

Exceptional

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Half Yearly Report 2023



Exceptional

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Half Yearly Report 2023



JS Global Capital Limited (“JS Global” or “the Company”) is one of Pakistan’s largest and oldest Brokerage and Investment Banking firms incorporated under the local laws of Pakistan. The company is part of the JS Group and majority owned by JS Bank Limited. The Company has exceptional leadership position in domestic capital markets together with one of the largest market share in equity brokerage. Besides this, the Company offers a 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 Stakeholders.



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Company Information

Board of Directors

Mr. Shahab Anwar Khawaja
Mr. Maximilian Felix Scheder
Mr. Imtiaz Gadar
Mr. Fahad Viqar Siddiqui
Mr. Amin Muhammad Virani
Syed Jafar Raza
Mr. Waqas Anis
Ms. Rabiya Javeri Agha

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

Audit Committee

Mr. Maximilian Felix Scheder
Mr. Amin Muhammad Virani
Syed Jafar Raza

Chairman
Member
Member

Risk Management Committee

Mr. Shahab Anwar Khawaja
Mr. Amin Muhammad Virani
Mr. Imtiaz Gadar
Syed Jafar Raza

Chairman
Member
Member
Member

Human Resource & Remuneration Committee

Mr. Shahab Anwar Khwaja
Mr. Fahad Viqar Siddiqui
Mr. Imtiaz Gadar
Ms. Rabiya Javeri Agha

Chairman
Member
Member
Member

Digital Committee

Mr. Maximilian Felix Scheder
Mr. Fahad Viqar Siddiqui
Mr. Imtiaz Gadar
Mr. Waqas Anis

Member
Member
Member
Member

Mr. Fahad Muslim
Muhammad Farukh

Chief Financial Officer
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.

Bankers

JS Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Bank Alfalah Limited
National Bank of Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited

BankIslami Pakistan Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Askari Bank Limited
Sindh 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

17 & 18th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi-74400, Pakistan
www.jsjcl.com | www.jsglobalonline.com UAN: +92-21-111-574-111 | Fax: +92-21-356-325-74

Vision

To be the Leader in the financial services sector

Mission

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

2023
HALF YEARLY REPORT



Directors' Report

We are pleased to present the unaudited condensed interim financial statements of JS Global Capital Limited (“the Company”) for the six months ended June 30, 2023.

The Economy

Macroeconomic challenges continued in 2QCY23 as economic datasets witnessed record-high numbers during the quarter. With Apr-May headline inflation recording highest growth in the last six decades, 2QCY23 CPI averaged to 34.6%. The higher inflation pace was driven by higher food and energy prices, in addition to lag impact of sharp PKR/US\$ devaluation witnessed in the preceding quarter. To tame the ongoing inflation trend, SBP continued with its monetary tightening stance, as it further took the Policy Rate up by another 200bp to 22% in 2QCY23.

On the other hand, the steep PKR/US\$ devaluation in 1QCY23 took a breather in 2QCY23, as PKR only moved by 0.3% against the US\$ in 2QCY23. The stability was led by sticky foreign exchange reserve levels of SBP in 2Q increasing by ~US\$300mn to US\$4.5bn. Reserves maintained previous quarter's levels aided by rollovers & refinancing of scheduled debt payments and Current Account Surplus during Apr-2023 & May-2023 over controlled imports.

On the fiscal account front, the country's fiscal deficit remained at 3.7% of GDP during 9MFY23, almost at similar levels reported during the same period last year. In the aforementioned period, declining economic activity took a toll on tax collection, which limited growth at 16% YoY in 9MFY23, lower than recent historical growth trend. Non-tax revenues, however, jumped by 25% YoY. Higher State Bank of Pakistan's profits and Petroleum Levy collection were key factors of increase in Non-tax revenues. On the other

hand, a sharp increase in debt servicing expenditures, given higher interest rates, led to current expenditure expanding by 25% YoY, while PSDP spending remained lower. Primary balance remained in surplus, clocking in at 0.6% of GDP.

Equity Capital Market

Where macroeconomic challenges also took a toll on KSE-100 in 2QCY23, the benchmark index witnessed some recovery at quarter end, as the benchmark Index increased by 3.6%, closing at 41,453. The quarter, however, witnessed much volatility owing to delay in the IMF program, limiting the recovery as the Index closed lower than the high of 42,143 (+5.4% from 1Q close) during the quarter. Uncertainty surrounding the provincial elections and further political noise also played its role in suppressed sentiments. As IMF reaching to an agreement for a Stand-By Arrangement of US\$3bn with Pakistan was announced post quarter end, a rally was initiated after 2QCY23.

