

**Condensed Interim Financial Information
Half Yearly Report (Un-audited)
June 30, 2020**





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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 the Financial
Sector

Company Information

Board of Directors	Mr. Muhammad Yousuf Amanullah Mr. Muhammad Kamran Nasir Mr. Shahab Anwar Khawaja Mr. Iftikhar Ahmad Rao Mr. Munir Hassan Taher Mr. Khusro Iqbal Mumtaz Mr. Abdul Hamid Mihrez Ms. Shireen Raza	Chairman Chief Executive Officer Independent Director Independent Director Non-Executive Director Non-Executive Director Non-Executive Director
Audit Committee	Mr. Shahab Anwar Khawaja Mr. Munir Hassan Taher Mr. Khusro Iqbal Mumtaz Ms. Shireen Raza	Chairman
Risk Management Committee	Mr. Khusro Iqbal Mumtaz Mr. Muhammad Kamran Nasir Mr. Muhammad Yousuf Amanullah Mr. Abdul Hamid Mihrez	Chairman
Human Resource & Remuneration Committee	Mr. Iftikhar Ahmed Rao Mr. Muhammad Kamran Nasir Mr. Muhammad Yousuf Amanullah Mr. Khusro Iqbal Mumtaz	Chairman
Chief Financial Officer	Mr. Fahad Muslim	
Company Secretary	Mr. Syed Sufyan Ahmed	
External Auditor	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi 75530, Pakistan.	
Internal Auditor	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.	

Company Information

Bankers

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

Legal Advisors

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

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

Share Registrar

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

Registered Office

17th/18th Floor, The Center, Plot No. 28, S.B.5,
Abdullah Haroon Road, Karachi, Pakistan
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Directors' Report

We are pleased to present the unaudited, condensed interim financial information of JS Global Capital Limited ("the Company") for the six months ended June 30, 2020.

The summarized results are set out below:

	Six months ended June 30, 2020	Six months ended June 30, 2019
	-----Rupees-----	
Profit before tax	95,881,479	25,178,476
Profit after tax	61,381,202	5,423,849
Earnings per share	2.01	0.14

THE ECONOMY

During the six months ending June 30th, 2020, some fresh and unprecedented challenges surfaced for the government, including those pertaining to the novel Coronavirus pandemic. Economic activity has naturally suffered as a result of ensuing lockdowns, with both the government and IMF substantially reducing FY20 GDP forecasts. Similarly, large scale manufacturing activity which was already heading towards a decline in Jul-2019 to Mar-2020 owing to the stabilization measures (down by 5.40 percent) plunged by 41.89 percent in Apr-2020, the first month of lockdown.

The State Bank of Pakistan (SBP) has announced various measures to boost economic activity and provide support to the masses. Perhaps the most significant impetus from the central bank is a cumulative 625 basis points reduction in benchmark interest rates down to 7.00 percent during the six months period. The central bank has also provided an infrastructure for cheap financing to companies to prevent layoff of workers during the pandemic, which is a commendable and timely gesture. Additionally, the SBP has also provided loan facility to the healthcare sector amid the pandemic while charges on digital payments have been waived to encourage electronic transactions.

The government for its part announced a pandemic relief package worth over PKR1 trillion to help the masses suffering economically due to the pandemic. A construction package has also been announced to boost economic activity, with a special subsidy of PKR 0.3 million each for the first 100,000 houses built under the low cost housing scheme.

During the period, the government has been successful in further arresting the current account deficit, limiting it to USD 3.0 billion for FY20. Finally, workers' remittances during the year have clocked-in at USD 23.12 billion, the highest ever, contrary to expectations of a decline owing to potential job losses for overseas Pakistanis amid the slowdown.

Equity Capital Markets

The KSE-100 started off the 6 month period under review on a positive note with a 2.2 percent return in January. However, the index experienced severe pressure in the following two months, losing nearly 30 percent by end of March compared to end of January as fears of the outcome of Covid-19 gripped most major international markets. The index has recovered spectacularly since, gaining 17.8 percent in the second quarter (16.7 percent in April alone) to close the period at 34,422 points, compared to 40,735 points at 31-December-2019, a cumulative decline of 15.5 percent for the six months.

Activity at the local bourse rebounded as volumes improved by 57.3 percent compared to the same period last year as valuations became extremely attractive. Cements (+16 percent) led the rally, spurred by news of the federal government's construction package. Technology stocks (+17 percent) were also among the top performers, as Covid-19 raised the possibility of a paradigm shift in the global scenario (potential increases in working from home and remote locations), increasing the demand potential for IT companies. Similarly, Pharmaceuticals posted strong performance (+15 percent) amid the pandemic.

