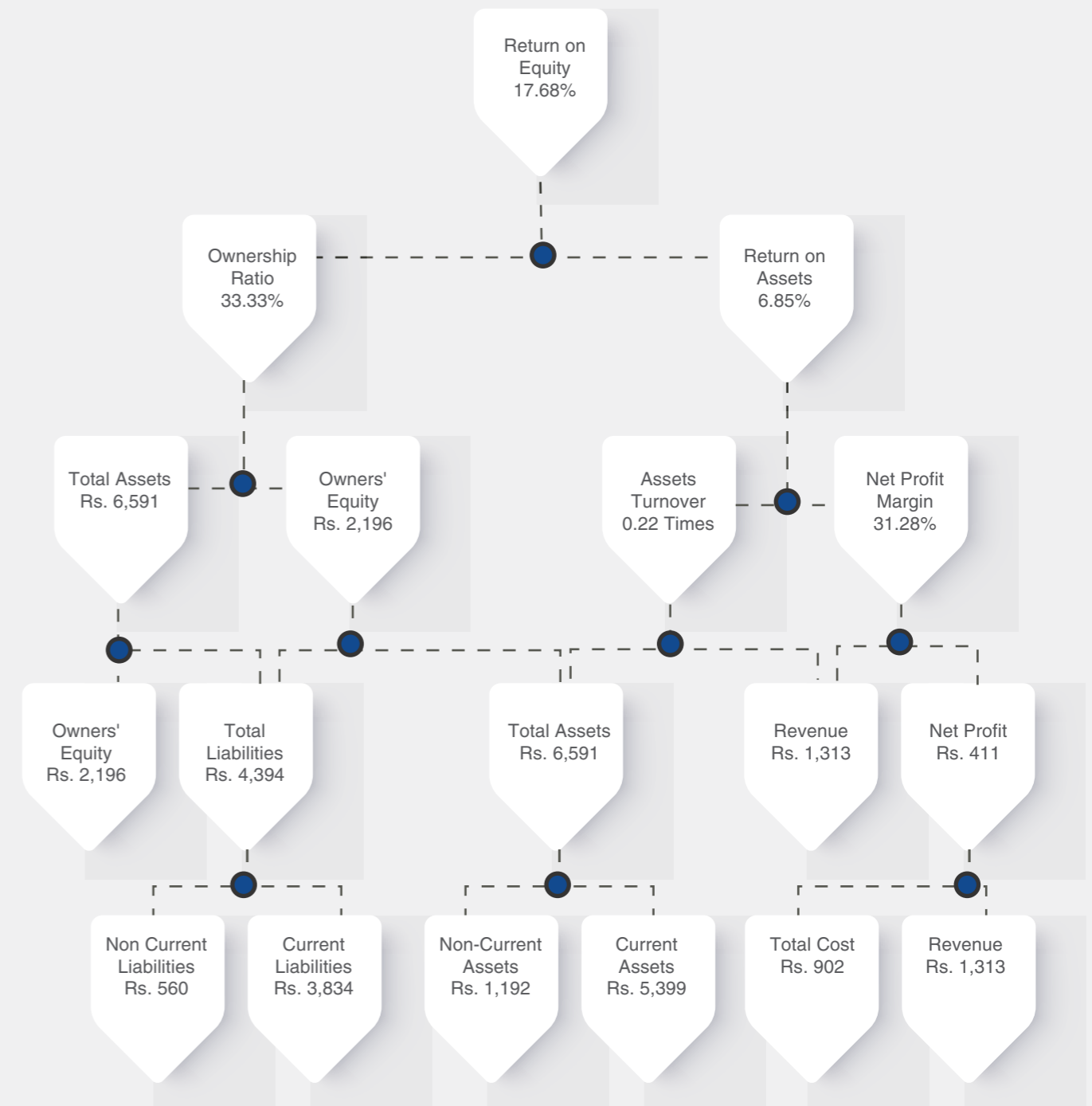
Financial Position Horizontal Analysis

Non-current liabilities for the year have been increased by 903.94% with an amount of Rs.503.98 million. The main reason behind this increase in noncurrent liabilities during the year, the Company obtained Diminishing Musharakah term finance facility,

Whereas the Company's current liabilities have increased by Rs.945.88 million . i.e. 32.75% as compare to the previous year, that is mainly due to the Company has issued short-term commercial paper with a tenor of six months and the short-term maturity of the Diminishing Musharakah term finance facility.

Dupont Analysis

Rupees in million



The revenue of the company increased by 72.95% however the administrative and operating expenses increased by 31.79%. The significant higher volumes at the bourse and single-largest, historical and record setting private sector IPO transaction during the period, contributed in overall increase in net profit margin from 23.73% in 2020 to 31.28% in 2021. This increase in net profit margin also resulted in Return on Asset to be increased to 6.85% with respect to 4.36% in the previous year. On the other hand total assets were up 22.26%, while equity was down 10.22% from last year, the decrease in equity due to the third buy back of own shares and the 150% dividend paid/announced during the period. On the other hand the current liabilities for the year 2021 have been increased by 32.75% as compare to the previous year, that is mainly due to the Company has issued short-term commercial paper with a tenor of six months and the short-term maturity of the Diminishing Musharakah term finance facility. Consequently, the higher volumes on the bourse and the largest IPO transaction during the period had a positive impact on the return on equity, which is 17.68% for the year.

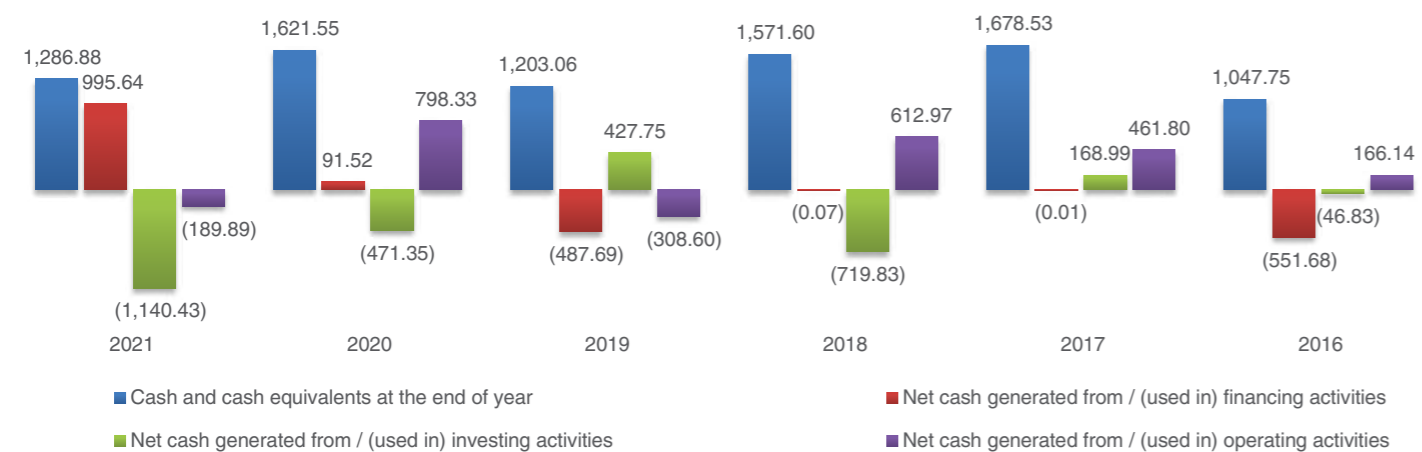
Cash Flows Analysis

For the current and last Six Years

Rupees in million

Summary of Cash Flow Statement	2021	2020	2019	2018	2017	2016
Cash Generated from Operating Activities						
Cash generated from operations	(118.13)	864.93	(237.60)	753.12	641.16	307.31
PAYMENT FOR:						
Finance charges	(9.36)	(5.71)	(4.90)	(7.11)	(54.41)	(0.62)
Taxes	(62.40)	(60.89)	(66.09)	(133.04)	(124.95)	(140.55)
Net cash generated from / (used in) operating activities	(189.89)	798.33	(308.60)	612.97	461.80	166.14
CASH FLOW FROM INVESTING ACTIVITIES						
Capital Expenditure on Property and Equipment (PPE)	(32.24)	(662.57)	(90.66)	(172.15)	(33.52)	(29.90)
Investment in Property	-	(127.30)	-	-	-	-
Proceeds from Disposal of Fixed Assets	0.02	3.87	11.58	15.33	0.25	5.04
Addition intangible	-	-	-	(9.51)	(0.08)	(0.20)
Long term loans, advances and deposits	1.38	(0.00)	(3.48)	0.36	(4.04)	(3.82)
Long Term Investment	47.73	20.25	9.22	(124.51)	45.89	-
Short Term Investment	(1,157.31)	294.39	501.09	(429.35)	160.49	(17.95)
Net cash used in investing activities	(1,140.43)	(471.35)	427.75	(719.83)	168.99	(46.83)
CASH FLOW FROM FINANCING ACTIVITIES						
Dividend paid / adjustment	(274.77)	-	-	-	-	(0.01)
Lease rentals paid	(11.83)	(17.26)	(77.94)	(0.07)	(0.01)	-
Deferred Liabilities	4.61	1.93	-	-	-	-
Repayment of long term financing	(50.29)	-	-	-	-	-
Commercial Paper	943.41	-	-	-	-	-
Long-term financing	630.89	106.86	-	-	-	-
Payment of buy back of shares	(246.38)	-	(409.75)	-	-	(551.68)
Net cash generated from / (used in) financing activities	995.64	91.52	(487.69)	(0.07)	(0.01)	(551.68)
Net increase / (decrease) in cash and cash equivalents	(334.68)	418.50	(368.54)	(106.93)	630.78	(432.37)
Cash and cash equivalents at the start of year	1,621.55	1,203.06	1,571.60	1,678.53	1,047.75	1,480.13
Cash and cash equivalents at the end of year	1,286.88	1,621.55	1,203.06	1,571.60	1,678.53	1,047.75

Cash Flows Analysis (2016 ~ 2021)



Investing Activities

The Company witnessed decrease of 141.94% in its cash outflows from investing activities as compared to last year. The decrease is mainly due to investment into the spread transaction.

Financing Activities

The Company has bought back its shares by Rs. 246.38 million, Rs. 409.75 million and Rs. 551.68 million in FY21, FY19 and FY16 respectively. The buyback payments have resulted in negative cash flow from financing activities. However, in FY21, the company obtained the long term financing facilities and commercial resulting in positive closing balance.

Direct Method Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
Cash Received From Customers (including sales tax)	780.30	148.47
Cash Paid to Employees as Remuneration	(420.70)	(288.18)
Cash Paid to the Vendors	(477.72)	1,004.63
Income Tax Paid	(62.40)	(60.89)
Finance Cost Paid	(9.36)	(5.71)
Net Cash Flows From Operating Activities	(189.89)	798.33

CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
Purchase of property and equipment	(32.24)	(662.57)
Purchase of investment property	-	(127.30)
Proceeds from disposal of operating assets	0.02	3.87
Long term loans, advances and deposits	1.38	(0.01)
Addition to intangible assets	-	-
Long term investments - net	47.73	20.25
Short term investments - net	(1,157.31)	294.39
Net cash from / (used in) investing activities	(1,140.43)	(471.36)

CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
Dividend paid / adjustment	(274.77)	-
Lease rentals paid	(11.83)	(17.26)
Deferred Liabilities	4.61	1.93
Repayment of long term financing	(50.29)	-
Commercial Paper	943.41	-
Long-term financing	630.89	106.86
Payment of buy back of shares	(246.38)	-
Net cash from / (used in) financing activities	995.64	91.52

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

	2021	2020
Net (decrease) / increase in cash and cash equivalents	(334.68)	418.49
Cash and cash equivalents at the beginning of the year	1,621.54	1,203.06
Cash and cash equivalents at the end of the year	1,286.87	1,621.54

Quarterly Analysis

For the current year

Rupees in million

Statement of Financial Position

EQUITY AND LIABILITIES

Share capital and reserves

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Authorised capital: 150,000,000 (2019: 150,000,000) ordinary shares of Rs.10 each	1,500.00	1,500.00	1,500.00	1,500.00
Issued, subscribed and paid-up share capital	305.57	274.77	274.77	274.77
Share premium	1,810.10	1,810.10	1,810.10	1,810.10
Surplus on re-measurement of equity securities at fair value through OCI	7.79	26.24	17.71	9.39
Unappropriated profit	440.42	327.58	229.44	102.11
	2,563.89	2,438.70	2,332.03	2,196.38

LIABILITIES

Non-current liabilities

Deferred liability	1.84	0.56	2.09	-
Long-term financing	24.50	16.02	12.50	552.14
Lease liability	14.40	12.47	10.73	7.60
	40.74	29.05	25.31	559.74

Current liabilities

Creditors, accrued expenses and other liabilities	2,602.36	2,339.47	2,214.50	2,724.57
Current portion of deferred liability	-	-	-	1.90
Commercial paper	-	-	-	953.67
Accrued Profit	-	-	-	6.33
Unclaimed dividend	3.36	3.36	3.36	3.36
Current maturity of long term financing	82.36	65.57	53.15	135.31
Current maturity of lease liability	8.75	8.92	8.92	9.27
	2,696.83	2,417.32	2,279.93	3,834.42

ASSETS

Non-current assets

Property and equipment	878.44	862.46	849.97	857.69
Investment property	125.84	124.91	124.12	123.32
Intangible assets	5.00	5.00	5.00	5.00
Long term investments	62.79	83.10	72.22	62.34
Long term loans, advances and deposits	38.47	38.54	38.25	31.11
Deferred taxation - net	115.65	122.18	122.39	112.54
	1,226.18	1,236.19	1,211.95	1,192.00

Current assets

Short term investments	318.44	32.20	5.67	1,392.51
Trade debts	756.51	701.40	851.73	1,537.97
Receivable against margin finance	348.24	408.35	277.27	453.31
Loans and advances	29.31	43.79	46.57	30.30
Short-term deposits and prepayments	522.75	591.29	146.83	619.82
Interest and mark-up accrued	5.27	6.28	7.02	13.95
Other receivables	7.38	3.05	16.15	7.49
Advance tax	81.57	51.90	59.94	56.31
Cash and bank balances	2,005.81	1,810.61	2,014.13	1,286.87
	4,075.28	3,648.87	3,425.32	5,398.53
	5,301.46	4,885.06	4,637.26	6,590.53

Statement of Profit & Loss

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Operating revenue	270.05	533.01	910.55	1,060.77
Capital gain on sale of investments - net	10.69	22.16	27.07	43.67
Unrealised gain / (loss) on remeasurement of investments at fair value - P&L-Net	(2.44)	0.77	(1.97)	1.50
Unrealised gain / (loss) on remeasurement of derivatives at fair value - P&L-Net	3.90	(0.78)	-	(3.43)
Dividend income	0.49	5.23	5.76	6.35
Margin finance income	14.46	28.37	43.53	57.84
	297.15	588.76	984.95	1,166.70
Administrative and operating expenses	(147.02)	(332.18)	(548.29)	(737.69)
	150.13	256.58	436.65	429.02
Other operating income - net	24.38	59.20	84.32	145.88
	174.51	315.78	520.97	574.89
Provision for Sindh Workers' Welfare Fund	(3.44)	(6.21)	(10.26)	(10.93)
Finance cost	(2.62)	(5.05)	(8.00)	(28.63)
Profit before taxation	168.45	304.52	502.71	535.34
Taxation - current	(48.30)	(88.96)	(110.37)	(151.95)
- prior year	-	-	-	28.04
- deferred	0.95	8.27	8.12	(0.90)
	(47.35)	(80.68)	(102.24)	(124.81)
Profit after taxation	121.10	223.84	400.47	410.53
Earnings per share - basic and diluted	3.96	7.45	13.72	14.27



DIRECTORS' REPORT

Directors' Report

We are pleased to present the Annual Report of JS Global Capital Limited ("the Company") along with the audited accounts and auditors' report for the year ended December 31, 2021.

The Economy

The pro-active actions by the government & central bank supported economic activity and led to a GDP growth of 3.9% during FY21/ The positive momentum was however somewhat undermined by a spike in international commodity prices, followed by higher CPI readings in the later months of CY21. Average CPI for CY21 clocked in at 9.5%, where a sharp increase was reported in the last quarter of the year. The State Bank of Pakistan also moved towards monetary tightening stance during the same period, taking the Policy Rate up by 275bps to 9.75% at year end.

On the fiscal front, after FY21's fiscal deficit of 7.1% of GDP, Pakistan's fiscal deficit for 1QFY22 was reported at 0.8% of GDP. Moreover, the primary balance during the quarter turned positive as it was reported at 0.3% of GDP. The improved picture on the fiscal front was led by higher tax collections and controlled expenditures. The FBR collection for 1HFY22 touched Rs. 2,915 billion, up 33% YoY, while it also surpassed the target by Rs282 billion.

On the external front, the Current Account Deficit (CAD) increased to US\$10.3 billion for the 11MCY21 period, as compared to a surplus of US\$874 million during 11MCY20. The pressure on the current account rose as the country's import bill increased by 57% YoY during 11MCY21 to US\$60.3 billion, which dominated the current account balance. The higher import bill minimize the impact of 33% YoY growth in exports and 20% YoY growth in remittances recorded during the same period. However, on account of SDR allocation of US\$2.7 billion, Saudi deposits of US\$3 billion and other multilateral/bilateral loans, the country's foreign exchange reserves increased by US\$3.4 billion to US\$23.9 billion as at CY21 end. During the same period, PKR depreciated against the US\$ by 9.5%.

Equity Capital Markets

After a positive return of more than 8% marked in 1HCY21 the direction of KSE100 Index turned south, dominated by concerns over spike in international commodity prices, the country's ballooning Current Account Deficit and developments over the geo-political front. Pakistan's equity markets were also re-classified by MSCI from Emerging Markets to Frontier Markets during the second half of CY21. The benchmark Index closed the CY21 with minimal gains of 1.9%, closing at 44,596 levels. The participation in equity markets remained robust during CY21 as daily traded volumes registered a jump of 44% YoY, and averaged 474 million shares. Moreover, value traded averaged at US\$105 million, which was also 39% higher YoY as compared to the average in CY20.

Sectors pertaining to the energy chain were among key underperformers as the Oil & Gas Marketing Companies (-18% YoY), Oil & Gas Exploration Companies (-8% YoY) and Power Generation & Distribution (-6% YoY) closed in the red zone. Other heavy-weights such as Fertilizers (+1.5% YoY), Commercial Banks (+2% YoY) and Technology & Communication sector (+55% YoY) were among the positive contributors to the Index during CY21. Foreign Investors were once again net seller with a cumulative net outflow of US\$359 million.