Sector wise performance of the market showed recovery was led by Cements (+15.6% QoQ), Banking (+2.2% QoQ) and Oil & Gas Marketing Companies (+2.7% QoQ). On the other hand, Technologies (-11.1% QoQ), Oil & Gas Exploration Companies (-4.1% QoQ) and Power (-2.9% QoQ) were among key underperformers.

Lower investor participation persisted, which further dropped this quarter as average daily traded volumes contracted by 12% QoQ in 2QCY23, following a 21% QoQ decline in 1QCY23 recorded already. Value trade, however, dropped at a higher pace of 36% QoQ. While foreigners returned to being net sellers during 2QCY23 (US\$5.7mn) they remained net buyers in the Oil & Gas Sector (US\$4.7mn) and Commercial Banks (US\$11.1mn) sectors.

Money market

The continued monetary tightening kept money market volatile as well, where market participants expect the tightening cycle to continue. Hefty participation in TBill auctions hence continued, especially in the shorter tenor papers. Given the tight fiscal position, higher bids were accepted as compared to maturities. The last cut-off yields of TBills at Jun2023 end came in at 21.9999% in 3M, 21.9735% in 6M and 21.9996% in 12M tenor.

On the other hand, participation in PIBs started to decline, pulling up the yields. In the last auction of Jun-2023, cut off yield of 3Y PIBs stood at 19.35% while bids in the 5Y and 10Y tenor were rejected. Decline in participation in semi-annual floating coupon bonds was also witnessed during the quarter.

Commodities Market

On the commodities front, continued downtrend in global commodity prices took a hit on Gold and Oil, both. Gold closed at US\$1,929/oz, losing value from US\$2,102/oz. Similarly, Crude Oil also followed the trend and touched a low of US\$63.70/Barrel, declining from US\$83.53/barrel.

In addition to the downtrend in commodity prices, investors remained concerned over potential volatility in PKR/US\$, due to any disturbance in the domestic political landscape. Overall volumes at PMEX declined 4%.

Foreign exchange market

In the Foreign exchange market, the steady foreign exchange reserves over support from rollovers, refinances and Current Account surplus, supported PKR/US\$ in 2QCY23. While the currency receded to a low of 299.00, it touched a high of 283.25, however closing down almost flat QoQ at 286.90.

Overview of Financial Performance

The Summarized results are set out below:

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Profit before tax	91,037,837	41,920,737
Profit after tax	60,655,494	10,555,014
Earnings per share	2.21	0.38

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 290 million relative to PKR 199 million in the corresponding period prior year, thus clocking an increase of 45.73%. Equity brokerage is the major component of operating revenue. Similarly, commodities, foreign exchange and fixed income brokerage divisions have shown considerable growth over corresponding period prior year.

The rising interest rates, also contributed to treasury income of the company during the half year. Administrative and operating expenses increased by 1.2% compared to the corresponding period, resulting in total administrative and operating expenses of PKR 377.5 million.

Earnings per share of the Company for the half year and second quarter was Rs. 2.21 and Rs. 1.06 per share respectively, as compared to Rs. 0.38 and Rs. (0.37) in the corresponding period prior year.

Looking ahead, 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.

Future Outlook

The recent SBA signed with IMF is a good omen for Pakistan equity markets as it has lifted investor confidence addressing some concerns on the country's external balance. The rise in confidence has also considerably lifted investor participation of late. The future performance of the stock market is closely tied to government's reforms execution, in-line with IMF recommendations, addressing the macroeconomic stability. Moreover, political stability will also be key in the upcoming change in government. Additionally, attractive valuations can continue to draw in investors from both local and international markets, which will positively impact the brokerage and advisory business.

The Board is cognizant of the recent developments and potential challenges faced by the Country in general that have direct and indirect impact on the Capital Markets and is continuously evolving its strategic thinking with a view to further drive its market share and find new avenues for growth.

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: August 16, 2023

Auditor's Review Report to the Members

Financial Statements



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

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **JS Global Capital Limited** ("the Company") as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial information for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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



KPMG Taseer Hadi & Co.

Other matters

The figures for the quarter ended 30 June 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

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

Date: 23 August 2023

Karachi

UDIN: RR2023101063UilcLaw6

KPMG Taseer - 1
KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2022: 150,000,000) ordinary shares of Rs.10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	4	274,772,970	274,772,970
Share premium		1,810,104,900	1,810,104,900
(Deficit) on re-measurement of equity securities at fair value through other comprehensive income		(5,537,546)	(2,571,815)
Unappropriated profit		238,885,676	178,230,182
		2,318,226,000	2,260,536,237
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	5	157,721,250	315,442,500
Lease liability	6	4,934,868	3,170,104
		162,656,118	318,612,604
Current liabilities			
Short term borrowing - secured		-	91,994,547
Creditors, accrued expenses and other liabilities	7	2,297,502,123	2,347,889,402
Accrued profit		14,001,258	10,933,269
Unclaimed dividend		3,361,843	3,361,843
Current maturity of long-term financing	5	315,442,500	315,442,500
Current maturity of lease liability	6	5,366,378	8,271,047
		2,635,674,102	2,777,892,608
		5,116,556,220	5,357,041,449
Contingencies and Commitments	8		