FOREIGN EXCHANGE MARKET

During Jan-2020 USD/PKR traded at 154.87 as compared to 138.90 in the corresponding month last year.

Directors' Report

During this period PKR depreciated more than 10.31%. Highest USD/PKR parity was witnessed at 168.25 in Jun-2020 and lowest parity was at 154.16 in Feb-2020 whereas June closing was at 165.49.

The average SWAP in Jan-2020 for 1 month, 3 month & 6 month were at PKR 1.37, PKR 3.45, and PKR 6.30 paisa respectively. During 1HCY20SWAPs witnessed a downward trend and decreased significantly in the month of Apr- 2020. In Apr-2020, the average SWAPs traded at PKR 0.6, PKR 1.65 and PKR 3.10. This decline can be attributed to escalated demand of dollar and a sharp cut in discount rate.

Estimates suggest that the GDP growth contracted to negative 0.38 percent for outgoing fiscal year against pre-COVID-19 estimates of growth of about 2.5 percent. The provisional GDP growth estimate for FY20 is based on 2.67, -2.64 and -0.59 percent growth in agricultural, industrial and services sectors, respectively.

MONEY MARKET

The SBP surprised the money market by bringing policy rate down by a cumulative 625bps to 7.0% through five MPC meetings. The T-bill cut-off rates remained at 6.85%, 6.66% & 6.85% in 3M, 6M and 12M tenors in the last auction. Meanwhile the cut-off rates for PIBs were 7.97%, 8.44%, and 8.99% in 3Y, 5Y and 10Y tenors, respectively. SBP continued to raise funds in 15Y and 20Y tenors at cut-off rates of 9.90% and 10.51% respectively. The central bank also borrowed through floater PIB at weighted average spreads (over 6-month T-bill) of +0.45%, +0.49% & +0.70% in 3Y, 5Y & 10Y respectively.

Additionally, SBP conducted three auctions of GoP Ijarah sukuk floater that attracted healthy investor participation. Against the total target of PKR225 billion, SBP accepted PKR196bn at a weighted average spread (over 6M T-bill) of -1.25% in first auction and -0.10% in second & third auctions. Inflation averaged at 10.23% for FY20 and is likely to drop to around 7% in FY21.

COMMODITIES MARKET

Overall the Pakistan Mercantile Exchange (PMEX) remained shrouded during the six months under review, particularly during the quarter ended June-2020 as global commodity markets faced intense pressure owing to the Coronavirus pandemic. Volumes did not face as drastic a reduction as might have been initially anticipated, declining by 4.7 percent in 1HCY20 compared to the same period last year. On the other hand, value traded contracted by 30.7 percent over the same period, which was partly attributable to the decline in trading activity of high value contracts such as NSDQ100, DJ and CRUDE1000.

In the turbulent 1HCY20, JSGCL faced a decline in value traded of 29.4 percent whereas volumes contracted by 18.5 percent compared to the same period last year. A drop in volumes in crude oil contracts was unavoidable, given the massive plunge in oil prices during the period. On the other hand, increased trading in smaller gold contracts helped cushion the decline in value traded. Going forward, as fears of the pandemic subside, the second half of 2020 should offer a more stable environment for the commodity market.

THE BOARD

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. The names of Board members and members of subcommittees are as follows;

BOARD OF DIRECTORS

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

Directors' Report

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 61.38 million for the six months ended June 30, 2020 vis-a-vis net income of PKR 5.42 million in the comparative period last year clocking an increase of 1032% over the same period. Operating revenue of the Company increased by 51% over the same period last year. On the cost front, the Company incurred PKR 264 million (down 6.26% YoY) 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 2.01 against EPS of Rs. 0.14 for the corresponding period last year, reflecting an increase of 1335.71%. 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.

Despite ongoing market-related challenges and the country's economic Condition, the Company is focused on maintaining its growth momentum in the long run. Management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage and fee-based operations and treasury management.

ACKNOWLEDGEMENT

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

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

Chief Executive Officer

Director

Date: August 19, 2020

ڈائریکٹرز رپورٹ:

رسک مینجمنٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب خسرو اقبال ممتاز
2	جناب محمد کامران ناصر
3	جناب محمد یوسف امان اللہ
4	جناب عبدالحمید مہریر