Foreign Exchange Market

The weakness in Rupee of 9.5% during the year emerged from a rising trade gap as imports from expansionary policies continued to increase on account of Temporary Economic Refinance Facility (TERF) related investments, international commodity prices and low interest rates induced rising demand of automobiles alongside consumer durables. The country's total foreign exchange reserves closed at US\$25.9bn as at the end of the preceding quarter, decreased to US\$ 24.018bn as at 4QCY21. Moreover, swap prices surged during the 4Q of the calendar year due to rise in Policy Rate by SBP.

Money Market

Average CPI for CY21 clocked in at 9.5%, where a sharp increase was reported in the last quarter of the year. As a result, The State Bank of Pakistan moved towards a restrictive monetary stance during the same period, taking the Policy Rate up by 275bps to 9.75% by the end of the year. Monetary policy committee also increased its frequency of meetings from 6 to 8 times per year.

Cut-off yields for T-bills, at the end of Dec-2021, were 10.60% for 3M, 11.45% for 6M and 11.51% for the 12M tenor. Total participation in T-Bills remained high during the period. While the economic situation improved as a result of vaccination drives, participation in PIBs also persistently increased, due to the liquidity provided by SBP through the 63day OMO injection pushing yields downwards. At the last auction of CY21, the cut-off yields for 3Y, 5Y and 10Y PIBs stood at 11.50%, 11.57% and 11.76%, respectively. In addition, less activity was witnessed in floating rate PIBs during the period.

Moreover, for GOP Ijarah Sukuk (FRR), the cut-off yield was 11.40% whereas in auction for GOP Ijarah Sukuk (VRR) the cut-off yield was 8.6955% for the 5-year maturity instrument. Introduction of GoP Ijarah Sukuks with semi-annual and quarterly coupons to maintain Islamic liquidity was the key highlight for CY21.

Overview of Financial Performance

The summarized results are set out below:

	Year ended December 31, 2021	Year ended December 31, 2020
	Rupees	
Profit before tax	535,335,345	289,613,260
Profit after tax	410,525,620	206,954,372
Earnings per share	14.27	6.77

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

The Company earned operating revenue amounting to PKR 1,061 million relative to PKR 613 million in the corresponding period prior year, thus

Commodities Market

During the year, the commodities market was also impacted by the pandemic internationally. In the last month of Dec-2021, market traded with very thin volumes due to Christmas and New Year holidays. Gold trading activity at PMEX during 2021 was range bound between USD1747/oz to USD1881/oz whereas during corresponding period of 2020 gold traded between USD1788/oz to USD1975/oz. On the other hand, crude oil traded in a range of USD 62.43/bbl to USD 85.4/bbl during 2021 as against USD 34.9/bbl to USD 49.3/bbl.

Principal activities

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

clocking the increase of 73%.

On the cost front, the Company incurred PKR 738 million (up by 32% YoY) for the said year in respect of administrative and operating expenses.

The increase in profitability is directly attributable to the significantly increased volumes at the bourse during the period under consideration as well as successful execution of IPO of Airlink Communication Limited in which Company acted as Book Runner along with Consultant to the issue. These were market related factors whereas the Company was once again able to maintain its overall market share despite all challenges. Going forward, as the volumes at the bourse improves; the Company is poised to capitalize on the back of its growing

market share.

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

Appropriation of Profits

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

	Year ended December 31, 2021 ----- Rupees -----	Year ended December 31, 2020 -----
Un-appropriated profit brought forward	319,321,963	112,367,591
Profit after tax	410,525,620	206,954,372
Distribution of profits through buy back of shares	(215,579,210)	-
Interim cash dividend for the period ended June 30, 2021	(274,772,970)	-
Interim cash dividend for the period ended November 30, 2021	(137,386,485)	-
Un-appropriated profit carried forward	102,108,918	319,321,963
Other Comprehensive Income		
Un realized gain on revaluation of investments at fair value through other comprehensive income - net	9,388,710	11,441,759

The Board of Directors of the Company has recommended and approved interim cash dividend of Rs. 10 per share for the period ended June 30, 2021 and Rs. 5 per share for the period ended November 30, 2021 respectively which were paid to shareholders entitled to receive the dividend within statutory timeline.

Corporate Governance and Financial Reporting Framework

The Directors confirm compliance for the following matters:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Company has not defaulted in payment of any debt liability during the year.
- Reasons for significant deviation from the last year's operating results have been explained in the relevant section of the Directors' Report.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Key operating and financial data of last six years has been given in annual report.
- Information about outstanding taxes, duties, levies and charges, if any, is given in notes to the accounts.
- The Company operates an approved Contributory Provident Fund for its eligible employees. Value of investments as per un-audited financial statements for the year ended June 30, 2021 amounts to approximately PKR 123 million (June 30, 2020: PKR 93 million).
- Material changes and commitments (if any) affecting the financial position of the Company that have occurred between the balance sheet date and the date of the Directors' Report is appropriately disclosed in accounts.

The Board

The Board comprises of two independent directors, four non-executive directors, one executive director and the CEO who is deemed director. The Board comprises of all male members except one

female member. The Board includes a mix of Directors with the right expertise and necessary experience required to fulfill their essential oversight roles. The Board values diversity of business skills and experience as the Directors with diverse skill set, capabilities and experience gained from different geographic and cultural background are critical in today's competitive business environment.

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

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

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

The annual formal process of evaluation of performance of the Board as a whole along with its committees and directors for FY2020 is being performed by engaging external independent firm - Grant Thornton Anjum Rahman, Chartered Accountants at a fee agreed with the institute.

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

Board Meetings and Attendance

During FY21, the Board of directors held 6 meetings. The attendance record of the directors is as follows:

S.No	Name of Director	Eligibility	Meetings attended
1	Mr. Shahab Anwar Khawaja	6	6
2	Mr. Muhammad Kamran Nasir (CEO)	6	6
3	Mr. Iftikhar Ahmed Rao	6	5
4	Mr. Muhammad Yousuf Amanullah	6	6
5	Mr. Hasan Saeed Akbar	6	6
6	Syed Ghaus Ahmed	6	6
7	Ms. Shireen Raza	6	5
8	Mr. Salaal Hasan	3	3
9	Mr. Khusro Iqbal Mumtaz	3	3

The Board Audit Committee

During FY21, the Board Audit Committee held 4 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Eligibility	Meetings attended
1	Mr. Shahab Anwar Khawaja	3	3
2	Mr. Iftikhar Ahmed Rao	1	1
3	Mr. Hasan Saeed Akbar	3	2
4	Ms. Shireen Raza	4	3
5	Mr. Salaal Hasan	1	1
6	Mr. Khusro Iqbal Mumtaz	2	2

The Board Human Resource & Remuneration Committee

During FY21, the Board Human Resource & Remuneration Committee held 4 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Eligibility	Meetings attended
1	Mr. Iftikhar Ahmed Rao	4	4
2	Mr. Muhammad Kamran Nasir	4	4
3	Mr. Muhammad Yousuf Amanullah	4	4
4	Mr. Hasan Saeed Akbar	3	2
5	Syed Ghaus Ahmed	1	1
6	Mr. Khusro Iqbal Mumtaz	2	2

The Board Risk Management Committee

During FY21, the Board Risk Management Committee held 4 meetings. The attendance record of the directors is as follows:

S.no	Name of Director	Eligibility	Meetings attended
1	Mr. Shahab Anwar Khawaja	1	1
2	Mr. Muhammad Kamran Nasir	4	4
3	Mr. Muhammad Yousuf Amanullah	4	4
4	Syed Ghaus Ahmed	3	3
5	Mr. Khusro Iqbal Mumtaz	2	2

Adequacy of Internal Financial Control

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

Corporate Social Responsibility

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

Management Discussion of Financial Responsibility and Significant Risks and Uncertainty

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

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

Auditors

The Auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants is eligible for reappointment for FY 2022. BAC has recommended the re-appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company along with its remuneration to board who recommends the same for members' approval at the forthcoming Annual General Meeting.'

Pattern of Shareholding

Major shareholder of JS Global Capital Limited is JS Bank Limited who holds 92.90% shares. Other shareholders include local institutions and the general public.

A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the regulatory framework and the statement of purchase and sale of shares, if any, by Directors, Executives and their spouses including minor children during the year ended December 31, 2021 is presented later in annual report.

Credit Rating and Broker Management Rating

The Pakistan Credit Rating Agency (PACRA) has

maintained the Company's long term and short-term ratings at AA (Double A) and A1+ (A-One Plus) respectively, for FY21. These ratings reflect the Company's sound financial position resulting from a robust capital structure and denotes a very low expectation of credit risk and very strong capacity for timely payments of financial commitments. This capacity is not significantly vulnerable to foreseeable events

During the FY21, PACRA conducted the Broker Management (BM) Rating and assigned BMR1 with a 'Stable' outlook. The rating derives comfort from the Company's policy prohibiting proprietary trading stocks, thus limiting the market risk and liquidity risk. The rating also reflects Strong regulatory compliance, control environment, and financial management; governance and risk management frameworks are highly effective; HR, IT, and customer services are highly proactive.

Future Outlook

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

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

Acknowledgement

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

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

For and on behalf of the
Board of Directors

Chief Executive Officer

Director

Date: February 18, 2022



FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

To the members of JS Global Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **JS Global Capital Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



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Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue recognition</p> <p>Refer notes 3.5 and 24 to the financial statements relating to revenue recognition.</p> <p>The Company generates revenue from brokerage services as well as Advisory and related services. Brokerage represent 83% while corporate finance and related services represents 17% of the total revenue.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not been recognized in the appropriate period.</p>	<p>Our procedures among others, included:</p> <ul style="list-style-type: none"> We obtained an understanding of, assessed and tested the design and operating effectiveness of key internal controls over the recording of revenue; We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; We identified the automated controls and the corresponding key IT systems that support the processes; We assessed the IT control environment, reviewed the IT governance framework and tested the General IT controls of the key IT application that support the revenue recognition and reporting to evaluate whether the system dependent controls and information could be relied on throughout the period. Our testing of General IT controls covered access management, change management and IT operations; We have tested the identified automated application controls, which are critical to the revenue recognition process. Our testing procedures included the testing of system logics, automated calculations and validations, testing of system generated information, system configuration; We checked invoices and related documents, on a sample basis for selected revenue transactions recorded during the current year to assess whether



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance; and
- the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Act, 2016, and the relevant requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.



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S. Key audit matters No.

How the matter was addressed in our audit

the related revenue was recognized in accordance with the requirement of applicable accounting standard; and

- We compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



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management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



KPMG Taseer Hadi & Co.

Other Matter

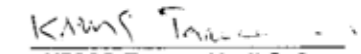
The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 03 April 2021.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 22 MAR 2022

Karachi

UDIN: AR202110106V5GQH2PMA


KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 ----- (Rupees) -----	2020 ----- (Rupees) -----
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2020: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up share capital	4	274,772,970	305,570,000
Share premium		1,810,104,900	1,810,104,900
Surplus on re-measurement of equity securities at fair value through other comprehensive income		9,388,710	11,441,759
Unappropriated profit		102,108,918	319,321,963
		<u>2,196,375,498</u>	<u>2,446,438,622</u>
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	5	552,135,000	37,270,010
Lease liability	6	7,602,136	16,644,533
Deferred Liability	7	-	1,839,560
		<u>559,737,136</u>	<u>55,754,103</u>
Current liabilities			
Current portion of deferred liability	7	1,897,534	4,669,470
Creditors, accrued expenses and other liabilities	8	2,724,571,721	2,802,411,072
Commercial Paper	9	953,670,325	-
Accrued profit		6,328,952	
Unclaimed dividend		3,361,843	3,361,843
Current maturity of long-term financing	5	135,314,633	69,585,524
Current maturity of lease liability		9,274,266	8,510,261
		<u>3,834,419,274</u>	<u>2,888,538,170</u>
Total equity and liabilities		<u>6,590,531,908</u>	<u>5,390,730,895</u>
Contingencies and commitments			
	10		

The annexed notes 1 to 41 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	2021 ----- (Rupees) -----	2020 ----- (Rupees) -----
ASSETS			
Non-current assets			
Property and equipment	11	857,694,424	895,577,307
Investment property	12	123,321,956	126,504,547
Intangible assets	13	5,000,000	5,000,015
Long term investments	14	62,337,622	112,175,298
Long term loans, advances and deposits	15	31,105,006	32,488,821
Deferred taxation - net	16	112,542,761	114,765,637
		<u>1,192,001,769</u>	<u>1,286,511,625</u>
Current assets			
Short term investments	17	1,392,509,008	237,120,103
Trade debts	18	1,537,968,534	1,097,296,646
Receivable against margin finance		453,311,520	419,521,592
Loans and advances	19	30,295,071	21,427,280
Short-term deposits and prepayments	20	619,816,280	569,432,251
Interest and mark-up accrued	21	13,953,661	6,373,618
Other receivables	22	7,494,026	14,585,585
Advance tax		56,313,277	116,918,109
Cash and bank balances	23	1,286,868,762	1,621,544,086
		<u>5,398,530,139</u>	<u>4,104,219,270</u>
Total assets		<u>6,590,531,908</u>	<u>5,390,730,895</u>

Director

Chief Executive Officer

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 ----- (Rupees) -----	2020
Operating revenue	24	1,060,765,115	613,336,946
Capital gain on sale of investments - net	25	43,668,435	50,810,298
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - net	17.1 & 17.2	1,504,731	12,981,099
Unrealised gain / (loss) on re-measurement of derivatives at fair value through profit or loss - net		(3,428,653)	(12,329,287)
Dividend income		6,353,229	15,167,445
Margin finance income		57,838,521	47,442,369
		1,166,701,378	727,408,870
Administrative and operating expenses	26	(737,686,049)	(559,727,761)
		429,015,329	167,681,109
Other operating income - net	27	145,878,448	144,753,358
		574,893,777	312,434,467
Provision for Sindh Workers' Welfare Fund Finance cost	28	(10,925,211)	(5,910,475)
Profit before taxation		(28,633,221)	(16,910,732)
		535,335,345	289,613,260
Taxation - current		(151,949,195)	(92,222,774)
- prior year		28,040,695	16,192,920
- deferred		(901,225)	(6,629,034)
	29	(124,809,725)	(82,658,888)
Profit after taxation		410,525,620	206,954,372
Earnings per share - basic and diluted	30	14.27	6.77

The annexed notes 1 to 41 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 ----- (Rupees) -----	2020
Profit for the year	410,525,620	206,954,372
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss subsequently		
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - equity securities	(2,357,160)	5,154,910
Less: Related tax	96,300	(201,116)
	(2,260,860)	4,953,794
Items that may be reclassified to statement of profit or loss subsequently		
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - debt securities	244,484	1,150,522
Less: Related tax	(36,673)	(172,578)
	207,811	977,944
Total comprehensive income for the year	408,472,571	212,886,110

The annexed notes 1 to 41 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

	Reserves					Total
	Issued, subscribed and paid-up share capital	Share premium	Surplus on re-measurement of equity securities at fair value through other comprehensive income (Rupees)	Unappropriated profit	Sub-total	
Balance as at January 01, 2020	305,570,000	1,810,104,900	5,510,021	112,367,591	1,927,982,512	2,233,552,512
Total comprehensive income for the year						
Profit for the year	-	-	-	206,954,372	206,954,372	206,954,372
Other comprehensive income / (loss) - net of tax	-	-	5,931,738	-	5,931,738	5,931,738
Total comprehensive income for the year	-	-	5,931,738	206,954,372	212,886,110	212,886,110
Balance as at December 31, 2020	305,570,000	1,810,104,900	11,441,759	319,321,963	2,140,868,622	2,446,438,622
Balance as at January 01, 2021	305,570,000	1,810,104,900	11,441,759	319,321,963	2,140,868,622	2,446,438,622
Total comprehensive income for the year						
Profit for the year	-	-	-	410,525,620	410,525,620	410,525,620
Other comprehensive income - net of tax	-	-	(2,053,049)	-	(2,053,049)	(2,053,049)
Total comprehensive income for the year	-	-	(2,053,049)	410,525,620	408,472,571	408,472,571
Transactions with owners						
Buy back of 3,079,703 shares having face value of Rs.10 each at a price of Rs.80 each	(30,797,030)	-	-	-	-	(30,797,030)
Amount paid in excess of face value of 3,079,703 shares	-	-	-	(215,579,210)	(215,579,210)	(215,579,210)
Interim dividend for the financial year 2021 @ Rs. 10/- per share	-	-	-	(274,772,970)	(274,772,970)	(274,772,970)
Interim dividend for the financial year 2021 @ Rs. 5/- per share	-	-	-	(137,386,485)	(137,386,485)	(137,386,485)
Balance as at December 31, 2021	274,772,970	1,810,104,900	9,388,710	102,108,918	1,921,602,528	2,196,375,498

The annexed notes 1 to 41 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees)	2020 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		535,335,345	289,613,260
Profit before taxation			
Adjustments for:			
Depreciation of operating assets expense	11.1	61,954,488	50,087,818
Depreciation of right-of-use assets	11.2	8,152,165	26,894,521
Depreciation of investment property	12	3,182,591	799,103
Gain on sale of operating assets	11.1.1	(2,263)	(3,858,414)
Gain on modification of lease agreement		-	(19,797,365)
Amortisation of intangible assets	13.2	15	2,288
Unrealised gain on remeasurement of investments at fair value through profit or loss - net		(1,504,731)	(12,981,099)
Unrealised gain / (loss) on re-measurement of derivatives at fair value through profit or loss - net		3,428,653	12,329,287
Provision for Sindh Workers' Welfare Fund		10,925,211	5,910,475
Finance cost	28	28,633,221	16,910,732
Cash generated from operating activities before working capital changes		114,769,350	76,297,346
(Increase) / Decrease in current assets		(440,671,888)	(581,586,888)
Trade debts		(33,789,928)	(104,046,831)
Receivable against margin finance		(8,867,791)	(3,459,284)
Loans and advances		(50,384,029)	(16,556,170)
Short-term deposits and prepayments		(7,580,043)	8,579,505
Interest and mark-up accrued		7,091,559	(2,314,808)
Other receivables		(534,202,120)	(699,384,476)
Increase / (decrease) in current liabilities		(234,029,003)	1,198,400,260
Creditors, accrued expenses and other liabilities		(118,126,428)	864,926,390
Cash generated from operations		(9,357,178)	(5,713,944)
Finance cost paid		(62,402,443)	(60,885,558)
Taxes paid		(189,886,049)	798,326,888
Net cash generated / (used in) from operating activities		(32,236,507)	(662,565,563)
CASH FLOWS FROM INVESTING ACTIVITIES		(1,157,312,827)	(294,392,950)
Purchase of property and equipment	11.1	(32,236,507)	(662,565,563)
Purchase of investment property	12	-	(127,303,650)
Proceeds from disposal of operating assets	11.1.1	15,000	3,869,473
Long term loans, advances and deposits		1,383,815	(10,219)
Long term investments - net		47,725,000	20,252,889
Short term investments - net		(1,157,312,827)	294,392,950
Net cash (used in) / generated from investing activities		(1,140,425,519)	(471,364,120)
CASH FLOWS FROM FINANCING ACTIVITIES		995,636,243	91,523,581
Lease rentals paid		(11,829,533)	(17,261,595)
Deferred Liabilities		4,611,496	1,929,643
Proceeds from commercial paper		943,409,391	-
Proceeds from long term loan		630,885,000	106,855,533
Repayment of long term financing		(50,290,901)	-
Dividend paid		(274,772,970)	-
Payment of buy back of shares		(246,376,240)	-
Net cash generated from / (used in) financing activities		995,636,243	91,523,581
Increase / (decrease) in cash and cash equivalents during the year		(34,126,043)	418,486,350
Cash and cash equivalents at the beginning of the year		1,621,544,086	1,203,057,736
Cash and cash equivalents at the end of the year	23	1,286,868,762	1,621,544,086

The annexed notes 1 to 41 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui & Co. Limited. (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 2005. During 2006-07, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

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

During the year 2019, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 7,450,000 shares through tender offer for the purpose of cancellation. The payment for accepted shares was made on October 01, 2019. The unaccepted shares were subsequently returned to unsuccessful shareholders and accepted shares were subsequently cancelled on October 02, 2019.