The annexed notes 1 to 25 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
ASSETS			
Non-current assets			
Property and equipment	9	773,280,786	797,556,231
Investment property	10	117,748,966	119,340,261
Intangible assets	11	5,000,000	5,000,000
Long term investments	12	20,463,277	38,420,312
Long term loans, advances and deposits		32,946,555	33,431,090
Deferred taxation - net		103,833,698	111,602,125
		1,053,273,282	1,105,350,019
Current assets			
Short term investments	13	771,086,750	575,900,796
Trade debts	14	671,154,785	644,435,971
Receivable against margin finance		427,262,490	425,971,947
Loans and advances		70,635,441	56,783,317
Short-term deposits and prepayments		915,714,542	1,068,037,507
Interest and mark-up accrued	15	42,404,724	32,506,463
Other receivables		2,915,622	41,526
Advance tax		113,859,148	83,088,775
Cash and bank balances	16	1,048,249,436	1,364,925,128
		4,063,282,938	4,251,691,430
		5,116,556,220	5,357,041,449

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023

	Note	Six months ended		Three months ended	
		June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) ----- (Rupees) -----
Operating revenue	17	290,492,250	198,666,344	137,507,563	100,427,581
Capital gain on sale of investments - net		56,020,421	46,122,095	30,246,357	22,333,650
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		8,234,837	(13,287,566)	9,282,482	(50,323,659)
Unrealised (loss) / gain on remeasurement of derivatives at fair value through profit or loss - net		(14,151,462)	14,890,162	(16,130,118)	56,064,718
Dividend income		40,595,139	28,978,384	29,438,588	13,887,904
Margin finance income		58,046,973	47,204,416	29,147,413	25,480,187
		439,238,158	322,573,835	219,492,285	167,870,381
Administrative and operating expenses		(377,512,822)	(342,844,088)	(202,594,396)	(173,565,901)
		61,725,336	(20,270,253)	16,897,889	(5,695,520)
Other operating income - net		90,103,414	152,455,639	54,377,858	63,031,215
		151,828,750	132,185,386	71,275,747	57,335,695
Provision for Sindh Workers' Welfare Fund		(1,944,115)	(866,351)	(918,620)	(328,076)
Finance cost	18	(58,846,798)	(89,398,298)	(29,568,536)	(41,462,344)
Profit before taxation		91,037,837	41,920,737	40,788,591	15,545,275
Taxation - current		(24,870,693)	(10,851,683)	(8,981,873)	(6,219,556)
- prior		-	(21,871,859)	-	(21,871,859)
- deferred		(5,511,650)	1,357,819	(2,555,825)	2,338,447
	19.1	(30,382,343)	(31,365,723)	(11,537,698)	(25,752,968)
Profit/ (loss) after taxation		60,655,494	10,555,014	29,250,893	(10,207,693)
Earnings per share - basic and diluted	20	2.21	0.38	1.06	(0.37)

The annexed notes 1 to 25 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023

	Six months ended		Three months ended	
	June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) ----- (Rupees) -----
Profit/ (loss) for the period	60,655,494	10,555,014	29,250,893	(10,207,693)
Other comprehensive income / (loss)				
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 period- Equity securities	(1,498,008)	(7,754,395)	3,264,404	(2,991,983)
Less: Related tax	(1,502,550)	764,400	(1,603,350)	663,600
	(3,000,558)	(6,989,995)	1,661,054	(2,328,383)
Items that may be reclassified to statement of profit or loss subsequently				
Surplus / (deficit) re-measurement of at fair value through OCI during the period- Debt Securities	40,973	145,820	381,377	486,224
Less: Related tax	(6,146)	(21,873)	(57,207)	(72,934)
	34,827	123,947	324,170	413,290
Total comprehensive income / (loss) for the period	57,689,763	3,688,966	31,236,117	(12,122,786)

The annexed notes 1 to 25 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023