جائزہ برائے کمیٹی کارکردگی

کمیٹی نے اختتام 30 جون 2020ء کو چھ ماہ کیلئے مجموعی 61.38 ملین پاکستانی روپے کی آمدنی حاصل ہوئی جبکہ گزشتہ سال کی اسی مدت میں مجموعی آمدنی 5.42 ملین ہوئی 1032% کا اضافہ کرتے ہوئے۔ کمیٹی کا فعال ریونیو گزشتہ سال کی اسی مدت پر 51% سے بڑھ گیا۔ لاگت کے حوالے سے کمیٹی نے مذکورہ مدت کیلئے انتظامی اور فعال اخراجات کی مد میں 264 ملین پاکستانی روپے (YoY 6.26% نیچے) برداشت کیے۔ مذکورہ مدت کیلئے کمیٹی کی آمدنی فی شیئر (ای پی ایس) 2.01 پاکستانی روپے رہی گزشتہ سال کی روواں مدت میں 0.14EPS رہا جو 1335.71% کے اضافے کی عکاسی کرتا ہے۔ منافع میں اضافہ کا براہ راست سبب صرفہ بازار میں زیر جائزہ مدت کے دوران نمایاں طور پر زیادہ اضافی حجم ہے۔ نسبت گزشتہ سال کی اسی مدت کے مقابلے میں۔

بازار سے متعلق رواں مشکلات اور ملک کی معاشی حالت کے باوجود، کمیٹی کی توجہ اس کی مستقل پیداواری استعداد پر مرکوز ہے۔ انتظامیہ اپنے حصص یافتگان کیلئے زیادہ منافع کے حصول کی پوری طرح تگمائی کر رہی ہے۔ اس میں بروکریج سے ریونیو کی پیداوار کو بہتر اور فیس کی بنیاد پر افعال اور مالی انتظامات شامل ہیں۔

توثیق

ہم اپنے ملازمین کی لگن اور محنت، اور اپنے منوبکلیں، کاروباری شراکت داران اور حصص یافتگان کا ان کی حمایت اور اعتماد کو بڑھانے کے لیے کام کر رہے ہیں۔

ہم سیورٹیز اینڈ ایگزیکیوٹو کمیٹی آف پاکستان (SECP)، سینٹرل ڈپوزیٹری کمیٹی آف پاکستان (CDC)، نیشنل کلیئرنگ کمیٹی لمیٹڈ (NCCPL) اور پاکستان اسٹاک ایکسچینج لمیٹیڈ (PSX) کی جانب سے کیپٹل مارکیٹ کو مضبوط کرنے کی ان کی کوششوں اور سرمایہ کار کے حقوق کا تحفظ کرنے کیلئے ان کے کاموں کو تسلیم کرتے ہیں۔

مخائب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 19 اگست 2020

ڈائریکٹرز رپورٹ:

بورڈ

بورڈ کی تین ذیلی کمیٹیاں ہیں جس میں شامل ہیں آڈٹ کمیٹی، رسک مینجمنٹ کمیٹی اور کمیٹی برائے انسانی وسائل و معاوضہ جات، جو زیرِ غور مدت کے دوران اس کے افعال کی انجام دہی میں بورڈ کی معاونت کرتی ہیں۔ بورڈ کے ممبران اور ذیلی کمیٹی کے ممبران درج ذیل ہیں:-

بورڈ کے ڈائریکٹرز

نمبر شمار	نام ڈائریکٹر
1	جناب محمد یوسف امان اللہ
2	جناب محمد کامران ناصر (سی ای او)
3	جناب منیر حسن طاہر
4	جناب عبدالحمید مہر یز
5	جناب خسرو اقبال ممتاز
6	مسماۃ شیریں رضا
7	جناب افتخار احمد راؤ
8	جناب شہاب انور خواجہ

آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب شہاب انور خواجہ
2	جناب خسرو اقبال ممتاز
3	جناب منیر حسن طاہر
4	مسماۃ شیریں رضا

انسانی وسائل اور معاوضہ جاتی کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب شہاب انور خواجہ
2	جناب خسرو اقبال ممتاز
3	جناب منیر حسن طاہر
4	مسماۃ شیریں رضا

ڈائریکٹرز رپورٹ:

مقامی صرافہ مارکیٹ میں سرگرمی دوبارہ بحال ہوئی جیسا کہ حجم 57.3 فیصد سے بڑھ گیا یہ نسبت گزشتہ سال کی اسی مدت کے مقابلے میں جیسا کہ تخمینہ جات انتہائی پرکشش رہے۔ سینٹ (16+ فیصد) بحال ہوئی، وفاقی حکومت کے تعمیراتی پیکیج کی خبر سے اضافہ ہوا۔ ٹیکنالوجی اسٹاک (17+ فیصد) بھی نمایاں کارکردگی انجام دینے والوں میں شامل تھا، جیسا کہ کوویڈ-19 نے عالمی منظر نامہ (گھراور دور مقامات پر کام کرنے میں زیادہ اضافہ) میں مثالی تبدیلی کے امکان کو بڑھا دیا۔ IT کمپنیوں کے مطالبے کی صلاحیت میں اضافہ اور اسی طرح دوساز نے وبائی بیماری کے درمیان مضبوط کارکردگی (15+ فیصد) پوسٹ کی۔