During the year, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 3,991,525 shares through tender offer out of which 3,079,703 shares were purchased for the purpose of cancellation. The payment for accepted shares was made on June 04, 2021. The accepted shares were subsequently cancelled on June, 10 2021.

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

Branch Name	Address
1 Stock Exchange Branch	Room No. 634, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi
2 Gulshan-e-Iqbal Branch	Suite No. 607-A, 6th Floor, Al Ameen Towers, Plot No E-2, Block 10, Gulshan-e- Iqbal, Main NIPA, Karachi
3 Hyderabad Branch	Address: Shop No. 20, Ground Floor, Auto Bhan Towers, Auto Bhan Road, Unit No. 3, Latifabad, Hyderabad

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

4	Islamabad Branch	Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue , Islamabad
5	Faisalabad Branch	Office no G-04, Ground Floor, Mezan Executive Tower Plot No 4, Liaquat Road, Faisalabad
6	Lahore Branch	Plot No. 434-G/1, MA Johar Town, Lahore
7	Multan Branch	Office No. 608-A, Sixth Floor, The United Mall, Plot No. 74, Abdali Road, Multan
8	Peshawar Branch	First Floor, State life Building No. 34, The Mall Road, Peshawar Cantt, Peshawar

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value. Further, lease liability and related Right-of-use Assets which are initially measured at present value of lease payments that were unpaid at lease commencement date.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is also the functional and presentation currency of the Company and rounded off to the nearest rupee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

2.4 Use of estimates and judgments

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

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

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

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

- Valuation of investments (notes 3.4, 14 and 17);
- Residual values and useful lives of property and equipment (notes 3.2 and 11);
- Residual values and useful life of investment property (notes 3.15 and 12);
- Useful lives of intangible assets (notes 3.3 and 13);
- Recognition of current and deferred taxation (notes 3.6 and 16);
- Provision for impairment on financial assets (3.4.1); and
- Right of use assets and lease liability (3.14).

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Employee benefits

Defined contribution plan

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

3.2 Property and equipment

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

Depreciation is calculated on straight line basis over the estimated useful lives of the assets. Depreciation on additions is charged from the month in which they are available for use and on deletions up to the month of deletion.

Category of Operating Assets

Useful life

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

3.3 Intangible assets

Intangible assets having finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method taking into account residual value, if any, at the rates specified in note 13 to these financial statements. Amortisation is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

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

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

3.4 Financial instruments

Initial recognition and measurement

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

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

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss' whereby transaction costs are not capitalised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

3.4.1 Financial assets

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

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

Financial assets measured at fair value through other comprehensive income

a) Debt instruments at fair value through other comprehensive income

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

b) Equity instruments at fair value through other comprehensive income

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Financial assets measured at amortised cost

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

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

Financial assets measured at fair value through profit or loss

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

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

3.4.2 Financial liabilities

Financial liabilities measured at amortised cost

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

De-recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Offsetting of financial assets and financial liabilities

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

3.5 Revenue recognition

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

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

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

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

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

Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

3.6 Taxation

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

Current

Provision for current taxation is based on taxability of certain income streams of the Company under minimum / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

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

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

3.7 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

3.8 Impairment of non-financial assets

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

3.9 Foreign currency translation

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

3.10 Borrowing costs

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

3.11 Provisions

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

3.12 Earnings per share

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

3.13 Dividend distributions and appropriations

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

3.14 Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

3.15 Investment property

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

3.16 Government Grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy.

The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.17 Operating segments

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

The operating segments of the Company are as follows:

Brokerage

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

Investment and treasury

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

Other operations

It consists of advisory and consultancy function.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
(Number of shares)			(Rupees)	
20,009,700	20,009,700	Ordinary shares of Rs.10 each fully paid in cash	200,097,000	200,097,000
29,990,300	29,990,300	Ordinary shares of Rs.10 each issued as bonus shares	299,903,000	299,903,000
(11,993,000)	(11,993,000)	First buy back of 11,993,000 shares having face value of Rs.10 each	(119,930,000)	(119,930,000)
(7,450,000)	(7,450,000)	Second buy back of 7,450,000 shares having face value of Rs.10 each	(74,500,000)	(74,500,000)
(3,079,703)	-	Third buy back of 3,079,703 shares having face value of Rs.10 each	(30,797,030)	-
27,477,297	30,557,000		274,772,970	305,570,000

- 4.1 The Parent company held 25,525,169 (2020: 25,525,169) ordinary shares of Rs.10 each at year end.
- 4.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective.
- 4.3 During the year, the Company bought back 10.08% of its outstanding ordinary shares under tender offer from the members at a price of Rs. 80 per share.

5. LONG-TERM FINANCING - secured

	Note	2021	2020
		(Rupees)	
Conventional			
Salaries and Wages	5.2	56,564,633	106,855,534
Short-term maturity		(56,564,633)	(69,585,524)
Islamic			
Long-term Loan	5.3	630,885,000	-
Short-term maturity		(78,750,000)	-
Long-term maturity		552,135,000	37,270,010
Short-term maturity		135,314,633	69,585,524

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

5.1 Long term finance utilised mark-up arrangements

	Number of installements and commencement	Date of maturity	Rate of mark-up per annum	2021	2020
				(Rupees)	
<i>Islamic</i>					
i) BankIslami Pakistan Limited					
Diminishing Musharika	12 quarterly instalments 31 January 2022	21 Nov. 24	3 months Kibor+1.5%	330,885,000	-
ii) Dubai Islamic Bank Pakistan Limited					
Diminishing Musharika	12 quarterly instalments 31 January 2022	21 Nov. 24	3 months Kibor+1.5%	300,000,000	-
<i>Conventional</i>					
i) JS Bank Limited					
Payroll Finance Facility	8 quarterly instalments 02 November 2022	02 Nov. 22	3%	56,564,633	106,855,534
				687,449,633	106,855,534

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

5.3 During the year, the Company obtained Diminishing Musharakah term finance facility, aggregating to Rs. 630.885 million (2020: nil). This facility is secured against charge over the property (16th and 17th floor of building).

6. LEASE LIABILITY

	2021	2020
	(Rupees)	
As at January 01	25,154,794	227,454,320
Interest expense	2,686,157	11,196,788
Disposal	-	(196,234,720)
Payment of rentals	(10,964,549)	(17,261,594)
As at December 31	16,876,402	25,154,794
Less: Current maturity	(9,274,266)	(8,510,261)
	7,602,136	16,644,533

7. DEFFERED LIABILITY

	2021	2020
Government Grant		
Opening balance	6,509,030	-
Received during the year	-	6,509,030
Released to the statement of profit or loss	(4,611,496)	-
Closing balance	1,897,534	6,509,030
Current portion of Government Grant	1,897,534	4,669,470
Long - term portion of Government Grant	-	1,839,560
	1,897,534	6,509,030

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021 (Rupees)	2020
Trade creditors	8.1	2,170,742,315	2,353,304,413
Accrued expenses		58,916,629	62,576,919
Staff Provident Fund	8.2	2,758,038	2,149,526
Provision for staff bonus	8.3	88,763,376	36,117,950
Provision for Sindh Workers' Welfare Fund		46,013,440	35,088,229
Others		357,377,923	313,174,035
		2,724,571,721	2,802,411,072

8.1 This includes payable to Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.214 (2020: Rs.0.311) million and Rs.890.66 (2020: Rs.216.417) million respectively in respect of trading in securities settled subsequent to the year end.

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

	2021 (Rupees)	2020
8.3 Movement in provision for staff bonus is as follows:		
Balance at the beginning of the year	36,117,950	17,000,000
Paid during the year	(18,665,534)	(13,882,050)
Charged during the year	71,310,960	33,000,000
Balance at the end of the year	88,763,376	36,117,950

9. COMMERCIAL PAPER

During the period, the Company has issued short term, unsecured, unlisted and rated Commercial Paper in the form of promissory notes with a face value of Rs.1,000 million (inclusive of greenshoe option of Rs.500 million) with a tenor of six months and carrying profit rate of six months KIBOR plus 175 bps. Commercial paper will be redeemed at face value and will be matured on May 30, 2022.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There are no outstanding contingencies as at December 31, 2021 other than those disclosed in note 29 of these financial statements.

	2021 (Rupees)	2020
10.2 Commitments		
Future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding - net	1,395,782,715	201,052,200
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 24, 2022	400,000,000	400,000,000

11. PROPERTY AND EQUIPMENT

	Note	2021 (Rupees)	2020
Operating assets	11.1	844,801,235	874,531,953
Right-of-use assets	11.2	12,893,189	21,045,354
		857,694,424	895,577,307

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

11.1 Operating assets

	2021				2020			
	As at January 01, 2021	Additions / (disposals)	As at December 31, 2021	Rate (%)	As at January 01, 2021	Charge for the year / (disposals)	As at December 31, 2021	Written down value as at December 31, 2021
Building on leasehold land	639,421,535	-	639,421,535	2.5	3,995,516	15,985,538	19,981,054	619,440,481
Office equipment	131,828,142	29,323,330 (40,754)	161,110,718	25 & 33	116,703,735	13,097,806 (28,017)	129,773,524	31,337,194
Office furniture	49,375,165	2,913,177	52,288,342	10	19,691,885	4,238,595	23,930,480	28,357,862
Leasehold improvements	215,651,691	-	215,651,691	10	35,715,311	21,565,164	57,280,475	158,371,216
Motor vehicles	48,911,603	-	48,911,603	20	34,549,736	7,067,385	41,617,121	7,294,482
	1,085,188,136	32,236,507 (40,754)	1,117,383,889		210,656,183	61,954,488 (28,017)	272,582,654	844,801,235

	2020				2021			
	As at January 01, 2020	Additions / (disposals)	As at December 31, 2020	Rate (%)	As at January 01, 2021	Charge for the year / (disposals)	As at December 31, 2021	Written down value as at December 31, 2021
Building on leasehold land	-	639,421,535	639,421,535	2.5	-	3,995,516	3,995,516	635,426,019
Office equipment	129,695,922	3,068,165 (935,945)	131,828,142	25 & 33	105,047,348	12,581,279 (924,892)	116,703,735	15,124,407
Office furniture	49,157,579	572,586 (355,000)	49,375,165	10	15,883,856	4,163,025 (354,996)	19,691,885	29,683,280
Leasehold improvements	196,148,414	19,503,277	215,651,691	10	14,711,130	21,004,181	35,715,311	179,936,380
Motor vehicles	52,628,820	- (3,717,217)	48,911,603	20	29,923,134	8,343,817 (3,717,215)	34,549,736	14,361,867
	427,630,735	662,565,563 (5,008,162)	1,085,188,136		165,565,468	50,087,818 (4,997,103)	210,656,183	874,531,953

11.1.1 Disposal of Operating assets

	Cost	Accumulated depreciation	Written down value	Proceeds / settlement	Gain on disposal
December 31, 2021	40,754	(28,017)	12,737	15,000	2,263
December 31, 2020	5,008,162	(4,997,103)	11,059	3,869,473	3,858,414

11.1.2 Operating assets include items having an aggregate cost of Rs.128.307 (2020: Rs. 114.633) million which have been fully depreciated, and still in use of the Company.

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

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

11.2 Right-of-use assets

	2021 (Rupees)	2020
As at January 01	21,045,354	256,391,283
Additions	-	-
Depreciation	(8,152,165)	(26,894,521)
Deletion	-	(208,451,408)
	12,893,189	21,045,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees)	2020
12. INVESTMENT PROPERTY			
Cost		127,303,650	-
Additions	12.1 & 12.2	-	127,303,650
Accumulated Depreciation		(3,981,694)	(799,103)
Closing balance		123,321,956	126,504,547

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

12.2 Investment property comprises of 5,805 square feet of 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan, the fair value of which has been determined on the basis of valuation carried out by an independent professional valuer as of December 31, 2021 which amounts to Rs. 145.125 (2020: 145.125) million. The valuation was carried out on the basis of market intelligence, indexation of the original cost, year of construction and present condition and location.

	Note	2021 (Rupees)	2020
13. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	13.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		5,000,000	5,000,000
Softwares	13.2	-	15
		5,000,000	5,000,015

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

13.2 Softwares

2021		2020		
Cost		Accumulated Amortisation		Written down value as at December 31, 2021
As at January 01, 2021	As at December 31, 2021	As at January 01, 2021	As at December 31, 2021	
	Rate (%)	Charge for the year	As at December 31, 2021	
(Rupees)	(Rupees)	(Rupees)	(Rupees)	
12,929,278	-	12,929,278	33.33	12,929,263
		15		12,929,278
				-

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

13.2.1 Softwares include items having an aggregate cost of Rs. 0.20 million (2020 : Rs.0.20 million) which are fully amortized and still in use of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

14. LONG TERM INVESTMENTS

Classified as 'at fair value through Other Comprehensive Income'

	Note	2021 (Rupees)	2020
Shares of PSX - at cost (2020: 2,202,953 shares)		23,060,884	23,060,884
Term finance certificates and Sukuks - at cost	14.1	31,080,000	106,871,667
		54,140,884	129,932,551
Surplus on revaluation - net	14.2	8,196,738	10,309,414
Current maturity	17	-	(28,066,667)
		62,337,622	112,175,298

14.1 Term finance certificates and sukuku

Number of Certificates	Name of term finance certificates and sukuku	Note	Carrying value	
			2021 (Rupees)	2020
3,000	Listed Jahangir Siddiqui & Co. Limited XI - related party	14.1.1	10,000,000	12,500,000
-	Dawood Hercules Corporation Limited - Sukuk - I		-	31,200,000
-	Dawood Hercules Corporation Limited - Sukuk - II		-	42,000,000
20	BYCO Petroleum Pakistan Limited - Sukuk	14.1.3	1,000,000	1,166,667
4,016	Bank Islami Pakistan Limited - Ehad Sukuk	14.1.4	20,080,000	20,005,000
			31,080,000	106,871,667

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

Name of security	Face Value Per Certificates (Rupees)	Unredeemed face value Per Certificates (Rupees)	Mark-up rate (per annum)	Maturity	Rating
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Listed debt securities - secured (note 14.1.2)

Jahangir Siddiqui & Co. - Limited term finance certificate XI - related party	5,000	3,333	6 months KIBOR +1.40%	March 6, 2023	AA+
BYCO Petroleum - Pakistan Limited Sukuk	100,000	50,000	3 months KIBOR +1.05%	January 18, 2023	AAA

Listed Debt Security - Unsecured

Bank Islami - Pakistan Limited Ehad Sukuk	5,000	5,000	3 months KIBOR +2.75%	Perpetual	A-
-------------------------------------------	-------	-------	--------------------------	-----------	----

14.1.2 These term finance certificates and sukuk held by the Company are secured against either marketable securities of the issuer or a charge on the shares of the issuer's core investments inclusive of 50% margin or a ranking charge over present and future fixed assets of the issuer with a 25% margin. The maximum aggregate amount of term finance certificates and sukuk loans due from related party at the end of any month during the year was Rs.10 million (2020: Rs.12.50) million.