	Reserves					Sub-total	Total
	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain / (loss) on revaluation of available-for-sale / fair value through other comprehensive income investments - net	Revenue reserve Unappropriated profit			
	(Rupees)						
Balance as at January 01, 2022	274,772,970	1,810,104,900	9,388,710	102,108,918	1,921,602,528	2,196,375,498	
Total comprehensive income for the period							
Profit for the six months ended June 30, 2022	-	-	-	10,555,014	10,555,014	10,555,014	
Other comprehensive loss - net of tax	-	-	(6,866,048)	-	(6,866,048)	(6,866,048)	
Total comprehensive income for the period	-	-	(6,866,048)	10,555,014	3,688,966	3,688,966	
Balance as at June 30, 2022	274,772,970	1,810,104,900	2,522,662	112,663,932	1,925,291,494	2,200,064,464	
Balance as at 1 January 2023	274,772,970	1,810,104,900	(2,571,815)	178,230,182	1,985,763,267	2,260,536,237	
Profit for the six months ended June 30, 2023	-	-	-	60,655,494	60,655,494	60,655,494	
Other comprehensive loss - net of tax	-	-	(2,965,731)	-	(2,965,731)	(2,965,731)	
Total comprehensive income for the period	-	-	(2,965,731)	60,655,494	57,689,763	57,689,763	
Balance as at June 30, 2023	274,772,970	1,810,104,900	(5,537,546)	238,885,676	2,043,453,030	2,318,226,000	

The annexed notes 1 to 25 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	91,037,837	41,920,737
Adjustments for:		
Depreciation of operating assets expense	27,582,455	34,242,039
Depreciation of right-of-use assets	4,386,969	3,432,856
Depreciation of investment property	1,591,295	1,591,296
Gain on sale of property and equipment	(9,549,997)	(43,994,841)
Unrealised gain / (loss) on remeasurement of investments at fair value through profit	(8,234,837)	13,287,566
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit	14,151,462	(14,890,162)
Provision for Sindh Workers' Welfare Fund	1,944,115	866,351
Finance cost	58,846,798	89,398,298
	90,718,260	83,933,403
Cash generated from operating activities before working capital changes	181,756,097	125,854,140
Decrease in current assets		
Trade debts	(26,718,814)	1,191,828,257
Receivable against margin finance	(1,290,543)	(212,434,304)
Loans and advances	(13,852,124)	(7,264,749)
Short-term deposits and prepayments	152,322,965	421,354,344
Interest and mark-up accrued	(9,898,261)	(16,409,570)
Other receivables	(2,874,096)	(16,440,192)
	97,689,127	1,360,633,786
(Decrease) / Increase in current liabilities		
Creditors, accrued expenses and other liabilities	(53,291,948)	(971,617,259)
Cash generated from operations	226,153,276	514,870,667
Finance cost paid	(55,209,474)	(52,470,058)
Taxes paid	(55,894,189)	(25,238,497)
	-	-
Net cash generated from operating activities	115,049,613	437,162,112
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,145,170)	10,186,068
Advance against purchase of property	-	-
Proceeds from disposal of operating assets	9,550,000	46,810,878
Long term loans, advances and deposits	484,535	(4,312,639)
Long term investments - net	17,957,035	(5,408,405)
Short term investments - net	(201,102,578)	791,936,016
Net cash (used in) / generated from investing activities	(175,256,178)	839,211,918
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid / adjustment	-	(137,386,485)
Lease rentals paid	(6,753,330)	(5,771,104)
Repayment Commercial Paper	-	(1,000,000,000)
Repayment of Short-term financing	(91,994,547)	-
Repayment of long-term financing	(157,721,250)	(28,341,132)
Net cash used in financing activities	(256,469,127)	(1,171,498,721)
Increase/ (decrease) in cash and cash equivalents during the period	(316,675,692)	104,875,309
Cash and cash equivalents at the beginning of the period	1,364,925,128	1,286,868,762
Cash and cash equivalents at the end of the period	1,048,249,436	1,391,744,071

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The annexed notes 1 to 25 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

- 1.1** JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company, Jahangir Siddiqui & Co. Ltd. (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.
- 1.2** 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 Bank. Presently, the Company is subsidiary of JS Bank Limited, which is a subsidiary of JSCL, the ultimate parent of the Company.
- 1.3** During the year 2016, special resolution was passed by the Company in the Annual General Meeting held on March 22, 2016, authorising the Company to buy-back its own shares under section 95A of the repealed Companies Ordinance, 1984, read with the then Companies (Buy-Back of Shares) Rules, 1999 upto a maximum of 12,000,000 ordinary shares. Following the announcement, 11,993,000 ordinary shares were offered by the public which was accepted resulting in cancellation of the same on April 15, 2016. Consequently, the paid up capital was reduced to 380,070,000 ordinary shares.
- 1.4** 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.
- 1.5** During the year 2021, 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.
- 1.6** 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 situated at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The Company has eight branches (2022: eight) in seven cities of Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim 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 Accounting Standard (IAS 34), Interim Financial Reporting 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 Companies Act, 2017;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

2.3 The comparative condensed interim statement of financial position presented in these condensed interim financial information have been extracted from the audited annual financial statements of the Company for the year ended 31 December 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended 30 June 2022.

2.4 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

2.7 Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2022.

3.1 New / Revised Standards, Interpretations and Amendments

There are certain interpretations and amendments that are mandatory for the company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the company's operations and therefore not detailed in these condensed interim financial statements.

3.1.1 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 July 2023:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified 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's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

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) 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 an entity 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, with earlier application permitted, 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) 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.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend 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.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:

Once tax law is enacted but before top-up tax is effective:

Disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

After top-up tax is effective: disclose current tax expense related to top-up tax.

These amendments apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

3.2 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2022.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2023 (Un-audited) (Number of shares)	December 31, 2022 (Audited)		June 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited)
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)	(3,079,703)	Third buy back of 3,079,703 shares having face value of Rs.10 each	(30,797,030)	(30,797,030)
<u>27,477,297</u>	<u>27,477,297</u>		<u>274,772,970</u>	<u>274,772,970</u>

4.1 The Parent company held 25,525,169 (2022: 25,525,169) ordinary shares of Rs.10 each at period end.

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

5. LONG-TERM FINANCING

Islamic

	June 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited)
Long-term Loan	473,163,750	630,885,000
Short-term maturity	(315,442,500)	(315,442,500)
Long-term maturity	<u>157,721,250</u>	<u>315,442,500</u>
Short-term maturity	<u>315,442,500</u>	<u>315,442,500</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

5.1 Long term finance utilised mark-up arrangements

	Number of installements and commencement date	Date of maturity	Rate of markup per annum	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
				----- (Rupees) -----	
Islamic BankIslami Pakistan Limited Diminishing Musharika	12 quarterly instalments November 21, 2022	November 21, 2024	3 months Kibor+1.5%	248,163,750	330,885,000
Islamic Dubai Islamic Bank Pakistan Limited Diminishing Musharika	12 quarterly instalments November 21, 2022	November 21, 2024	3 months Kibor+1.5%	225,000,000	300,000,000

5.2 During the year 2021, the company obtained Diminishing Musharakah term finance facility, aggregating to Rs. 630.885 Million. This facility is secured against charge over the property (16th and 17th Floor of building).

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rupees) -----	
6. LEASE LIABILITY		
Opening balance	11,441,151	16,876,402
Interest expense	569,335	1,896,646
Disposal	-	4,112,901
Addition	5,044,090	
Payment of rentals	(6,753,330)	(11,444,798)
Closing balance	10,301,246	11,441,151
Less: Current maturity	(5,366,378)	(8,271,047)
	4,934,868	3,170,104

7. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Trade creditors	7.1	1,913,377,206	1,974,183,576
Accrued expenses		57,182,490	63,921,413
Staff Provident Fund	7.2	2,743,144	2,693,030
Provision for staff bonus		16,897,751	27,125,376
Provision for Sindh Workers' Welfare Fund		50,414,309	48,470,194
Others		256,887,223	231,495,813
		2,297,502,123	2,347,889,402

7.1 This includes payable to PSX and NCCPL amounting to Rs.0.241 (2022: Rs.0.261)million and Rs. Nil (2022: Rs. 85.250) million in respect of trading in securities, settled subsequent to the period end.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	(Rupees)	
7.2 Movement of provision for staff bonus is as follows:		
Balance at the beginning of the year	27,125,376	88,763,376
Paid during the year	(21,227,625)	(71,638,000)
Charged during the year	11,000,000	10,000,000
Balance at the end of the year	16,897,751	27,125,376

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no outstanding contingencies as at June 30, 2023 (2022: Nil) other than tax contingencies disclosed in note 20 of these condensed interim financial statements.

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	
8.2 Commitments		
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	773,886,455	567,163,001
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2024	400,000,000	400,000,000

9. PROPERTY AND EQUIPMENT

Operating assets	9.1	763,654,696		789,091,984
Right-of-use assets	9.2	9,626,090		8,464,247
		773,280,786		797,556,231

9.1 Movement in operating assets - owned

Book value at beginning of the period / year		789,091,984		844,801,235
Cost of additions during the period / year	9.1.1	2,145,170		13,244,885
Book value of deletions during the period / year	9.1.2	(3)		(3,657,515)
Depreciation charge for the period / year		(27,582,455)		(65,296,621)
Book value at end of the period / year		763,654,696		789,091,984