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

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

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

	2021 ----- (Rupees) -----	2020
Balance at the beginning of the year	10,309,414	4,003,982
Surplus / (deficit) on re-measurement of investments during the year	(2,112,676)	6,305,432
Balance at the end of the year	8,196,738	10,309,414

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Note	2021 ----- (Rupees) -----	2020
15. LONG TERM LOANS, ADVANCES AND DEPOSITS - considered good		
Long term loans - secured		
- Executives	15.1 10,904,806	10,489,176
- Employees	15.2 8,951,540	11,490,557
	19,856,346	21,979,733
Current maturity	19 (8,638,608)	(6,978,180)
	11,217,738	15,001,553
Advance for purchase of office Security deposits	15.3 2,500,000	2,500,000
	17,387,268	14,987,268
	31,105,006	32,488,821
15.1 Reconciliation of carrying amount of loans to executives are as follows:		
Balance at the beginning of the year	10,489,176	10,127,309
Disbursements	5,527,594	4,332,000
Repayments	(5,111,964)	(3,970,133)
Balance at the end of the year	10,904,806	10,489,176
15.2 Loan to executives and employees are given for purchase of house, home appliances and other personal goods at variable interest rates per annum in accordance with the Company's policy and terms of employment. The loans are repayable over a period of two to ten years and are secured against their final settlement.		
15.3 This includes Rs.3.85 (2020: Rs.1.55) million deposited with PSX, Rs.1.55 (2020: Rs.1.05) million with NCCPL, Rs.0.30 (2020: Rs.0.20) million with Central Depository Company of Pakistan Limited (CDC), Rs.10.43 (2020: Rs.10.42) million with Pakistan Mercantile Exchange Limited (PMEX).		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

17.2 Exchange Traded Fund

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

Number of shares/fund	Name of company	2021		2020	
		Average cost	Fair value	Average cost	Fair value
-	8 Bank Alfalah Limited	-	-	-	283
198	252 D.G. Khan Cement Company Limited	13,143	16,422	-	28,874
397	380 Engro Fertilizers Limited	24,176	30,208	-	24,027
234	318 Engro Corporation Limited	51,017	63,746	-	97,740
-	413 Fauji Fertilizer Company Limited	-	-	-	44,811
443	501 Habib Bank Limited	41,347	51,663	-	66,272
602	799 The Hub Power Company Limited	34,371	42,947	-	63,385
69	191 Lucky Cement Limited	37,511	46,870	-	132,953
-	220 MCB Bank Limited	-	-	-	40,762
309	413 United Bank Limited	33,776	42,203	-	51,980
114	- The Searle Company Limited	13,113	16,384	-	-
282	- TRG Pakistan Limited	26,609	33,248	-	-
-	UBL Pakistan Enterprise	-	-	-	-
26,500	16,500 Exchange Traded Fund	270,832	338,405	225,390	-
-	- Attock Refinery Limited	80,784	65,246	-	-
453	- D.G. Khan Cement Company Limited	112,550	90,902	176,339	-
1,096	3,889 Engro Fertilizers Limited	-	-	245,901	-
-	1,376 Engro Corporation Limited	463,782	374,578	422,927	-
1,375	6,837 Hascol Petroleum Limited	-	-	100,436	-
4,222	- The Hub Power Company Limited	372,927	301,197	-	-
436	931 Lucky Cement Limited	366,697	296,166	648,060	-
2,136	3,429 Maple Leaf Cement Factory Limited	95,076	76,789	154,339	-
177	- National Refinery Limited	62,369	50,372	-	-
2,803	2,396 Oil & Gas Development Company Limited	299,160	241,619	248,633	-
-	589 Pakistan Oilfields Limited	-	-	232,896	-
2,924	2,371 Pakistan Petroleum Limited	286,152	231,113	214,172	-
978	1,566 Pakistan State Oil Company Limited	220,252	177,888	337,160	-
-	2,088 Sui Northern Gas Pipelines Limited	-	-	92,749	-
924	931 The Searle Company Limited	164,423	132,797	232,033	-
2,546	- Unity Foods Limited	83,442	67,393	-	-
517	- Unity Foods Limited - Lor	679	548	-	-
233,000	251,000 Meezan Pakistan Exchange Traded Fund	2,538,699	2,050,400	2,675,660	-
-	-	-	-	-	-
208	434 Bank Al Habib Limited	21,412	14,354	30,206	-
-	347 Dawood Hercules Corporation Limited	-	-	42,174	-
-	472 Engro Fertilizers Limited	-	-	29,845	-
71	470 Engro Corporation Limited	28,852	19,342	144,459	-
198	619 Fauji Fertilizer Company Limited	29,612	19,851	67,162	-
192	620 Habib Bank Limited	33,401	22,391	82,014	-
258	648 The Hub Power Company Limited	27,456	18,406	51,406	-
34	200 Lucky Cement Limited	34,452	23,096	139,218	-
129	284 MCB Bank Limited	29,509	19,782	52,620	-
92	- Meezan Bank Limited	18,405	12,338	-	-
196	614 Oil & Gas Development Company Limited	25,203	16,895	63,715	-
78	377 Pakistan Oilfields Limited	41,610	27,894	149,070	-
221	475 Pakistan Petroleum Limited	26,057	17,468	42,907	-
73	350 Pakistan State Oil Company Limited	19,807	13,278	75,355	-
21	- Systems Limited	23,803	15,957	-	-
144	- Trg Pakistan Limited	25,325	16,978	-	-
133	481 United Bank Limited	27,097	18,165	60,539	-
16,000	17,000 NIT Pakistan Gateway Exchange Traded Fund	264,449	177,280	200,430	-
-	-	-	-	-	-
150	440 Bank Alfalah Limited	-	-	15,545	-
198	147 Bank Al Habib Limited	12,977	10,352	10,231	-
75	175 Engro Fertilizers Limited	18,887	15,066	11,065	-
150	260 Engro Corporation Limited	25,613	20,432	79,914	-
-	173 Fauji Fertilizer Company Limited	18,853	15,039	18,771	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Number of shares/fund	Name of company	2021		2020	
		Average cost	Fair value	Average cost	Fair value
229	172 Habib Bank Limited	33,479	26,706	-	22,752
288	181 The Hub Power Company Limited	25,757	20,546	-	14,359
35	94 Lucky Cement Limited	29,805	23,775	-	65,432
95	97 MCB Bank Limited	18,263	14,568	-	17,972
105	104 Meezan Bank Limited	17,653	14,082	-	10,862
36	80 Pakistan Oilfields Limited	16,140	12,874	-	31,633
214	301 Pakistan Petroleum Limited	21,204	16,915	-	27,189
91	223 Pakistan State Oil Company Limited	20,750	16,552	-	48,012
186	- Trg Pakistan Limited	27,491	21,929	-	-
143	201 United Bank Limited	24,484	19,531	-	25,298
252	252 Oil & Gas Development Company Limited	27,232	21,722	-	26,150
27,000	20,500 NBP Pakistan Growth Exchange Traded Fund	346,601	276,480	-	224,474
-	Unrealised loss on revaluation of investments at fair value through profit or loss - net	7,054,526	5,839,148	-	8,438,561
-		(1,215,378)	-	-	-
-		5,839,148	5,839,148	-	8,438,561

17.3 Privately Placed Term Finance Certificates (PPTFCs) - Unsecured

2021					
Number of certificates	Mark-up rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11	Azgard Nine Limited (Privately Placed Term Finance Certificates)	17.3.1	October 19, 2020	326,456,184
-	-	Provision for impairment	-	-	(326,456,184)

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

18. TRADE DEBTS

	2021	2020
Considered good		
Purchase of shares on behalf of clients	1,470,759,798	982,592,995
Advisory services	1,203,405	5,671,699
Forex and fixed income commission	6,516,850	4,610,898
Commodity	59,488,481	104,421,054
	1,537,968,534	1,097,296,646
Considered doubtful		
Allowance for expected credit losses	(409,285,717)	(409,285,717)
	1,537,968,534	1,097,296,646

18.1 Included herein is a sum of Rs. 3.641 (2020: Rs. 101.696) million receivable from related parties.

19. LOANS AND ADVANCES - considered good

	2021	2020
Current maturity of long term loans - secured	8,638,608	6,978,180
Advances to staff	5,888,191	7,413,030
Advances to suppliers	15,768,272	7,036,070
	30,295,071	21,427,280

20. SHORT-TERM DEPOSITS AND PREPAYMENTS

	2021	2020
Deposits	609,502,850	564,181,917
Prepayments	10,313,430	5,250,334
	619,816,280	569,432,251

20.1 This includes Rs. 608.476 (2020: Rs. 561.382) million given to NCCPL against ready and future exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021 ----- (Rupees) -----	2020
21. INTEREST AND MARK-UP ACCRUED			
Accrued mark-up on margin finance		12,629,367	5,146,280
Accrued mark-up on term finance / sukuk certificates		985,782	1,181,018
Interest receivable on bank deposits		338,512	46,320
		<u>13,953,661</u>	<u>6,373,618</u>
	Note	2021 ----- (Rupees) -----	2020
22. OTHER RECEIVABLES			
Dividend receivable		-	1,102,500
Sales tax paid on account of forex and advisory		16,009,999	16,009,999
Others		15,185,212	21,174,271
		<u>31,195,211</u>	<u>38,286,770</u>
Provision made against sales tax paid and others	22.1	(23,701,185)	(23,701,185)
	22.2	<u>7,494,026</u>	<u>14,585,585</u>
22.1			
The movement in provision during the year is as follows:			
Balance at beginning of the year		23,701,185	23,701,185
Provision recognised during the year		-	-
Reversal due to recoveries during the year		-	-
Balance at the end of the year		<u>23,701,185</u>	<u>23,701,185</u>
22.2			
Included herein is a sum of Rs.0.346 (2020: Rs.1.616) million receivable from related parties.			
	Note	2021 ----- (Rupees) -----	2020
23. CASH AND BANK BALANCES			
Bank balances in:			
- Current accounts		17,444,983	2,843,231
- Deposit accounts	23.1	<u>1,269,199,779</u>	<u>1,618,475,655</u>
		<u>1,286,644,762</u>	<u>1,621,318,886</u>
Cash in hand:	23.2	<u>224,000</u>	<u>225,200</u>
		<u>1,286,868,762</u>	<u>1,621,544,086</u>
23.1			
These carry interest at the rates ranging from 2.75% to 9.25% (2020: 2.75% to 12.75%) per annum.			
23.2			
These include balance with parent Company amounting to RS. 1,247.162 (2020: RS. 1,602.391) million.			
23.3			
Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:			
		2021 ----- (Rupees) -----	2020
Customers' assets held in the designated bank accounts		<u>1,242,787,363</u>	<u>1,494,532,456</u>
Customers' assets held in the CDC		<u>35,346,434,952</u>	<u>45,502,752,237</u>
23.4			
Securities pledged with financial institutions		<u>13,720,458,795</u>	<u>10,104,355,587</u>
	Note	2021 ----- (Rupees) -----	2020
24. OPERATING REVENUE			
Brokerage income		882,365,281	581,874,101
Advisory and consultancy fee		178,399,834	31,462,845
		<u>1,060,765,115</u>	<u>613,336,946</u>
25. CAPITAL GAIN ON SALE OF INVESTMENTS - NET			
Gain on sale of quoted equity securities - net		18,838,562	15,164,575
Gain on sale of Exchange Traded Fund - net		955,326	852,488
Gain on sale / redemption of term finance certificates and sukuks - net		21,681,962	32,831,908
Gain on sale of government securities - net		2,192,585	1,961,327
		<u>43,668,435</u>	<u>50,810,298</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021 ----- (Rupees) -----	2020
26. ADMINISTRATIVE AND OPERATING EXPENSES	Note		
Salaries and benefits	26.1	405,727,100	274,900,267
Contribution to provident fund	26.2	14,977,344	13,277,075
Fee for directors / committee meetings	31	1,150,000	2,250,000
Printing and stationery		2,365,047	2,473,246
Telephone, fax, telegram and postage		9,828,228	9,409,201
Amortisation of intangible assets	13.2	15	2,288
Rent, rates and taxes		864,984	2,813,019
Vehicle running expenses		20,900,209	16,535,500
Utilities		16,143,394	12,340,750
Legal and professional charges		13,611,883	14,402,047
Insurance		23,690,886	10,584,385
Newspaper and periodicals		293,283	356,670
Entertainment		1,060,920	789,687
Advertisement and business promotion		11,893,758	4,949,118
Office supplies		2,363,033	2,789,690
Depreciation expense	11.1, 11.2 & 12	73,289,244	77,781,442
Auditors' remuneration	26.3	1,908,540	1,654,300
Fees and subscription		20,857,256	21,185,670
Conveyance and traveling		19,500,335	15,256,362
Repairs and maintenance		18,038,573	16,747,113
Computer expenses		16,861,360	15,041,258
PSX, NCCPL, SECP and CDC charges		34,822,099	24,688,673
Royalty	26.4	17,083,335	15,000,000
Contract and consultancy charges		200,000	-
Donation	26.5	10,255,223	4,500,000
		<u>737,686,049</u>	<u>559,727,761</u>
26.1			
Number of employees at the end of the year		<u>181</u>	<u>170</u>
Average number of employees during the year		<u>174</u>	<u>172</u>
26.2			
Investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.			
26.3 Auditors' remuneration			
Statutory audit fee		599,500	599,500
Half year review		319,000	319,000
Review of code of corporate governance		85,000	85,000
Other certifications		689,000	370,000
Out of pocket expenses and sales tax on services		216,040	280,800
		<u>1,908,540</u>	<u>1,654,300</u>
26.4			
This represents the royalty payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Company's name under an agreement dated February 07, 2007 which has been amended through addendum dated April 23, 2021 whereby the Company agreed to pay Rs.20 million per annum (previously Rs. 15 million per annum) effective from August 01, 2021.			
26.5			
This represents donation extended to Future Trust, a related party. Mr. Muhammad Yousuf Amanullah is a common director.			
	Note	2021 ----- (Rupees) -----	2020
27. OTHER OPERATING INCOME - NET			
Income from financial assets:			
Mark-up on debt and government securities		3,863,000	13,633,548
Return on cash margin on future contracts		13,312,938	14,168,760
Exchange gain on foreign currency transactions		2,500,743	-
Interest earned on deposit accounts		92,235,200	85,589,130
		<u>111,911,881</u>	<u>113,391,438</u>
Income from non-financial assets:			
Gain on sale of operating assets	11.1.1	2,263	3,858,414
Gain on modification of lease agreement		-	19,797,365
Other income	27.1	<u>33,964,304</u>	<u>7,706,141</u>
		<u>33,966,567</u>	<u>31,361,920</u>
		<u>145,878,448</u>	<u>144,753,358</u>
27.1			
This includes rental income from JS investments Limited, a related party, amounting to Rs. 12.239 (2020: Rs. 4.249) million. It further includes the markup received from Azgard Nine Limited amounting to Rs. 12.497 million.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Note	2021 ----- (Rupees) -----	2020
	6,328,952	-
	10,260,934	-
28.1	4,492,580	4,541,379
	253,102	140,421
	4,611,496	1,032,144
	2,686,157	11,196,788
	28,633,221	16,910,732

28. FINANCE COST

Mark-up on long-term loans
Mark-up on commercial paper
Commission charges on bank guarantee
Bank and other charges
Interest expense on SBP Re-Finance Scheme for Salaries and Wages
Interest expense on assets subject to finance lease

28.1 During the year, the Company obtained bank guarantee from a different financial institutions, to meet exposure requirements, amounting to Rs.400 (2020: Rs.400) million. It was priced at 1.75% per annum and will be expiring on May 25, 2022.

29. TAXATION

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

29.2 For tax year 2009, an ITRA no. 07/2013 was filed by the Commissioner Inland Revenue against an order passed by the Learned Appellate Tribunal Inland Revenue (ATIR) in ITA no. 923/KB/2011 dated August 28, 2012 which was related to the apportionment of expenses, allowability of expenses and claiming of tax deducted at source aggregating to Rs. 61.16 million. However, the same is pending for decision before the Sindh High Court (SHC).

29.3 For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue (DCIR). Through said order, an income of Rs.810.584 million was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24.318 million was raised. An appeal was filed against the above order before CIR-A on December 01, 2016 identifying various errors / details not considered. The CIR-A, has confirmed DCIR's order vide his order dated May 30, 2017. In pursuance of the order of CIR-A, the Company has filed appeal before ATIR along with application for stay against recovery of demand. The appeal before ATIR has been heard and order is reserved whilst ATIR vide order dated July 18, 2017 has granted stay for 60 days and subsequently the said stay was further extended vide various orders by ATIR. Subsequently, recovery of aforesaid tax demand was previously stayed by the Honorable Sindh High Court (SHC) through C.P No 4915 of 2018 vide order dated June 28, 2018 with direction to the Department not to enforce recovery of tax demand till the decision of ATIR. However, based on its order dated July 21, 2020, the SHC has dismissed the aforementioned C.P and has declared the super tax for TY 2015 to be constitutionally vires. The Company has however filed an Income Tax Reference Application (ITRA) No. 52 of 2020 before SHC which is pending adjudication.

29.4 For tax year 2016 and 2017, notices dated December 27, 2016 and January 3, 2018 were issued under section 4B of the Ordinance by the DCIR. In the said notices the DCIR has contended that the Company is liable to pay Super Tax amounting to Rs. 24.483 million and Rs. 19.490 million on 'income' of Rs. 816.122 million and Rs. 649.676 million for Tax Years 2016 and 2017 respectively. The Company has challenged both notices through writ petition before SHC on constitutional grounds wherein the SHC has, vide its orders dated January 16, 2017 and January 11, 2018 for Tax Years 2016 and 2017 respectively, has stated that no coercive action shall be taken against the Company. The DCIR passed the orders under section 4B vide order dated April 23, 2018 and May 4, 2018 for tax years 2016 and 2017 respectively to levy Super tax of above mentioned amounts under the view that SHC has not restrained the department from passing the orders. In pursuance of the said orders, Company filed appeals which were rejected by CIR-A vide its order dated October 12, 2018 for both years. As a result, the Company has filed appeals before Appellant Tribunal Inland Revenue (ATIR) against the orders of CIR-A. Meanwhile, the Company paid 50% of tax demand of both tax years to maintain the above suits in light of judgment of Hon'able Supreme Court of Pakistan (Civil Appeals No. 1171/2017 and other connected appeals) wherein, the pending suits are declared to be entertained on the condition that a minimum of 50% of tax demand is deposited with tax authorities during the pendency of appeal. During the year the appeal has been heard before ATIR and is reserved for order. The Company has however filed an Income Tax Reference Application (ITRA) No. 53 and 54 of 2020 before SHC which is pending adjudication.

29.5 For tax year 2018, a notice under section 4B of the Ordinance by the DCIR dated December 7, 2018 was issued, contending that the Company is liable to pay Super Tax amounting to Rs. 45.211 million on 'income' of Rs. 1,507.039 million. The Company had challenged the notice on constitutional grounds before SHC through C.P. No. 8670 of 2018. The SHC, vide its order dated December 14, 2018, had stated that no coercive action shall be taken against the Company. However the SHC based on its order issued in September 2020 has dismissed the aforementioned C.P. The Company is hence awaiting the conclusion of ATIR on the above matter before it files a reference application for TY 2018. To date, no order has been passed by the Department, consequently, no outstanding tax demand exists to date.

29.6 For tax year 2016, an amended assessment order has been passed under section 122(5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through the said order, the ACIR raised demand amounting to Rs. 241.217 million. Upon appeal filed, CIR-A confirmed the ACIR's order vide its order dated December 12, 2017. In pursuance of the order of CIR-A, the Company had filed an appeal before ATIR. During last year ATIR vide its order dated March 29, 2019 had annulled CIR-A's action on confirming disallowances made in the order passed by ACIR dated November 02, 2017, with directions to CIR-A to pass speaking and reasoned order after providing due opportunity of being heard. As a result, the likely assessment position after appeal effect of ATIR's order under section 124 of the Ordinance is that only tax demand on account of undistributed reserves is outstanding, which has also been stayed by SHC vide interim order in CP No. 0-2343 of 2019 dated April 09, 2019. Furthermore during last year, a rectification application was filed for erroneously considered share premium reserves while computing excess reserves under section 5A of the Ordinance by the ACIR, in its order dated November 2, 2017. As a result of which tax demand under section 5A would be reduced to Rs. 7.523 million. The Honourable Sindh High Court vide an interim order dated May 21, 2021 granted relief against the said notice.