9.1.1 Details of additions during the period / year

Office equipment		2,145,170		13,244,885
		2,145,170		13,244,885

9.1.2 Book value of deletions during the period / year:

Office equipment		-		(24,288)
Motor vehicle		(3)		(3,633,227)
		(3)		(3,657,515)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- (Rupees) -----	
9.2 Right-of-use assets			
Branches		<u>9,626,090</u>	<u>8,464,247</u>
10. INVESTMENT PROPERTY			
Cost		127,303,650	127,303,650
Additions		-	-
Accumulated Depreciation		<u>(9,554,684)</u>	<u>(7,963,389)</u>
Closing balance		<u>117,748,966</u>	<u>119,340,261</u>
11. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	11.1	<u>2,500,000</u>	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		<u>2,500,000</u>	2,500,000
		<u>5,000,000</u>	<u>5,000,000</u>
11.1	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.		
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- (Rupees) -----	
12. LONG TERM INVESTMENTS			
Classified as 'at fair value through Other Comprehensive Income'			
Shares of PSX - at cost (2022: 2,202,953 shares)		<u>23,060,884</u>	23,060,884
Term finance / sukuk certificates	12.1	<u>5,630,000</u>	24,796,667
		<u>28,690,884</u>	47,857,551
Deficit on revaluation - net	12.2	<u>(5,727,607)</u>	(4,270,572)
Less: Current maturity of long term investments - secured		<u>(2,500,000)</u>	(5,166,667)
		<u>20,463,277</u>	<u>38,420,312</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

12.1 Term finance / sukuk certificates

Number of Certificates June 30, 2023 (Un-audited)	Certificates December 31, 2022 (Audited)	Name of term finance / sukuk certificates	Carrying value	
			June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
			----- (Rupees) -----	
Listed debt securities - secured				
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	2,500,000	5,000,000
-	20	BYCO Petroleum Pakistan Limited - Sukuk - I	-	166,667
626	4,016	Bank Islami Pakistan Limited - Ehad Sukuk	3,130,000	19,630,000
			<u>5,630,000</u>	<u>24,796,667</u>
Less: Current maturity of long term investments - secured			(2,500,000)	(5,166,667)
			<u>3,130,000</u>	<u>19,630,000</u>

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

Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
----- (Rupees) -----		
Balance at the beginning of the year	(4,270,572)	8,196,738
Deficit on re-measurement of investments during the year	(1,457,035)	(12,467,310)
Balance at the end of the year	<u>(5,727,607)</u>	<u>(4,270,572)</u>

13. SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities	762,115,805	564,313,980
Exchange Traded Fund	6,470,945	6,420,150

At fair value through other comprehensive income

Privately placed term finance certificates - unsecured	-	-
Current maturity of long term investments - secured	2,500,000	5,166,667
	<u>771,086,750</u>	<u>575,900,796</u>

14. TRADE DEBTS

Purchase of shares on behalf of clients	521,531,640	519,056,837
Advisory services	174,999	1,774,940
Forex and fixed income commission	12,122,214	10,364,759
Commodity	137,325,932	113,239,435
	671,154,785	644,435,971

Considered doubtful

	409,285,717	409,285,717
	<u>1,080,440,502</u>	<u>1,053,721,688</u>
Provision for doubtful debts	(409,285,717)	(409,285,717)
14.1	<u>671,154,785</u>	<u>644,435,971</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

- 14.1** Included herein is a sum of Rs.3.031 (2022: Rs. 4.716) million receivable from related parties.
- 14.2** This includes receivable from National Clearing Company of Pakistan Limited (NCCPL) amounting to 53.748 million (2022: Nil) in respect of trading in securities, settled subsequent to the period end.

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rupees) -----	
15. INTEREST AND MARK-UP ACCRUED		
Accrued mark-up on margin finance	41,649,171	31,393,693
Accrued mark-up on term finance / sukuk certificates	505,655	711,928
Interest receivable on bank deposits	249,898	400,842
	<u>42,404,724</u>	<u>32,506,463</u>

16. CASH AND BANK BALANCES

Cash with banks:

- Current accounts	45,266,377	9,069,472
- Profit or loss savings (PLS) / deposit accounts	1,002,759,059	1,355,631,656
	<u>1,048,025,436</u>	<u>1,364,701,128</u>

Cash in hand:

	224,000	224,000
	<u>1,048,249,436</u>	<u>1,364,925,128</u>

- 16.1** These carry profit / mark-up rates ranging from 9.25% to 19.85% (2022: 9.25% to 13.25%) per annum.
- 16.2** These include balances with the Parent Company amounting to Rs.959.748 (2022: Rs.1,247.162) million.
- 16.3** Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- (Rupees) -----	
Customers' assets held in the designated bank accounts and exposure deposit	<u>1,495,308,430</u>	<u>1,580,698,446</u>
Customers' assets held in the CDC	<u>32,512,787,258</u>	<u>34,240,753,023</u>
16.4 Securities pledged with financial institutions	<u>11,725,647,542</u>	<u>12,947,575,235</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

	Six months ended		Three months ended	
	June 30, 2023 (Un-audited)	June 30, 2022	June 30, 2023 (Un-audited)	June 30, 2022
----- (Rupees) -----				
17. OPERATING REVENUE				
Brokerage and operating income	276,791,521	192,391,000	128,278,867	96,687,303
Advisory and consultancy fee	13,700,729	6,275,344	9,228,696	3,740,278
	290,492,250	198,666,344	137,507,563	100,427,581
18. FINANCE COST				
Mark-up on long-term loans	55,189,227	39,077,279	27,384,353	21,246,375
Mark-up on commercial paper	-	46,329,675	-	18,345,310
Commission expense on bank guarantee	2,499,993	2,280,671	1,249,995	1,162,266
Mark-up expense on SBP re-finance scheme against salaries	-	580,446	-	194,888
Bank and other charges	588,243	203,284	588,243	99,566
Interest expense on assets subject to finance lease	569,335	926,943	345,946	413,940
	58,846,798	89,398,298	29,568,537	41,462,344

19. TAXATION

19.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2022.

	(Un-audited)			
	Six months ended		Three months ended	
	June 30, 2023 (Un-audited)	June 30, 2022	June 30, 2023 (Un-audited)	June 30, 2022
----- (Rupees) -----				
20. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation	60,655,494	10,555,014	29,250,893	(10,207,693)
	----- (Number) -----			
Weighted average number of shares	27,477,297	27,477,297	27,477,297	27,477,297
	----- (Rupees) -----			
Earnings per share - basic and diluted	2.21	0.38	1.06	(0.37)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

21. RELATED PARTY TRANSACTIONS

21.1 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:

	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Key management personnel of entity and associ- ated entities	Associated enti- ties other than parent company	Key management personnel of entity and associ- ated entities	Associated enti- ties other than parent company
	----- (Rupees) -----			
Trade debts				
Opening balance	72,922	1,088,415	14,206	3,627,068
Invoiced during the year	180,742,390	942,906,931	632,425	4,523,682
Received during the year	(180,497,181)	(941,705,392)	(573,709)	(7,062,335)
Closing balance	318,131	2,289,954	72,922	1,088,415
Trade payable	12,285,027	175,894,970	130,336,990	254,963,606
Opening balance	337,199,955	114,331,023	89,889,167	1,038,941,337
Invoiced during the year	(327,735,631)	(273,572,334)	(207,941,131)	(1,118,009,973)
Paid during the year	21,749,350	16,653,659	12,285,026	175,894,970
Closing balance				
Loans and advances	13,570,369	-	12,926,331	-
Opening balance	9,733,904	-	7,819,471	-
Disbursements during the year	(6,208,241)	-	(7,175,433)	-
Repayments during the year	17,096,032	-	13,570,369	-
Closing balance				

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
Balances with Parent Company		
Trade debts	423,043	3,555,021
Trade Payable	204,491	-
Bank balances with parent company	959,748,430	1,334,985,189
Other payable	-	6,960
Balances with ultimate Parent Company		
Trade debts	719,854	-
Trade Payable	390	138,089,575
Other receivables	-	284,852
Mark-up receivable on term finance certificates	353,614	276,930
Principal outstanding on term finance certificates	2,500,000	5,000,000
Balances with associated entities of group companies		
Other receivables	-	61,628
Principal outstanding on term finance certificates	3,130,000	19,626,000
Donation payable	277,714	1,224,710
Mark-up payable on commercial paper	-	8,601,772
Mark-up payable on long-term financing	6,241,896	6,119,922
Long-term financing	248,163,750	330,885,000
	June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) -----
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	9,831,896	11,339,414
Donation paid	-	210,512
Commercial Paper Principle Outstanding Paid	-	143,398,228
Mark-up paid on commercial paper	-	8,601,772
Rent Received	6,773,773	6,451,212
Transactions with the Parent Company		
Nature of transactions		
Brokerage income	875,432	1,038,106
Bank charges	218,217	162,599

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Un-audited) -----
Mark-up on deposit accounts	<u>38,341,204</u>	<u>76,827,046</u>
Dividend Paid	<u>-</u>	<u>127,632,045</u>

Transactions with ultimate Parent Company

Nature of transactions

Brokerage income	<u>1,907,511</u>	<u>3,821,306</u>
Reimbursement of expenses by the ultimate parent company	<u>56,345,345</u>	<u>127,033,542</u>
Reimbursement of expenses to the ultimate parent company	<u>44,483,729</u>	<u>19,943,949</u>
Rent paid during the year to the ultimate parent company	<u>1,637,200</u>	<u>1,452,000</u>
Advisory and Market maker fee received	<u>-</u>	<u>500,000</u>
Mark-up received on term finance certificates	<u>431,425</u>	<u>443,326</u>
Principal received on term finance certificates	<u>2,500,000</u>	<u>2,500,000</u>