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	----- (Rupees) -----	
29.12 Reconciliation of tax charge for the year		
Profit before taxation	535,335,345	289,613,260
Tax at the applicable tax rate of 29% (2020: 29%)	155,247,250	83,987,845
Tax effect of income taxed at different tax rates	(5,395,693)	-
Tax effect of prior year tax charge	(28,040,695)	(16,192,920)
Tax effect of non-deductible expenses	-	46,783,369
Tax effect of exempt income / permanent differences	-	(82,997,377)
Tax effect of minimum tax and alternate corporate tax (ACT)	5,970,109	51,077,971
Tax effect of tax credit	(2,971,246)	-
	124,809,725	82,658,888
	----- (Number) -----	
30. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation	410,525,620	206,954,372
	----- (Rupees) -----	
Weighted average number of shares	28,759,803	30,557,000
	----- (Rupees) -----	
Earnings per share - basic and diluted	14.27	6.77

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Note	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	2020
	----- (Rupees) -----					
Managerial remuneration	47,277,402	24,315,161	-	-	166,379,592	117,431,472
Medical allowance	-	-	-	-	12,123,939	9,357,372
House rent allowance	1,822,692	1,268,177	-	-	-	-
Utilities allowance	202,524	140,911	-	-	-	-
Staff retirement benefits	1,485,161	1,387,999	-	-	8,627,076	6,862,073
Medical	57,369	155,152	-	-	-	-
Fees for attending meetings	-	-	1,150,000	2,250,000	-	-
	50,845,148	27,267,400	1,150,000	2,250,000	187,130,607	133,650,917
Number of persons	1	1	7	7	52	36

31.1 Managerial remuneration includes Rs. 58.056 (2020: Rs.13.763) million charged in the statement of profit or loss in respect of bonus to Chief Executive Officer and executives of the Company.

32. RELATED PARTY TRANSACTIONS

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

Name of Related parties	Relationship	Aggregate shareholding by related parties in the Company
JS Bank Limited	Parent company	92.90%
Jahangir Siddiqui & Co. Limited	Ultimate parent company	0.00%
Trustee - Future Trust	Group Company	0.00%
The Eastern Express Company (Private) Limited	Group Company	0.02%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

Name of Related parties	Relationship	Aggregate shareholding by related parties in the Company
EFU General Insurance Limited	Major shareholding of ultimate parent company	0.00%
EFU Life Assurance Limited	Major shareholding of ultimate parent company	0.00%
JS Bank Limited - Staff Gratuity Fund	Post Employment Benefit plan of parent company	0.00%
Jahangir Siddiqui & Sons Limited	Major shareholding of controlling person	0.00%
JS Global Capital Limited - Staff Provident Fund	Post Employment Benefit plan of company	0.00%
Energy Infrastructure Holding (Private) Limited	Group Company	0.00%
Jahangir Siddiqui Securities Services Limited	Major shareholding of controlling person	0.00%
JS Lands Private Limited	Major shareholding of controlling person	0.00%
Mr. Jahangir Siddiqui	Controlling person	0.0160%
Mr. Muhammad Kamran Nasir	Key Management Personnel of company	0.0004%
Mr. Muhammad Yousuf Amanullah	Key Management Personnel of company	0.0004%
Mr. Tanzeel ur Rehman	Key Management Personnel of company	0.00%
Mr. Syed Faran Haider Rizvi	Key Management Personnel of company	0.00%

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

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

	2021		2020	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
Trade debts				
Opening balance	79,952	27,348,212	711,750	133,527,922
Invoiced during the year	7,279	439,157,098	6,117,459	9,477,352,451
Received during the year	(73,025)	(462,878,242)	(6,749,257)	(9,583,532,161)
Closing balance	14,207	3,627,068	79,952	27,348,212
Trade payable				
Opening balance	6,314,449	783,092	4,819,790	777,619
Invoiced during the year	1,452,595,975	1,468,430,320	6,273,449,209	(6,162,739,837)
Paid during the year	(1,328,573,434)	(1,214,249,806)	(6,271,954,550)	6,162,745,310
Closing balance	130,336,990	254,963,606	6,314,449	783,092
Loans and advances				
Opening balance	9,613,515	-	9,951,648	-
Disbursements during the year	10,239,346	-	3,632,000	-
Repayments during the year	(6,926,530)	-	(3,970,133)	-
Closing balance	12,926,331	-	9,613,515	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 ----- (Rupees) -----	2020
Balances with Parent Company		
Trade debts	-	811,692
Trade Payable	6,319	-
Bank balances with parent company	1,247,175,943	1,602,390,716
Other payable	6,960	6,960
Long-term financing	56,564,633	113,364,534
Interest Payable	428,611	730,892
Dividend Payable	127,632,045	-
Balances with ultimate Parent Company		
Trade debts	-	73,455,500
Trade Payable	224,150,764	-
Other receivables	284,852	281,050
Mark-up receivable on term finance certificates	284,121	344,027
Principal outstanding on term finance certificates	10,000,000	12,500,000
Balances with associated entities of group companies		
Other receivables	61,628	1,334,459
Mark-up payable on commercial paper	1,559,662	-
Mark-up payable on long-term financing	3,973,884	-
Principal outstanding on term finance certificates	20,080,000	20,005,000
Donation payable	2,255,223	4,500,000
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	71,018,283	40,154,924
Donation Paid	12,500,000	-
Long-term financing received	330,885,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 ----- (Rupees) -----	2020
Commercial paper	143,398,228	-
Purchase of property	-	748,845,000
Refund of security deposit	-	3,035,200
Security Deposit received	-	1,011,733
Rent Received	11,264,022	5,311,600
Transactions with the Parent Company		
Nature of transactions		
Brokerage income	3,416,407	5,978,097
Mark-up on running finance	2,355,069	-
Bank charges	147,696	64,898
Mark-up on deposit accounts	81,419,953	82,394,484
Dividend Paid	255,264,089	-
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	12,355,572	8,203,551
Reimbursement of expenses by the ultimate parent company	19,737,100	-
Reimbursement of expenses to the ultimate parent company	24,446,324	4,807,650
Market maker fee received	506,800	506,800
Mark-up received on term finance certificates	1,083,935	1,522,411
Principal received on term finance certificates	2,500,000	2,500,000

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FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	----- (Rupees) -----	
Transactions with key management personnel of the Company and its Parent Company		
Nature of transactions		
Brokerage income	16,684,618	3,773,386
Directors' remuneration	1,306,516	2,500,000
Remuneration paid to Chief Executive Officer	32,042,499	31,060,945
Remuneration paid to key management personnel	152,455,467	120,472,272
Transactions with other related parties		
Nature of transactions		
Royalty expense	17,083,335	15,000,000
Insurance expense	23,690,886	10,584,385
Insurance claim	-	132,473
Purchase of Pakistan investment bonds	7,970,521	514,936,022
Sale of term finance certificates	-	49,893,880
Capital gain on sale of term finance certificates	-	344,800
Purchase of sukuk certificates	163,644	-
Sale of sukuk certificates	2,217,553,967	1,439,131,260
Mark-up on sukuk certificates	1,514,132	-
Capital gain on sale of sukuk certificates	11,442,875	8,697,900
Contributions to staff provident fund	14,977,344	13,277,075

33. OPERATING SEGMENTS

Segment revenues	882,365,281	207,302,059	209,929,124	1,299,596,464
Gain on revaluation of investments	-	12,981,099	-	12,981,099
Administrative and operating expenses (other than depreciation and amortization)	(381,340,201)	(62,497,034)	(220,559,569)	(664,396,804)
Depreciation	(26,042,166)	(15,394,638)	(31,852,441)	(73,289,245)
Amortisation of intangible assets	-	-	-	-
Finance cost	(28,633,221)	-	-	(28,633,221)
	446,349,693	142,391,486	(42,482,886)	546,258,293
Gain on sale of operating assets				2,263
Gain on modification of lease agreement				-
Provision for Sindh Workers' Welfare Fund				(10,925,211)
Taxation				(124,809,725)
Profit after tax				410,525,620

	2021			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment assets	4,321,805,612	1,475,395,756	793,330,540	6,590,531,908
Segment liabilities	3,565,457,758	-	828,698,652	4,394,156,410
Capital expenditure	6,907,078	8,767,582	16,561,847	32,236,507
Non cash items other than depreciation and amortisation				
Gain on revaluation of investments	-	1,504,731	-	1,504,731
Loss on revaluation of future equity transactions	-	(3,428,653)	-	(3,428,653)

There were no major customer of the Company which derived 10 percent or more of the Company's revenue. All non-current assets of the Company as at December 31, 2021 and December 31, 2020 are located and operating in Pakistan.

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

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34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

34.1 Financial instruments by category

34.1.1 Financial assets

	2021			
	At fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
	(Rupees)			
Long term loans and deposits	-	-	31,105,006	31,105,006
Long term investments	-	62,337,622	-	62,337,622
Short term investments	1,392,509,009	-	-	1,392,509,008
Trade debts	-	-	1,537,968,534	1,537,968,534
Receivable against margin finance	-	-	453,311,520	453,311,520
Loans	-	-	14,526,799	14,526,799
Short-term deposits	-	-	609,502,850	609,502,850
Interest and mark-up accrued	-	-	13,953,661	13,953,661
Other receivables	-	-	7,494,026	7,494,026
Cash and bank balances	-	-	1,286,868,762	1,286,868,762
	1,392,509,009	62,337,622	3,954,731,158	5,409,577,788

	2020			
	At fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
	(Rupees)			
Long term loans and deposits	-	-	32,488,821	32,488,821
Long term investments	-	112,175,298	-	112,175,298
Short term investments	209,053,436	28,066,667	-	237,120,103
Trade debts	-	-	1,097,296,646	1,097,296,646
Receivable against margin finance	-	-	419,521,592	419,521,592
Loans	-	-	14,391,210	14,391,210
Short-term deposits	-	-	564,181,917	564,181,917
Interest and mark-up accrued	-	-	6,373,618	6,373,618
Other receivables	-	-	14,585,585	14,585,585
Cash and bank balances	-	-	1,621,544,086	1,621,544,086
	209,053,436	140,241,965	3,770,383,475	4,119,678,876

34.1.2 Financial liabilities

	2021		
	Amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Creditors, accrued expenses and other liabilities	2,724,571,721	-	2,724,571,721
Commercial Paper	953,670,325	-	953,670,325
Long-term financing - secured	687,449,633	-	687,449,633
Accrued mark-up	6,328,952	-	6,328,952
Lease liability	16,876,402	-	16,876,402
Current portion of deferred liability	1,897,534	-	1,897,534
Unclaimed dividend	3,361,843	-	3,361,843
	4,394,156,410	-	4,394,156,410

Creditors, accrued expenses and other liabilities
Current portion of deferred liability
Long-term financing - secured
Lease liability
Unclaimed dividend

2020		
Amortised cost	At fair value through profit or loss	Total
(Rupees)		
2,802,411,072	-	2,802,411,072
4,669,470	-	4,669,470
111,525,004	-	111,525,004
25,154,794	-	25,154,794
3,361,843	-	3,361,843
2,947,122,183	-	2,947,122,183

34.2 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

34.2.1 Credit risk

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

Exposure to credit risk

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

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. Except for provision made against the trade debts and other receivables amounting to Rs. 409.286 million and Rs. 23.701 million respectively (refer note 18 and 22 to the financial statements) and impairment against investment in Privately Placed Term Finance Certificates amounting to Rs.326.456 million (refer note 17.3 to the financial statements), the Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2021	2020
	(Rupees)	
Financial Assets		
Long term loans and deposits	31,105,006	32,488,821
Short term investments	5,839,148	38,149,977
Long term investments	31,080,000	78,805,000
Trade debts	1,537,968,534	1,097,296,646
Receivable against margin finance	453,311,520	419,521,592
Loans and advances	14,526,799	14,391,210
Short-term deposits	609,502,850	564,181,917
Interest and mark-up accrued	13,953,661	6,373,618
Other receivables	7,494,026	14,585,585
Bank balances	1,286,644,762	1,621,318,886
	3,991,426,306	3,887,113,252

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

Local clients	1,989,923,723	1,511,000,480
Foreign clients	1,356,331	5,817,758
	1,991,280,054	1,516,818,238

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

	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
	----- (Rupees) -----					
Past due 1-30 days	1,461,033,993	-	1,461,033,993	1,057,090,881	-	1,057,090,881
Past due 31 days -180 days	29,210,575	-	29,210,575	15,265,360	-	15,265,360
Past due 181 days -1 year	47,723,965	-	47,723,965	24,940,403	-	24,940,403
More than one year	409,285,717	409,285,717	-	409,285,717	409,285,717	-
Total	1,947,254,250	409,285,717	1,537,968,533	1,506,582,361	409,285,717	1,097,296,644

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

As of December 31, 2021 Rs.1470.76 million is pertaining to purchase of shares on behalf of clients, subsequently on T+2 basis Rs.794.025 million settled/cleared with National Clearing Company Limited (NCCPL) and clients.

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

	Total	Past due 1-30 days	Past due 31 days -180 days	Past due 181 days - 1 year	More than one year
2021					
Trade debts	123,956,795	121,638,481	417,764	13,550	1,887,000
Other receivables	346,480	284,852	-	-	61,628
Loans and advances	18,182,116	1,433,951	6,431,751	5,881,619	4,434,796
2020					
Trade debts	62,656,325	61,484,489	211,167	6,849	953,820
Other receivables	1,615,509	8,293	-	-	1,607,216
Loans and advances	11,816,717	-	1,379,596	2,389,451	8,047,670

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

34.2.1.2 Bank balances

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

	2021	2020
	----- (Rupees) -----	
AA+	10,840,179	13,311,946
AA	10,757	10,757
AAA	27,040,115	5,605,168
A+	1,552,817	300
AA-	1,247,200,894	1,602,390,715
	1,286,644,762	1,621,318,886

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The above rating are assigned by PACRA and VIS.

34.2.1.3 Investment in debt securities

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

Term finance certificates and sukuks	2021	
	(Rupees)	Percentage
Credit rating		
AA+	10,000,000	32.18%
AA	-	0.00%
AAA	1,000,000	3.22%
A-	20,080,000	64.61%
	31,080,000	100.00%

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

34.2.1.4 Concentration of credit risk

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

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

	2021		2020	
	(Rupees)	Percentage	(Rupees)	Percentage
Services (including insurance)	348,564,378	17.50%	71,951,903	4.74%
Manufacturing	16,323	0.00%	10,916,772	0.72%
Banking and financial institutions	482,277,359	24.22%	63,493,426	4.19%
Individuals	1,160,421,994	58.28%	1,370,456,137	90.35%
	1,991,280,054	100.00%	1,516,818,238	100.00%

34.2.2 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- (Rupees) -----					
Financial liabilities						
Creditors, accrued expenses and other liabilities	2,724,571,721	2,724,571,721	2,724,571,721	-	-	-
Lease Liability	16,876,402	16,685,401	4,370,177	4,713,088	7,602,136	-
Unclaimed dividend	3,361,843	3,361,843	3,361,843	-	-	-
	<u>2,744,809,966</u>	<u>2,744,618,965</u>	<u>2,732,303,741</u>	<u>4,713,088</u>	<u>7,602,136</u>	<u>-</u>

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

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

On the reporting date, the Company has cash and bank balances of Rs.1,286.645 (2020: Rs.1,621,514) million as mentioned in note 23 and unutilised credit lines of Rs.400 (2020: Rs.400) million against the investments of the Company.

34.2.3 Market risk

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

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

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently, the Company's is not faced with any foreign currency risk.

Interest rate risk

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

The Company manages fair value risk by investing primarily in variable rate term finance certificates, preferably with no cap and floor which insulates the Company from fair value interest rate risk, as coupon rates correspond with current market interest rate. The Company also invests in fixed rated bank accounts and Government securities such as Market Treasury Bills and Pakistan Investment Bonds.

As at December 31, 2021 and 2020, investments in term finance certificates and sukuks exposed to interest rate risk are detailed in notes 14.1 and 17.3 to the financial statements.

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

	Carrying amount	
	2021	2020
	----- (Rupees) -----	
Fixed rate investments (note 17.3 and 23)	<u>1,269,199,779</u>	1,618,475,655
Variable rate investments (note 14)	<u>62,337,622</u>	140,241,965

Cash flow sensitivity analysis for variable rate instruments

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

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

	Impact on profit before tax	
	100 bp increase	100 bp decrease
	----- (Rupees) -----	
As at December 31, 2021		
Cash flow sensitivity - variable rate instruments	<u>623,376</u>	<u>(623,376)</u>
As at December 31, 2020		
Cash flow sensitivity - variable rate instruments	<u>1,402,420</u>	<u>(1,402,420)</u>

Fair value sensitivity analysis for fixed rate instruments

As at December 31, 2021, the Company held no fixed rate financial instruments.