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

Nature of transactions

Brokerage income	<u>2,729,960</u>	<u>536,278</u>
Directors' remuneration	<u>2,575,000</u>	<u>775,000</u>
Remuneration paid to Chief Executive Officer	<u>10,902,503</u>	<u>39,461,207</u>
Remuneration paid to key management personnel	<u>128,902,025</u>	<u>169,829,115</u>

Transactions with other related parties

Nature of transactions

Royalty expense	<u>10,000,000</u>	<u>10,000,000</u>
Insurance expense	<u>4,096,482</u>	<u>6,613,113</u>
Purchase of term finance certificates	<u>50,456,440</u>	<u>54,314,119</u>
Sale of term finance certificates	<u>50,456,440</u>	<u>153,560,440</u>
Sale of sukuk certificates	<u>1,294,062,948</u>	<u>770,493,079</u>
Mark-up on sukuk certificates	<u>866,313</u>	<u>1,032,089</u>
Capital gain on sale of sukuk certificates	<u>10,779,699</u>	<u>6,809,600</u>
Contributions to staff provident fund	<u>8,627,956</u>	<u>9,294,701</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
22. OPERATING SEGMENTS				
Segment revenues	276,791,521	195,730,594	47,269,460	519,791,575
Administrative and operating expenses	(172,393,088)	(4,117,073)	(167,726,096)	(344,236,257)
Depreciation	(11,050,757)	(260,041)	(21,965,767)	(33,276,565)
Finance cost	-	(58,846,798)	-	(58,846,798)
	<u>93,347,675</u>	<u>132,506,682</u>	<u>(142,422,403)</u>	<u>83,431,955</u>
Gain on sale of property and equipment				9,549,997
Provision for Sindh Workers' Welfare Fund				(1,944,115)
Taxation				(30,382,343)
Profit after tax				<u>60,655,494</u>
Segment assets	<u>3,021,508,876</u>	<u>223,482,141</u>	<u>1,871,565,203</u>	<u>5,116,556,220</u>
Segment liabilities	<u>2,164,199,388</u>	<u>504,022,145</u>	<u>130,108,687</u>	<u>2,798,330,220</u>

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 June 30, 2023 and December 31, 2022 are located and operating in Pakistan.

	June 30, 2022 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	192,391,000	212,461,174	70,177,300	475,029,474
Administrative and operating expenses	(162,997,594)	(21,253,058)	(119,969,945)	(304,220,597)
Depreciation	(16,772,861)	(1,926,804)	(19,923,826)	(38,623,491)
Finance cost	-	(89,398,298)	-	(89,398,298)
	<u>12,620,545</u>	<u>99,883,014</u>	<u>(69,716,471)</u>	<u>42,787,088</u>
Provision for Sindh Workers' Welfare Fund				(866,351)
Taxation				(31,365,723)
Profit after tax				<u>10,555,014</u>
Segment assets	<u>2,695,808,547</u>	<u>1,390,820,463</u>	<u>440,168,793</u>	<u>4,526,797,803</u>
Segment liabilities	<u>1,858,112,746</u>	<u>-</u>	<u>442,832,650</u>	<u>2,300,945,396</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	June 30, 2023			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	762,115,805	-	-	762,115,805
Exchange Traded Fund	6,470,945	-	-	6,470,945
	<u>768,586,750</u>	<u>-</u>	<u>-</u>	<u>768,586,750</u>
Financial assets at fair value through other comprehensive income				
Quoted equity securities	17,333,277	-	-	17,333,277
Debt Securities	2,500,000	3,130,000	-	5,630,000
	<u>19,833,277</u>	<u>3,130,000</u>	<u>-</u>	<u>22,963,277</u>
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	564,313,980	-	-	564,313,980
Exchange Traded Fund	6,420,150	-	-	6,420,150
	<u>570,734,130</u>	<u>-</u>	<u>-</u>	<u>570,734,130</u>
Financial assets at fair value through other comprehensive income				
Quoted securities	43,586,979	-	-	43,586,979
	<u>43,586,979</u>	<u>-</u>	<u>-</u>	<u>43,586,979</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2023

24 DISCLOSURE UNDER RESEARCH ANALYST REGULATIONS 2015

The following disclosures are provided pursuant to compliance with Regulation 5(4) of Research Analyst Regulations, 2015:

At present, JSGCL employs six members in its research department (including head of research, two senior analysts, 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 period ended June 30, 2023, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.9,168,010, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

25 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 16, 2023.

Director

Chief Executive Officer

Chief Financial Officer



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