Other price risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	December 31, 2021		December 31, 2020	
	Rupees	%	Rupees	%
Pharmaceuticals	484,950	0.03%	2,866,145	1.44%
Food & Personal Care Products	119,839,145	8.64%	76,799,730	38.60%
Engineering	154,649,275	11.15%	18,162,815	9.13%
Refinery	36,744,605	2.65%	11,975,770	6.02%
Technology & Communication	569,633,745	41.08%	41,760,385	20.99%
Commercial Banks	38,336,870	2.76%	297,700	0.15%
Cement	5,545,770	0.40%	10,275,680	5.16%
Fertilizer	684,810	0.05%	797,580	0.40%
Chemical	32,622,075	2.35%	1,159,620	0.58%
Textile Composite	29,662,205	2.14%	101,770	0.05%
Glass & Ceramics	1,686,340	0.12%	-	0.00%
Auto Mobile Assembler	2,773,970	0.20%	-	0.00%
Power Generation & Distribution	24,044,560	1.73%	1,653,715	0.83%
Oil & Gas Exploration Companies	187,111,260	13.49%	2,013,045	1.01%
Cable & Electrical Goods	24,345,590	1.76%	5,216,900	2.62%
Transport	80,960	0.01%	13,117,200	6.59%
Oil & Gas Marketing Companies	135,699,330	9.79%	12,772,070	6.42%
Miscellaneous	22,724,400	1.64%	-	0.00%
	1,386,669,860	100.00%	198,970,125	100.00%

34.2.4 Operational risk

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

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

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

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

34.3 Fair value of financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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:

Note	2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	(Rupees)			
Quoted equity securities	1,386,669,860	-	-	1,386,669,860
Exchange Traded Fund	5,839,148	-	-	5,839,148
	1,392,509,008	-	-	1,392,509,008
Fair value through other comprehensive income				
Quoted securities	62,337,622	-	-	62,337,622
	62,337,622	-	-	62,337,622
	2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	(Rupees)			
Quoted equity securities	198,970,125	-	-	198,970,125
Exchange Traded Fund	8,438,561	-	-	8,438,561
	207,408,686	-	-	207,408,686
Fair value through other comprehensive income				
Quoted equity securities	140,241,965	-	-	140,241,965
	140,241,965	-	-	140,241,965

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

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

34.4 Capital risk management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees)	2020
35. CAPITAL ADEQUACY LEVEL			
Total assets	35.1	6,590,531,908	5,390,730,895
Less: Total liabilities		(4,394,156,410)	(2,944,292,273)
Capital Adequacy Level		<u>2,196,375,498</u>	<u>2,446,438,622</u>

35.1 While determining the value of the total assets of the Company, Notional value of the TREC certificate held by the Company as at year ended December 31, 2021 as determined by the Pakistan Stock Exchange has been considered.

36. NET CAPITAL BALANCE

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Net Capital Balance has been prepared in conformity with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange (SEC) Rules, 1971 and the Securities Brokers (Licensing And Operations) Regulations, 2016 (Regulations) and the guidelines issued by Securities and Exchange Commission of Pakistan (SECP) from time to time.

Description	Valuation Basis	December 31, 2021
Current Assets		
Cash in hand or in bank	As per book value	1,896,146,427
Trade Receivables	Book Value	1,923,641,950
	Less : Overdue for more than 14 days	(325,717,522)
	Book value less those overdue for more than 14 days	1,597,924,428
Investment in listed securities in the name of the broker	Market Value	1,392,509,008
	Less : 15% discount	(208,876,351)
		1,183,632,657
Investment in listed TFCs of not less than BBB grade assigned by credit rating company in Pakistan	Market Value	-
	Less : 10% discount	-
		-
Securities purchased for client	Securities purchased for client and held by the member where the payment has not been received within 14 days	251,094,537
		A
		4,928,798,049
Current Liabilities		
Trade Payables	Book Value	1,239,515,096
	Less : Overdue for more than 30 days	(538,379,422)
Other Liabilities	Book value less	701,135,674
	As classified under generally accepted accounting principles	3,096,286,654
		B
		3,797,422,328
		C = A-B
		<u>1,131,375,721</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

36.1. Cash in hand or in bank

Cash in hand
Exposure margins with National Clearing Company of Pakistan Limited
Bank balances pertaining to:
- Brokerage house
- Clients

December 31,
2021
(Rupees)

224,000
609,302,850
240,667,969
1,045,951,608
1,896,146,427

36.2. Trade receivables

This also includes receivables against margin finance transactions amounting to Rs.453.31 million.

36.3. Securities purchased for clients

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities (after applying VAR) whichever is less.

37. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	981,016,380	100.00%	-
1.2	Intangible Assets	5,000,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
Investment in Debt. Securities				
If listed than:				
1.4	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
If unlisted than:				
1.4	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
Investment in Equity Securities				
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	1,392,509,008	253,023,991	1,139,485,017
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.6	Investment in subsidiaries	-	100.00%	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	17,387,268	100.00%	-
1.9	Margin deposits with exchange and clearing house.	609,502,850	-	609,502,850
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	10,313,430	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	1,324,292	-	1,324,292
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	8,638,608	-	8,638,608
	ii. Receivables other than trade receivables	49,219,362	100.00%	-
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	453,311,520	460,726,224	453,311,520
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	5.00%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	1,426,013,084	-	1,426,013,084
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	44,317,346	10,135,031	10,135,031
	vi. 100% haircut in the case of amount receivable from related parties.	2,274,074	100.00%	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	239,120,452	-	239,120,452
	ii. Bank balance-customer accounts	1,047,499,125	-	1,047,499,125
	iii. Cash in hand	224,000	-	224,000
1.19	Total Assets	6,287,670,798		4,935,253,978
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	890,880,830	-	890,880,830
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	348,634,266	-	348,634,266
2.2	Current Liabilities			
	i. Statutory and regulatory dues	3,799,594	-	3,799,594
	ii. Accruals and other payables	66,049,085	-	66,049,085
	iii. Short-term borrowings	953,670,325	-	953,670,325
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	135,314,633	-	135,314,633
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	1,399,073,595	-	1,399,073,595
2.3	Non-Current Liabilities			
	i. Long-Term financing	630,885,000	630,885,000	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
2.5	Total Liabilities	4,428,307,328		3,797,422,328

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
Concentration in Margin Financing				
3.1	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	86,230,553	86,230,553
Concentration in securities lending and borrowing				
The amount by which the aggregate of:				
3.2	(i) Amount deposited by the borrower with NCCPL	-	-	-
	(ii) Cash margins paid and	-	-	-
	(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
Net underwriting Commitments				
(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of:				
3.3	(i) the 50% of Haircut multiplied by the underwriting commitments and	-	-	-
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.	-	-	-
In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting				
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
Negative equity of subsidiary				
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
Foreign exchange agreements and foreign currency positions				
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
Repo adjustment				
In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.				
3.7	In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
Concentrated proprietary positions				
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	-	-
Opening Positions in futures and options				
i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts				
3.9		-	4,141,506	4,141,506
ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met				
Short sell positions				
i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts				
3.1		-	-	-
ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.				
3.11	Total Ranking Liabilities	-	90,372,059	90,372,059
		<u>1,859,363,470</u>	Liquid Capital	<u>1,047,459,591</u>

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

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

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

During the year ended December 31, 2021, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.14.447 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

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

The Board of Directors have proposed cash dividend of Nil (December 31, 2020: Nil) amounting to Rs. Nil (December 31, 2020: Rs.Nil) in their meeting held on February 18, 2022. This appropriation will be approved in the forthcoming Annual General Meeting.

40. GENERAL

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

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

41. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors' meeting held on 18 February 2022.

Director

Chief Executive Officer

Chief Financial Officer



ADDITIONAL INFORMATION

Pattern of Shareholding

as at December 31, 2021

# of Shareholders	Shareholdings' Slab		Total Shares Held
460	1	to 100	4,873
182	101	to 500	60,154
77	501	to 1000	68,104
130	1001	to 5000	284,461
9	5001	to 10000	76,385
6	10001	to 15000	70,508
3	15001	to 20000	57,000
1	20001	to 25000	23,000
1	25001	to 30000	29,993
2	35001	to 40000	75,500
1	45001	to 50000	48,500
1	50001	to 55000	54,650
2	60001	to 65000	123,500
1	315001	to 320000	320,000
1	655001	to 66000	655,500
1	25525001	to 25530000	25,525,169
878			27,477,297

S.No.	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage (%)
1	Individuals - local	851	1,927,088	7.01%
2	Individuals - foreign	1	20	0.00%
3	Banks, DFIs & NBFCs	1	25,525,169	92.90%
4	Joint Stock Companies	14	9,092	0.03%
5	Others	11	15,928	0.06%
6	Insurance Companies	-	-	0.00%
7	NIT & ICP	-	-	0.00%
8	Modarabas and Mutual Funds	-	-	0.00%
9	Foreign Institutions	-	-	0.00%
		878	27,477,297	100%

Pattern of Shareholding

as at December 31, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage (%)
Directors and their spouse(s) and minor children			
Mr. Shahab Anwar Khawaja	1	1	0.00%
Mr. Muhammad Kamran Nasir	1	1	0.00%
Mr. Iftikhar Ahmed Rao	1	1	0.00%
Mr. Muhammad Yousuf Amanullah	1	1	0.00%
Ms. Shireen Raza	1	1	0.00%
Mr. Hasan Saeed Akber	1	1	0.00%
* Syed Ghaus Ahmad	2	2	0.00%
Mr. Salaal Hasan	1	1	0.00%
Associated Companies, Under takings and Related Parties	3	25,525,264	92.90%
NIT & ICP	-	-	0.00%
Banks, DFIs & NBFCs	-	-	0.00%
Insurance Companies	-	-	0.00%
Modarabas and Mutual Funds	-	-	0.00%
General Public			
a. Local	841	1,927,035	7.01%
b. Foreign	1	20	0.00%
Foreign Companies	-	-	0.00%
Others	24	24,969	0.09%
Total	878	27,477,297	100.00%

* Syed Ghaus Ahmed has tendered his resignation subsequent to the year ended December 31, 2021 which was approved in the BOD meeting held on February 18, 2022.

Pattern of Shareholding

as at December 31, 2021

Share holders holding 10% or more	Shares Held	Percentage (%)
JS Bank Limited	25,525,169	92.90%

چیئر مین کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

میں JS گلوبل کپٹل لمیٹڈ ("JSGCL") کے شیئر ہولڈرز کو مالی FY2021 کی رپورٹ پیش کرتے ہوئے بے حد مسرت محسوس کر رہا ہوں۔ وبائی امراض کا سال ختم ہونے کے بعد، مالیاتی سال 2021 میں پاکستان اور دنیا کے کئی دیگر حصوں میں معاشی سرگرمیوں کی بحالی ہوتی نظر آئی ہیں، اس سال دیگر چیلنجز جیسے کہ عالمی لاجسٹک رکاوٹوں اور اجناس کی ریکارڈ ٹو ڈیٹھوں کا سامنا کرنا پڑا۔

بورڈ/کمپنی کے چیئر مین ہونے کی حیثیت سے، میں ایک بار پھر کمپنی کی جانب سے حاصل کی گئی اہم کامیابیوں اور انوشٹمنٹ میکنگ اور کپٹل مارکیٹس میں مارکیٹ لیڈر کے طور پر اپنی پوزیشن برقرار رکھنے پر فخر محسوس کرتا ہوں۔ بورڈ اور اس کی کمیٹیاں اپنی بہترین کارکردگی کے لئے عزم اور کوششیں جاری رکھنے کے لیے کوشاں رہیں، جس کے نتیجے میں سال بھر میں متعین کردہ سنگ میل کی تکمیل ہوئی۔ یہ امر اس حقیقت سے بھی ظاہر ہوتا ہے کہ مالی سال 2020 کے دوران بورڈ اور اس کی کمیٹیوں کی سالانہ کارکردگی کے جائزے کی مجموعی درجہ بندی گرانٹ تھورنٹن انجم ٹرن کی طرف سے دی گئی، اس مقصد کے لیے متعین کردہ چارٹرڈ اکاؤنٹنٹس "بہت زیادہ مطمئن اور خوش" تھے۔ مالی سال 2021 کے دوران، کنسلٹنٹ برائے اجراء و بکنگ شیئر بہ سلسلہ ایگزیکٹو لمیٹڈ۔ جو پاکستان میں موبائل فون اسمبلر اور برآمد کنندہ ہے، کے لیے واحد سب سے بڑا، تاریخی اور ریکارڈ PO شروع کیا گیا جس سے 6.43PKR بلین حاصل ہوئے۔ ادارہ جاتی اور اعلیٰ مالیت کے انفرادی سرمایہ کاروں کو 90 ملین شیئرز کی پیشکش کے ذریعے، ایگزیکٹو کے آئی پی او کو 1.64 گنا زیادہ سبسکرائب کیا گیا کیونکہ 500 سے زیادہ ادارہ جاتی اور اعلیٰ مالیت کے انفرادی سرمایہ کاروں نے 147.65 ملین شیئرز کے لیے بولیاں لگائیں اس طرح 90 ملین شیئرز کے اجراء کے نتیجے میں بولی کا حجم تقریباً 11 بلین روپے تھا۔ مزید یہ کہ، کمپنی نے مئی 2021 میں MSCI کے دوبارہ متوازن بناتے وقت ایک ہی دن میں US\$62mn (30% مارکیٹ شیئر) اور US\$64mn (50% مارکیٹ شیئر) کے غیر ملکی سرمایہ کاروں کے لین دین کو بھی انجام دیے اور بالترتیب نومبر 2021 کو برائے مالی سال 2021 میں حاصل کی گئی، بہت سی کامیابیوں میں سے یہ چند کامیابیاں کمپنی کی تمام محاذوں پر شاندار طاقت کا بولتا ثبوت ہیں۔

PACRA کی طرف سے AA (طویل مدتی) اور A1+ (مختصر مدتی) درجہ بندی اور BMR1 انتظامی درجہ بندی مستحکم نقطہ نظر کے ساتھ ملک میں کسی بھی ایکویٹی بروکرینج فرم کے لیے اعلیٰ ترین اعزاز ہے، جو نہ صرف کمپنی کا صنعت میں ایک لیڈر ہونے کا ثبوت ہے بلکہ آپریشن اور ساختی فضیلت کا باعث ہے لیکن اس بات کو یقینی بنانے میں ٹیم کی مسلسل سخت محنت کی ضرورت ہے تاکہ کمپنی کو مسلسل مارکیٹ لیڈر کے طور پر جانا جاتا رہے۔ ہم نئی رسائی کی سطح کو بڑھانے پر کام جاری رکھے ہوئے ہیں جو کہ پاکستان کی مالیاتی منڈی کی ترقی کے لیے ایک بڑا چیلنج ہے۔

آخری، لیکن اہم بات یہ ہے کہ مجموعی طور پر خود اتھسابی کے اقدامات کو مضبوط بنانے سے چھوٹے سرمایہ کاروں اور مارکیٹوں کے درمیان اعتماد کا فرق ختم کرنے میں بہت معاون ہوتا ہے۔ میں انتظامیہ کو ان کی لگن کے لیے سراہنا چاہوں گا اور کمپنی کے ساتھ مسلسل تعاون اور اعتماد کے لیے اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں۔ میں آپ کو یقین دلاتا ہوں کہ کمپنی اپنی تمام اخلاقی اور قانونی ذمہ داریوں کی تعمیل میں مسلسل بہتری لانے اور صنعت میں اپنے آپ کو ایک اہم مثال کے طور پر قائم کرنے کے لئے کوشاں رہے گی۔ میں، بورڈ اور انتظامیہ کی جانب سے آپ کو کامیابی اور خوشحالی کا ایک اور سال مبارک ہو۔

شہاب انور خواجہ

چیئر مین

تاریخ: 18 فروری 2022

Notice Of Annual General Meeting

Notice is hereby given that the Twenty First (21st) Annual General Meeting ("**AGM**") of the members of **JS Global Capital Limited (the "Company" or "JSGCL")** will be held on Thursday, April 28th, 2022 at 11:00 a.m. PST via Zoom Video Conference Call at 15th Floor, The Center Building, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi – 74400, Pakistan to transact the following businesses:

ORDINARY BUSINESSES:

- To receive, consider and adopt the audited financial statements of the Company for the year ended December 31st, 2021, together with the Directors' Report and Auditors' Report thereon and Chairman's Review Report.
- To appoint auditors of the Company and fix their remuneration for the year ending December 31st, 2022. The Audit Committee and the Board of Directors have recommended the appointment of auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company, who being eligible have offered themselves for re-appointment as auditors of the Company.

ANY OTHER BUSINESS:

- To consider any other business, if any, with the permission of the Chair.

By the Order of the Board

Karachi
April 07th, 2022

Syed Sufyan Ahmed
Company Secretary

Notes:

- The Share Transfer Books of the Company shall remain closed from April 21st, 2022 to April 28th, 2022 (both days inclusive) for determining shareholders for attending and voting at the Annual General Meeting.
- Physical transfers and deposit requests under Central Depository System received at the close of business on April 20th, 2022 by the Company's Share Registrar i.e. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi will be treated in time for the purpose of attending and voting at the meeting.
- Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No.1 of 2000:

A. For Attending the Meeting:

- The Securities & Exchange Commission of Pakistan (SECP) vide its Notification # SMD/SE/2(20)/2021/117 dated December 15th, 2021 has instructed to hold the general meeting physically and virtually to ensure the maximum participation by the members. However, due to prevailing Pandemic COVID-19 (OMICRON) situation, the Government of Sindh, Health Department vide its Order No.SOJI/8-1/(04)2020(Stage-4 NPIs) dated January 19, 2022, issued in view of National Command and Operation Centre's (NCOC) letter dated January 19, 2022, has imposed certain restrictions, including ban on indoor gatherings. In view of above, the Company has therefore decided to conduct Annual General Meeting via Zoom Video Link along with designating a physical venue by following all the COVID related SOPs to facilitate the members who intend to attend the meeting physically. However, the Company has encouraged members to attend the general meeting through video conferencing with a view to protect the well-being of its members in view of the threats posed by the recent wave of COVID-19 (OMICRON).
- To attend and participate in the 21st AGM of the Company through video link arrangement, members are requested to complete identification and verification formalities i.e. provide their names, CNICs scanned (both sides), folio numbers, cell phone numbers and email addresses on or before April 20th, 2022 by 5:00 p.m. at the following email address i.e. jsgcl.cs@js.com. The video link of meeting will be sent to the members on their email addresses.
- The members can also provide their comments / suggestions for discussion on the agenda items of the AGM through following means by April 20th, 2022:

WhatsApp	SMS	Email
0345-2929128	0345 -2929128	jsgcl.cs@js.com

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

B. For Appointing Proxies:

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the meeting. Proxy form must be received at the Registered Office of the Company located at 17th/18thFloor, The Centre Building, Abdullah Haroon Road, Saddar, Karachi, duly stamped and signed not less than 48 hours before the time of the meeting.

- (v) In case of corporate entity, scanned copies of the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Shareholders are requested to notify immediately of any change in their addresses to the Company's Share Registrar.
 5. In terms of the directives of the Securities and Exchange Commission of Pakistan (SECP), the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person, except in the case of minor(s) and corporate shareholders are required to be mentioned on the dividend warrants and the annual return required to be filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNICs are advised to provide at earliest the attested copies of their CNICs (if not already provided) directly to the Company's Share Registrar at the address mentioned above.
 6. In terms of Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide to the Company's Share Registrar at the address mentioned above, electronic dividend mandate on E-Dividend Form which is available on website of the Company i.e. www.jsgcl.com. In the case of shares held in CDC, the same information should be provided to the concerned CDS Participants for updating and forwarding to the Company in order to make process of payment of cash dividend more efficient.
 7. Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.
 8. Different rates are prescribed under Section 150 of the Income Tax Ordinance, 2021 for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

For filer of income tax rates: 15%

For non-filers of income tax returns: 30%

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

For any query/problem, the investor may contact the Company and/or the Share Registrar at the following numbers and email addresses. The contact of Company Secretary is +92 21 111 574 111 (Ext: 3117) and email address is jsgcl.cs@js.com and the contact number of the Share Registrar is +92 21 111 111 500 and email address is nadeem_ashraf@cdcsrsl.com.
 9. The Shareholders who have joint shareholdings held by filers and non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable, then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

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

10. Shareholders who by any reason could not receive their dividends are advised to contact our Share Registrar to inquire about their unclaimed dividends, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the date due shall be deposited to the credit of Federal Government.
11. Under Section 223(6) of the Companies Act, 2017, listed companies are allowed to send the Audited Financial Statements etc., through electronic mail system (e-mail). The members are hereby requested to convey their consent via email on a standard request form which is available at the Company's website i.e. www.jsgcl.com. Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Members can request a hard copy of Audited Financial Statements which shall be provided free of cost within seven days from the date of requisition. Further, it is the responsibility of the member(s) to timely update the Share Registrar of any change in his (her/its/their) registered email address at the address of Company's Share Registrar mentioned above.
12. The Company has placed the Audited Financial Statements for the year ended December 31, 2021 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: www.jsgcl.com.

اعتراف خدمات

ہم اپنے ملازمین کا ان کی لگن اور محنت اور اپنے کلائنٹس، کاروباری شراکت داروں اور شیئر ہولڈرز کی حمایت اور اعتماد کے لیے اپنی مخلصانہ تحسین کا اظہار کرتے ہیں۔ بورڈ اس موقع پر بے اہم گلوبل کیپٹل لمیٹڈ کے تمام ملازمین کا ان کی انتھک کوششوں پر اظہار تشکر کرتا ہے۔

ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کو کیپٹل مارکیٹ کو مضبوط بنانے کی کوششوں اور سرمایہ کاروں کے حقوق کے تحفظ کے لیے ان کے اقدامات کا اعتراف کرنا چاہتے ہیں۔

و منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر

ڈائریکٹر

مورخہ فروری 18, 2022

شیئر ہولڈنگ کے عمومی پیٹرن کے ساتھ شیئر ہولڈرز کے کچھ طبقوں کے شیئر ہولڈنگ کے پیٹرن کا گوشواروں جن کا انکشاف ریگولیٹری فریم ورک کے تحت ضروری ہے اور حصص کی خرید و فروخت کا گوشوارہ، بذریعہ ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات بشمول نابالغ بچے اگر کوئی ہو تو، کی تفصیل سالانہ رپورٹ برائے اختتام سال 31 دسمبر 2021 کے آخر میں پیش کیا گیا ہے۔

کریڈٹ ریٹنگ (قرض کی شرح بندی) اور بروکر مینجمنٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے FY21 کے لیے کمپنی کی طویل مدتی اور قلیل مدتی درجہ بندی کو بالترتیب AA (Double A) اور A1+(One Plus-A) پر برقرار رکھا ہے۔ یہ درجہ بندی مضبوط سرمائے کے ڈھانچے کے نتیجے میں کمپنی کی مستحکم مالی پوزیشن کی عکاسی کرتی ہیں اور قرضے کے خطرات کی بہت کم توقع اور مالی وعدوں کی بروقت ادائیگی کے لیے بہت مضبوط صلاحیت کی نشاندہی کرتی ہیں۔ یہ صلاحیت قابل توقع معاملات کے لیے نمایاں طور پر کمزور نہیں ہے۔

FY21 کے دوران، PACRA نے بروکر مینجمنٹ (BM) کی درجہ بندی کی اور اس کو BMR1 یعنی 'مستحکم' نقطہ نظر کے ساتھ تفویض کیا ہے۔ درجہ بندی کمپنی کی ملکیتی تجارتی اسٹاک پر پابندی کی پالیسی سے ہم آہنگ ہے اور اس طرح مارکیٹ کے خطرے اور لیکویڈیٹی کے خطرے کو محدود کرتی ہے۔ درجہ بندی مضبوط انضباطی عملداری، کنٹرولڈ ماحول، اور مالیاتی انتظام کی بھی عکاسی کرتی ہے کہ انتظامی اور رسک مینجمنٹ فریم ورک انتہائی موثر ہیں جبکہ HR، IT، اور کسٹمر سروسز انتہائی فعال ہیں۔

مستقبل کی پیش بینی

ہماری بیلنس شیٹ اور ذخائر کی ترویج کو مد نظر رکھتے ہوئے اور مستحکم اور ٹھوس نمو حاصل کرنے کی ہماری مستقل خواہش کے تحت، ہم اپنی خدمات کو مضبوط اور بہتر بنانے کے ساتھ ساتھ نئی مالیاتی مصنوعات اور خدمات تخلیق کرتے رہیں گے۔ ملک اور معیشت کو درپیش بے شمار چیلنجوں کے باوجود، ہمیں یقین ہے کہ ہم طویل مدت میں اپنی ترقی کی رفتار کو برقرار رکھیں گے اور حصص یافتگان کی قدر میں ترقی جاری رکھیں گے جیسا کہ ہم نے ماضی میں ہمیشہ کیا ہے۔

ہم اپنے بنیادی کاروباری اکائیوں کو مسلسل مضبوط بنا کر، تمام جہتوں میں مارکیٹ شیئر کو بڑھا کر اور مسلسل جدید مالیاتی مصنوعات اور خدمات کی تلاش کرتے ہوئے ادارہ جاتی تعمیر پر اپنی توجہ برقرار رکھنے کا ارادہ رکھتے ہیں۔

مالی ذمہ داری اور اہم خطرات اور غیر یقینی صورتحال کا انتظامی مباحثہ

کمپنی کی انتظامیہ سالانہ رپورٹ میں شامل مالیاتی گوشواروں اور متعلقہ نوٹس کی تیاری کے لیے ذمہ دار ہے۔ بورڈ آڈٹ کمیٹی ('BAC') آڈٹ سوسائٹیز انٹرنل آڈٹ ڈپارٹمنٹ کے کاموں کی نگرانی کرتی ہے اور بورڈ کو اندرونی کنٹرول اور نگرانی اور خطرات کے انتظام میں مدد کرتی ہے، (بشمول قرضے کے خطرات، لیکویڈیٹی کے خطرات، مارکیٹ کے خطرات، عمل کاری کے خطرات خطرہ، قانونی/ریگولیٹری خطرات اور ساکھ کا خطرہ لیکن صرف ان تک محدود نہیں) جو کیپٹل مارکیٹ انڈسٹری میں کام کرنے کے نتیجے میں ہوتا ہے۔

اندرونی آڈٹ کاروباری عمل کے آڈٹ کی منصوبہ بندی اور انعقاد میں خطرات کو مدنظر رکھتے ہوئے بنایا جاتا ہے، جو قائم کردہ فریم ورک کے ساتھ بہت زیادہ مطابقت رکھتا ہے۔ کمیٹی کمپنی کے بیرونی آڈیٹرز کی کارکردگی کا بھی جائزہ لیتی ہے اور ان کی تقرری اور ان کی تقرری کی شرائط کی سفارش کرتی ہے۔

BAC سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق کام کرتا ہے۔ بورڈ کی طرف سے منظور شدہ حوالہ کی شرائط کمیٹی کے دائرہ کار کا تعین کرتی ہیں۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز اور ایک چیئرمین پر مشتمل ہے جو ایک آزاد ڈائریکٹر ہے۔ BAC کا چیئرمین پیشہ ور اکاؤنٹنٹس کی ایک تسلیم شدہ ہاڈی کارکن ہونے کے ناطے کم از کم ایک مالیاتی خواندہ رکن ہونے کی ضرورت کو پورا کرتا ہے۔ اندرونی آڈٹ کا عمل بنیادی کمپنی کو آڈٹ سوسائٹیز سے کیا جاتا ہے، جو براہ راست BAC کے چیئرمین کو رپورٹ کرتی ہے، اور چیف فنانشل آفیسر کو میٹنگز میں شرکت کے لیے مدعو کیا جاتا ہے۔ سال کے دوران کمیٹی کے چار اجلاس ہوئے۔ بیرونی آڈیٹرز بھی مخصوص مسائل پر بات کرنے کے لیے موجود تھے۔ بورڈ کی منظوری سے قبل کمپنی کے مالیاتی گوشواروں کا BAC نے جائزہ لیا تھا۔

آڈیٹرز

آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس مالی سال 2022 کے لیے دوبارہ تقرری کے اہل ہیں۔ بی اے سی نے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے ساتھ ساتھ بورڈ کو اس کے معاوضے کی سفارش کی ہے جو آئندہ سالانہ جنرل میٹنگ میں اراکین کی منظوری کے لیے سفارش کرتا ہے۔

شیر ہولڈنگ کا نمونہ

جے ایس گلوبل کیپٹل لمیٹڈ کا بڑا شیئر ہولڈر جے ایس بینک لمیٹڈ ہے جس کے 92.90 فیصد شیئرز ہیں۔ دوسرے شیئر ہولڈرز میں مقامی ادارے اور عام لوگ شامل ہیں۔

بورڈ ہیومن ریسورس اینڈ ریویژن کمیٹی (انسانی وسائل و معاوضہ کمیٹی)

مالیاتی سال 2021 کے دوران، بورڈ ہیومن ریسورس اینڈ ریویژن کمیٹی نے 4 میٹنگیں کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اہلیت	میٹنگ میں حاضری
1	جناب افتخار احمد راؤ	6	5
2	جناب محمد کامران ناصر	6	6
3	جناب محمد یوسف امان اللہ	6	6
4	جناب حسن سعید اکبر	6	6
5	سید غوث احمد	6	6
6	جناب خسرو اقبال ممتاز	3	3

بورڈ رسک مینجمنٹ کمیٹی (خطرات کی تشخیص و انتظام کی کمیٹی)

مالیاتی سال 2021 کے دوران، بورڈ رسک مینجمنٹ کمیٹی نے 4 میٹنگیں کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

1	جناب شہاب انور خواجہ	6	6
2	جناب محمد کامران ناصر	6	6
3	جناب محمد یوسف امان اللہ	6	6
4	جناب سید غوث احمد	6	6
5	جناب خسرو اقبال ممتاز	3	3

اندرونی مالیاتی کنٹرول نظام کی اہلیت و موزونیت

بورڈ آف ڈائریکٹرز نے اپنے کاموں میں موثر کارکردگی کو حاصل کرنے، قابل اعتماد مالیاتی رپورٹنگ اور قابل اطلاق قواعد و ضوابط کی تعمیل کے لیے مضبوط اندرونی مالیاتی کنٹرول کا ایک نظام قائم کیا ہے۔ کمپنی کا آڈٹ سوسائٹیز انٹرنل آڈٹ فنکشن (بیرونی ذرائع آڈٹ پر عملداری) پر بنیادی کمپنی باقاعدگی سے مالیاتی کنٹرول کے نفاذ کی نگرانی کرتی ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرول کے ڈھانچے اور مالی گوشواروں کا موثر جائزہ لیتی ہے۔

بورڈ کے اجلاس اور حاضری

مالیاتی سال 2021 کے دوران، بورڈ آف ڈائریکٹرز نے 6 میٹنگیں کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اہلیت	میٹنگ میں حاضری
1	جناب شہاب انور خواجہ	6	6
2	جناب محمد کامران ناصر (سی ای او)	6	6
3	جناب افتخار احمد راؤ	6	5
4	جناب محمد یوسف امان اللہ	6	6
5	جناب حسن سعید اکبر	6	6
6	سید غوث احمد	6	6
7	جناب شیرین رضا	6	5
8	جناب سلال حسن	3	3
9	جناب خسرو اقبال ممتاز	3	3

بورڈ برائے آڈٹ کمیٹی (جانچ کھاتہ داری کمیٹی)

مالیاتی سال 2021 کے دوران، بورڈ آڈٹ کمیٹی نے 4 میٹنگیں کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اہلیت	میٹنگ میں حاضری
1	جناب شہاب انور خواجہ	6	6
2	جناب افتخار احمد راؤ	6	5
3	جناب حسن سعید اکبر	6	6
4	جناب شیرین رضا	6	5
5	جناب سلال حسن	3	3
6	جناب خسرو اقبال ممتاز	3	3

بورڈ

بورڈ میں دو آزاد ڈائریکٹرز، چار نان ایگزیکٹو ڈائریکٹرز، ایک ایگزیکٹو ڈائریکٹر اور سی ای او شامل ہیں جنہیں ڈائریکٹر تصور کیا جاتا ہے۔ بورڈ میں ایک خاتون ممبر کے علاوہ تمام مرد ممبران شامل ہیں۔ بورڈ میں مناسب مہارت اور ضروری تجربہ رکھنے والے ایسی صلاحیت کے حامل ڈائریکٹرز کا شامل ہیں جو مناسب نگرانی کا کردار ادا کرنے کے لئے درکار ہیں۔ بورڈ کا روبرو مہارتوں اور تجربے کے تنوع کو اہمیت دیتا ہے کیونکہ گونا گوں مہارتوں کے حامل ڈائریکٹرز، مختلف جغرافیائی اور ثقافتی پس منظر سے حاصل کردہ صلاحیتیں اور تجربے آج کے مسابقتی کاروباری ماحول میں اہمیت رکھتے ہیں۔

چیرمین اور سی ای او کے عہدے ضابطہ اور بہترین انتظامی کے طریقوں کے مطابق علیحدہ علیحدہ ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے ڈائریکٹرز کے معاوضے کے تعین کے لیے باضابطہ پالیسی اور شفاف طریقہ کار کی منظوری دی۔ ان ڈائریکٹرز کے علاوہ جو فی الوقت جے ایس ایس کے کسی بھی ادارے میں ملازم ہیں بورڈ تمام ڈائریکٹرز اپنی کمیٹیوں کی ہر میٹنگ میں شرکت کے لیے مقررہ فیس وصول کرتے ہیں اور ساتھ ہی سفر، آمدورفت اور رہائش کے چارجز بھی وصول کرتے ہیں۔ جس کا مقصد یہ ہے کہ کاروبار اور کردار دونوں کے نوعیت اور پیچیدگی کے مطابق ان کو مقررہ معاوضہ فراہم کیا جائے اور بیرونی مارکیٹ کے ساتھ مسابقتی بھی ہو۔ کسی بھی غیر ایگزیکٹو ڈائریکٹر کے لیے ریٹائرمنٹ، پنشن، گریجویٹ، پراویڈنٹ فنڈ یا انشورنس جیسے کوئی فوائد دستیاب نہیں ہوں گے۔ غیر ایگزیکٹو ڈائریکٹرز کسی بھی ترغیب یا کارکردگی کی بنیاد پر معاوضے کے منصوبوں کے تحت کوئی انعام حاصل نہیں کر سکتے، اور کمپنی کی طرف سے انہیں ذاتی قرضے یا ضمانتیں نہیں دی جائیں گی۔

مجموعی معاوضے بشمول کمپنی کے سی ای او، ڈائریکٹرز اور ایگزیکٹوز کے لیے مخصوص سہولیات کی تفصیل مالیاتی گوشواروں میں ظاہر کی جاتی ہیں۔

مالی سال 2020 کے لیے بورڈ بشمول ان کمیٹیوں اور ڈائریکٹرز کی مجموعی کارکردگی کا سالانہ رسمی عملی جائزہ، بیرونی آزاد فرم - گرانٹ تھورنٹن انجمن رٹمن، چارٹرڈ اکاؤنٹنٹس کے ساتھ مل کر متفقہ فیس ادا کر کے انجام دیا جا رہا ہے۔

بورڈ کے پاس تین ذیلی کمیٹیاں ہیں جن میں آڈٹ کمیٹی، رسک مینجمنٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونیشن کمیٹی شامل ہیں جو زیر غور مدت کے دوران بورڈ کو اس کاموں کی ادائیگی سے متعلق معاونت کرتی ہیں۔

منافع کی تخصیص

اختتام سال کا منافع، سال کے آخر میں قابل تقسیم منافع کے ساتھ، اس طرح مختص کیا گیا ہے:

سال تختہ	سال تختہ	
31 دسمبر 2021	31 دسمبر 2020	(رقم روپے میں)
319,321,963	112,367,591	غیر مختص منافع آگے لایا گیا
410,525,620	206,954,372	منافع مابعد ٹیکس
(215,579,210)	-	واپس خریدے گئے شیئرز کے ذریعے منافع کی تقسیم
(274,772,970)	-	30 جون 2021 کو ختم ہونے والی مدت کے لیے عبوری نقد منافع
(137,386,485)	-	30 نومبر 2021 کو ختم ہونے والی مدت کے لیے عبوری حصہ داری منافع
102,108,918	319,321,963	غیر مختص منافع آگے بڑھایا گیا
9,388,710	11,441,759	دیگر جامع آمدنیاں
		دیگر جامع آمدنی (خالص) کے ذریعے مناسب قیمت پر سرمایہ کاری
		کی دوبارہ تشخیص پر غیر وصول شدہ فائدہ

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والی مدت کے لیے بالترتیب 5 روپے فی شیئر اور 10 روپے فی شیئر کے عبوری نقد منافع کی سفارش اور منظوری دی ہے جو کہ قانونی وقت مقررہ کے اندر حصص منافع وصول کرنے کے حقدار شیئر ہولڈرز کو ادا کیے گئے۔

منظم انتظام کاری اور مالیاتی رپورٹنگ کا ڈھانچہ

ڈائریکٹر مندرجہ ذیل امور کی تعمیل کی تصدیق کرتے ہیں:

- ☆ مالیاتی گوشوارے، جو کمپنی کی انتظامیہ نے تیار کیے ہیں، جو ان میں تمام معاملات کی صورتحال، کئے گئے کاموں، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کے نتائج کو منصفانہ طور پر پیش کرتے ہیں۔
- ☆ کمپنی کے حساب کتاب کے انتظام کی مناسب دیکھ بھال کی گئی ہے۔
- ☆ مالیاتی بیانات کی تیاری میں مناسب کھاتہ داری پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور کھاتہ داری سے متعلق تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ☆ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، کو مد نظر رکھا گیا ہے اور وہاں پر کسی بھی قسم انحراف کے بارے میں مناسب طور پر ظاہر کیا گیا ہے اور وضاحت دی گئی ہے۔
- ☆ اندرونی کنٹرول کا نظام کو درست ترتیب دیا گیا ہے اور اسے مؤثر طریقے سے لاگو کر کے اس کی نگرانی کی گئی ہے۔
- ☆ معاملات کو جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی امر واضح طور پر قابل شک نہیں ہے۔
- ☆ کمپنی نے اس سال کے دوران کسی بھی قرض کی ادائیگی میں غفلت نہیں برتی۔
- ☆ سابقہ سال کے عملی نتائج سے نمایاں انحراف کی وجوہات ڈائریکٹرز کی رپورٹ کے متعلقہ حصے میں بیان کی گئی ہیں۔
- ☆ منظم انتظامی کاری کے بہترین طریقوں سے کوئی مادی انحراف واقع نہیں ہوا ہے، جیسا کہ فہرست ضوابط میں تفصیل سے بتایا گیا ہے۔
- ☆ گزشتہ چھ سالوں کی کلیدی عمل کاری اور مالیاتی مواد سالانہ رپورٹ میں دیا گیا ہے۔
- ☆ بقایا ٹیکس، ڈیوٹی، لیویز اور چارجز، کے بارے میں معلومات، اگر کوئی ہیں تو، کھاتوں میں نوٹس میں دکھایا گیا ہے۔
- ☆ کمپنی اپنے اہل ملازمین کے لیے ایک منظور شدہ امدادی پروویڈنٹ فنڈ چلاتی ہے۔
- ☆ بیلنس شیٹ کی تاریخ اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان ہونے والی کمپنی کی مالی پوزیشن کو متاثر کرنے والی مادی تبدیلیاں اور وعدے (اگر کوئی ہیں) اکاؤنٹس میں مناسب طور پر ظاہر کیے گئے ہیں۔

مالیاتی کارکردگی کا جائزہ

خلاصہ شدہ نتائج ذیل میں بیان کیے گئے ہیں:

سال ختمہ	سال ختمہ	
31 دسمبر 2020	31 دسمبر 2021	
		(رقم روپے میں)
289,613,260	535,335,345	منافع قبل از ٹیکس
206,954,372	410,525,620	منافع بعد از ٹیکس
6.77	14.27	فی شیئر آمدنی

کمپنی کی نجلی سطح پر اہم P&L اشیاء کے مالیاتی اثرات کو ذیل میں نمایاں کیا گیا ہے:

کمپنی نے پچھلے سال کی اسی مدت میں 613PKR ملین کے مقابلے 1,061PKR ملین کی آپریٹنگ آمدنی حاصل کی، اس طرح 73 فیصد کا اضافہ ہوا۔

لاگت کے حوالے سے، کمپنی نے انتظامی اور آپریٹنگ اخراجات کے سلسلے میں مذکورہ سال کے لیے 738PKR ملین (32 فیصد سالانہ اضافہ) خرچ کیا۔

منافع میں اضافہ زیر غور مدت کے دوران اسٹاک میں نمایاں طور پر بڑھے ہوئے حجم کے ساتھ ساتھ ایئر لائن کمیونیکیشن لمیٹڈ کے آئی پی او کے کامیاب عمل کی وجہ سے ہے جس میں کمپنی نے کنسلٹنٹ کے ساتھ بک رنز کے طور پر کام کیا تھا۔ یہ مارکیٹ سے متعلق عوامل تھے جبکہ کمپنی ایک بار پھر تمام چیلنجوں کے باوجود اپنے مجموعی مارکیٹ شیئر کو برقرار رکھنے میں کامیاب رہی۔ آگے بڑھتے ہوئے، جیسے جیسے بازار میں حجم بہتر ہوتا ہے؛ کمپنی اپنے بڑھتے ہوئے مارکیٹ شیئر کی بنیاد پر سرمایہ کاری کرنے کے لیے تیار ہے۔

مزید برآں، کمپنی طویل مدت میں اپنی ترقی کی رفتار کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ اپنے شیئر ہولڈرز کے لیے زیادہ سے زیادہ فوائد حاصل کرنے کے لیے اپنے وسائل کی سختی سے نگرانی کر رہی ہے۔ اس میں مالیاتی انتظامی امور، کور بروکریج اور فیس پوزٹیو آپریشنز سے ریونیو جنریشن کو بہتر بنانا شامل ہے جبکہ اسی وقت ہماری لاگت کی بنیاد کو معقول بنانا شامل ہے۔

دسمبر 2021 کے آخر میں ٹی بلز کے لئے قطع یافت (Cut-off yields) تین ماہ کے لیے 10.60 فیصد، چھ ماہ کے لیے 11.45 فیصد اور بارہ ماہ کی مدت کے لیے 11.51 فیصد تھی۔ اس مدت کے دوران ٹی بلز میں کل شرکت زیادہ رہی۔ جہاں ویکسینیشن مہم کے نتیجے میں معاشی صورتحال میں بہتری آئی، وہیں PIBs میں شرکت میں بھی مسلسل اضافہ ہوا، SBP کی طرف سے فراہم کردہ لیکویڈیٹی کی وجہ سے 63 روزہ OMO کے ذریعے Yield کو کم کیا گیا۔ CY21 کی آخری نیلامی میں، 3Y، 5Y اور 10Y کے لیے پی آئی بیز کی قطع یافت (Cut-off yields) بالترتیب 11.50 فیصد، 11.57 فیصد اور 11.76 فیصد رہی۔ اس کے علاوہ، اس مدت کے دوران فلوٹنگ ریٹ پی آئی بیز کی سرگرمی میں کمی دیکھی گئی۔

مزید برآں، GOP Ijarah Sukuk (FRR) کے لیے، قطع یافت (Cut-off yields) 11.40 فیصد تھی جبکہ نیلامی میں پانچ سالہ میچورٹی انشرومنٹ کے لئے GOP Ijarah Sukuk (VRR) کی قطع یافت 8.6955 فیصد تھی۔ اسلامک لیکویڈیٹی کو برقرار رکھنے کے لئے ششماہی اور سہ ماہی کوپنز کے ساتھ GOP Ijarah Sukuk کا تعارف کلینڈر سال 21 کے لئے بہت اہم بات تھی۔

اشیاء صرف منڈی

سال کے دوران، اشیاء کی منڈی بھی بین الاقوامی سطح پر بقاء سے متاثر ہوئی۔ دسمبر 2021 کے آخری مہینے میں، کرسس اور نئے سال کی تعطیلات کی وجہ سے مارکیٹ میں تجارت حجم بہت کم رہا۔ 2021 کے دوران PMEX پر سونے کی تجارتی سرگرمی USD 1747/oz سے USD 1881/oz کے درمیان تھی جبکہ 2020 کی اسی مدت کے دوران سونے کی تجارت USD 1775/oz سے USD 1988/oz کے درمیان ہوئی۔ دوسری طرف، 2021 کے دوران خام تیل USD 34.9/bbl سے USD 49.3/bbl کے مقابلے میں USD 34.9/bbl سے USD 49.3/bbl کی حد تک تجارت ہوئی۔

کلیدی سرگرمیاں

کمپنی، پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کی ٹریڈنگ رائٹ انٹرنیشنل ٹیٹھ کیٹ (TREC) ہولڈر اور پاکستان مرکٹسٹاک ایکسچینج لمیٹڈ (PMEX) کی ممبر ہے۔ کمپنی کی بنیادی سرگرمیاں شیئر بروکریج، منی مارکیٹ بروکریج، فاریکس بروکریج، کموڈٹی بروکریج، ایڈوائزی، انڈر رائٹنگ، بک رنگ اور کنسلٹنسی سروسز ہیں۔ دیگر سرگرمیوں میں فہرستی اور غیر فہرستی ایکویٹی اور قرض کی ضمانتوں میں سرمایہ کاری اور دوبارہ خریداری کے لین دین شامل ہیں۔

حصص سرمایہ کاری مارکیٹس

1HCY21 میں 8 فیصد سے زیادہ کی مثبت واپسی کے باوجود KSE100 انڈیکس گر گیا، جس کی وجہ بین الاقوامی اجناس کی قیمتوں میں اضافے، ملک کے کرنٹ اکاؤنٹ خسارے اور جغرافیائی سیاسی محاذ پر پیدا ہونے والی تشویشناک صورت حال تھی۔ پاکستان کی ایکویٹی مارکیٹس کو بھی MSCI نے کلینڈر سال 2021 کی دوسری ششماہی کے دوران ایمرجنگ مارکیٹس سے فرنٹیئر مارکیٹس میں دوبارہ درجہ بندی کی تھی۔ بینچ مارک انڈیکس CY21 میں 1.9 فیصد کے کم سے کم اضافے کے ساتھ 44,596 کی سطح بند ہوا۔ ایکویٹی مارکیٹوں میں شرکت CY21 کے دوران مضبوط رہی کیونکہ یومیہ تجارت کے حجم میں سالانہ 44 فیصد اضافہ ہوا، جو کہ اوسطاً 474 ملین شیئرز تھے۔ مزید برآں، تجارت کی قدر اوسطاً 105 ملین ڈالر رہی، جو کہ CY20 میں اوسط کے مقابلے میں 39 فیصد زیادہ تھی۔

انرجی سے متعلق کلیدی شعبے ناقص کارکردگی کے حامل رہے کیونکہ تیل اور گیس کی مارکیٹنگ کمپنیاں (18YoY- فیصد)، تیل اور گیس کی تلاش کرنے والی کمپنیاں (18YoY- فیصد) اور پاور جنریشن اینڈ ڈسٹری بیوٹن (6YoY- فیصد) ریڈ زون میں بند تھیں۔ دیگر اہم جیسے فریٹلائزر (+1.5 فیصد YoY)، کمرشل بینکس (+2 فیصد YoY) اور ٹیکنالوجی اور کمیونیکیشن سیکٹر (+55 فیصد YoY) کلینڈر سال 2021 کے دوران انڈیکس میں مثبت شراکت داروں میں شامل تھے۔ غیر ملکی سرمایہ کار ایک بار پھر خالص فروخت کی مد میں 359 ملین امریکی ڈالر کے مجموعی بہاؤ کے حامل رہے۔

غیر ملکی کرنسی مارکیٹ

توسیحی پالیسیوں سے درآمدات میں عارضی اقتصادی ری فنانس سہولت (TERF) سے متعلق سرمایہ کاری اور بین الاقوامی اشیاء کی قیمتوں کے باعث سال کے دوران روپے کی قدر میں 9.5 فیصد کمی ہوئی اور تجارتی فرق بڑھا جبکہ کم شرح سود کی وجہ سے آٹوموبائل کی بڑھتی ہوئی مانگ میں مسلسل اضافہ ہوا ہے اور اس کے ساتھ ہی پختہ صارفین میں بھی۔ ملک کے کل زرمبادلہ کے ذخائر پچھلی سہ ماہی کے اختتام پر US\$25.9bn پر بند ہوئے، جو کہ 4QCY21 پر کم ہو کر US\$24.018bn ہو گئے۔ مزید یہ کہ SBP کی طرف سے پالیسی ریٹ میں اضافے کی وجہ سے کلینڈر سال کی چوتھی سہ ماہی کے دوران تبادلہ قیمتوں میں اضافہ ہوا۔

کرنسی مارکیٹ

کلینڈر سال 21 کے لیے اوسط CPI 9.5 فیصد تک پہنچ گیا، جہاں سال کی آخری سہ ماہی میں زبردست اضافہ رپورٹ کیا گیا۔ نتیجتاً، اسٹیٹ بینک آف پاکستان اسی مدت کے دوران ایک محدود مالیاتی نقطہ نظر کو اجاگر کیا، سال کے آخر تک پالیسی ریٹ کو 275bps سے 9.75 فیصد تک لے گیا۔ مالیاتی پالیسی کمیٹی نے بھی اپنی میٹنگوں کی تعداد کو ہر سال 6 سے بڑھا کر 8 دفعہ کر دیا۔

ڈائریکٹرز کی رپورٹ

میں 31 دسمبر 2021 کو اختتام سال کی JS گلوبل کیپٹل لمیٹڈ ("کمپنی") کی سالانہ رپورٹ بشمول آڈٹ شدہ کھاتوں اور آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

معیشت

حکومت اور مرکزی بینک کے فعال اور مثبت اقدامات نے معاشی سرگرمیوں کو سہارا دیا اور مالیاتی سال 2021 کے دوران جی ڈی پی کی شرح نمو 3.9 فیصد تک پہنچائی۔ تاہم یہ مثبت رفتار بین الاقوامی اشیاء صرف کی قیمتوں میں اضافے سے کسی حد تک سست ہو گئی، جس کے بعد آنے والے مہینوں میں برائے سال 2021 سی پی آئی ریڈنگ میں اضافہ ہوا۔ کلینڈر سال 21 کے لیے اوسط CPI 9.5 فیصد تک پہنچ گیا، جہاں سال کی آخری سہ ماہی میں زبردست اضافہ رپورٹ کیا گیا۔ اسٹیٹ بینک آف پاکستان نے بھی اسی مدت کے دوران سخت مالیات اقدامات کی جانب پیش قدمی کی اور سال کے آخر میں پالیسی ریٹ کو 275bps سے بڑھا کر 9.75 فیصد تک اضافہ کیا گیا۔

مالیاتی محاذ پر، مالی سال 2021 کے مالیاتی خسارہ جی ڈی پی کے 7.1 فیصد رہنے کے بعد، مالیاتی سال 2022 کی پہلی سہ ماہی کے لیے پاکستان کا مالیاتی خسارہ جی ڈی پی کا 0.8 فیصد رپورٹ ہوا۔ مزید برآں، سہ ماہی کے دوران بنیادی توازن مثبت رہا کیونکہ یہ GDP کا 0.3 فیصد رپورٹ کیا گیا۔ مالیاتی محاذ میں بہتری زیادہ ٹیکس کی وصولیوں اور اخراجات کو کنٹرول میں رکھنے کی وجہ سے ہوئی۔، مالیاتی سال 2022 کی پہلی ششماہی میں FBR وصولیابی 2,915 بلین روپے تک پہنچ گئی یعنی سالانہ 33 فیصد زیادہ، جبکہ اس نے ہدف سے بھی 282 بلین روپے زیادہ وصول کئے۔

بیرونی محاذ پر، 11MCY21 کی مدت کے لیے موجودہ مالیات خسارہ (کرنٹ اکاؤنٹ ڈیفیٹ - CAD) 10.3 بلین ڈالر تک بڑھ گیا، جو کہ 11MCY20 کے دوران 874 بلین سرپلس تھا۔ کرنٹ اکاؤنٹ پر دباؤ بڑھ گیا کیونکہ 11MCY21 کے دوران ملک کا درآمدی بل 57YoY فیصد بڑھ کر 60.3 بلین ڈالر ہو گیا، جو کرنٹ اکاؤنٹ بیلنس پر غالب رہا۔ زیادہ درآمدی بل برآمدات میں سالانہ 33 فیصد نمو اور اسی مدت کے دوران ترسیلات زر میں 20 فیصد سالانہ نمو کے اثرات کو کم کرتا ہے۔ تاہم، 2.7 بلین امریکی ڈالر کی SDR مختص کرنے، 3 بلین امریکی ڈالر کے سعودی ذخائر اور دیگر کثیر جہتی/دوطرفہ قرضوں کی وجہ سے، ملک کے زرمبادلہ کے ذخائر CY21 کے آخر تک 3.4 بلین امریکی ڈالر سے بڑھ کر 23.9 بلین امریکی ڈالر ہو گئے۔ جبکہ اسی مدت کے دوران، پاکستانی روپے کی قدر US\$ کے مقابلے میں 9.5 فیصد تک گر گئی۔

FORM OF PROXY

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

I/We _____ of _____
being member(s) of JS Global Capital Limited holding _____ ordinary shares as per Registered Folio No. / CDC A/c. No. (for members who have shares in CDS) _____ hereby appoint Mr. / Mrs. / Miss _____ of (full address) _____ of failing him/her Mr. / Mrs. / Miss _____ of (full address) _____ as my / our proxy in my / our absence to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **April 28, 2022** and / or any Adjournment thereof.
As witness my / our hand / seal this _____ day of 2022.

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.

فارم برائے پراکسی

کمپنی سیکریٹری

JS گلوبل کپٹیل لمیٹڈ

سٹریٹ اور اٹھارویں منزل، دی سینٹر،

پلاٹ نمبر 28، ایس۔ بی۔ 5،

عبداللہ ہارون روڈ، کراچی۔

FORM OF PROXY

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him /her.
2. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 17th & 18th Floor, The Center, Plot No. 28, S.B.5, Abdullah Haroon Road, Karachi, not less than 48 hours before the time of holding meeting.
3. No Person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
4. If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. The form of Proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose name, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature shall be submitted along with Proxy form.

میں / ہم۔ برائے۔ بحیثیت JS گلوبل کپٹیل لمیٹڈ کے ممبر / ممبران رجسٹرڈ فوئیو نمبر / CDC نمبر (وہ ممبران CDC میں شیئرز رکھتے ہوں)۔ عام حصص رکھنے ہیں، بذریعہ ہذا مسز / مس (کامل پتہ)۔ یا ان کی عدم موجودگی کی صورت میں / مسز / مسز (کامل پتہ)۔ کو میری / ہماری غیر موجودگی میں 28 اپریل 2022 کو منعقد ہونے اور ایامنتوی ہونے والے اجلاس کے سالانہ اجلاس عام میں میری / ہماری جانب سے حاضری، فعالیت اور میری / ہماری جانب سے ووٹ دینے کے لئے میری / ہماری پراکسی مقرر کرتا ہوں / کرتے ہیں۔

بطور گواہ میں / ہم نے۔ 2022 کو میرے / ہمارے ہاتھ سے دستخط کئے / گواہ لگائی۔

کی موجودگی میں۔ نے دستخط کئے۔

گواہ:

-1

نام:

دستخط:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

-2

نام:

دستخط:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

AFFIX
CORRECT
POSTAGE

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

دستخط بعوض
5 روپے
رپونہوا سٹیپ

دستخط کمپنی کے رجسٹر میں نمونے کے

دستخط کے مطابق ہونے چاہئیں۔

فارم برائے پراسی

اہم:

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

درست لکھ چکائیں

کمپنی سیکریٹری

JS گلوبل کمپیٹل لمیٹڈ

سٹرویں اور اٹھارویں منزل، دی سینٹر،

پلاٹ نمبر 28، ایس۔ بی۔ 5،

عبداللہ ہارون روڈ، کراچی۔



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