بیرونی زرمبادلہ مارکیٹ

جنوری 2020 کے دوران امریکی ڈالر/پاکستانی روپے نے 154.87 پر تجارت کی جبکہ گزشتہ سال کی اسی مدت میں 138.90 تھا۔ اس مدت کے دوران پاکستانی روپے کی قدر میں 10.31% کمی ہوئی۔ جون 2020ء میں امریکی ڈالر/پاکستانی روپے کی مسابقت 168.25 پر تھی اور فروری 2020ء میں کم ترین مسابقت 154.16 تھی جبکہ جون کا اختتام 165.49 پر ہوا۔

جنوری 2020ء میں اوسط SWAP 1 ماہ، 3 ماہ اور 6 ماہ کیلئے بالترتیب پاکستانی روپے 1.37، پاکستانی روپے 3.45، اور 6.30 پیسہ پر تھے۔ اس مدت کے دوران SWAP میں کمی کا رجحان رہا اور اپریل 2020ء میں نمایاں طور پر کمی ہوئی۔ اپریل 2020ء میں اوسط SWAP 0.6 پاکستانی روپے، اور 1.65 پاکستانی روپے اور 3.10 پاکستانی روپے پر تجارت ہوئی۔ اس کمی کا تعلق ڈالر کی زیادہ طلب اور شرح رعایت میں زیادہ کمی سے ہو سکتا ہے۔

بازار حصص

ایس بی پی نے پالیسی ریٹ میں مجموعی طور پر کمی کرتے ہوئے بذریعہ ایم پی سی اجلاس 625 پی بی ایس سے 7.0% فیصد تک کر کے بازار حصص کو حیران کر دیا۔ ٹی بی ایل کے کٹ آف ریٹ گزشتہ تین ماہوں میں 13، 16، 12 ایم اور 12 ایم کی بقیہ مدت میں 6.85%، 6.66% اور 6.85% پر رہے۔ تاہم پی بی پی کیلئے کٹ آف ریٹس بالترتیب 5Y، 3Y اور 10Y کی بقیہ مدت میں 7.97%، 8.44% اور 8.99% تھے۔ ایس بی پی نے 15Y اور 20Y کی بقیہ مدت میں بالترتیب 9.90% اور 10.51% کے کٹ آف ریٹ پر فنڈ ز جمع کرنا جاری رکھا۔ سینٹرل بینک نے فلوئڈ پی آئی بی کے ذریعے 3Y، 5Y اور 10Y میں بالترتیب 0.45%، 0.49% اور 0.70% مجموعی اوسط ایورٹنچ اسپرڈ (6 ماہ کے ٹی بی ایل) پر قہر ضمایا۔

اس کے علاوہ، ایس بی پی نے حکومت پاکستان کے اجراء سکوک فلوئڈ کی تین بیلامیاں انجام دیں جس نے سرمایہ کاری شراکت پر مائل کیا، PKR 225 billion کے کل ہدف کے خلاف، ایس بی پی نے PKR 196 billion کو پہلی نیلامی میں 1.25% اور دوسری اور تیسری نیلامی میں 0.10% کے اوسط پھیلاؤ (over 6M T-Bill) پر قبول کیا۔ مالی سال میں افراط زر کی اوسط 10.23 فیصد ہے اور امکان ہے کہ مالی سال 21 میں یہ 7 فیصد کے قریب چلے جائے گی۔

کمبوڈی مارکیٹ کا جائزہ

زیر نظر چھ ماہ کے دوران مجموعی طور پر پاکستان مرکٹفائل آپیکس (PMEX) چلی سٹح پر رہا۔ خصوصاً سہ ماہی اختتام جون 2020 کے دوران جیسا کہ عالمی اجناس منڈی نے کووڈ وبا کے باعث شدید باؤ کا سامنا کیا۔ حجم کو اتنی سختی کا سامنا نہیں ہوا جیسا کہ ابتداء میں توقع تھی، 1HCY20 میں 4.7 فیصد نیچے جاتے ہوئے یہ نسبت گزشتہ سال کی اسی مدت کے مقابلے میں - دوسری جانب، اسی مدت میں کل تجارت 30.7 فیصد تک کم ہوئی جو کہ زیادہ اہم معاہدات میں تجارتی سرگرمیاں کم ہونے کے باعث ہے جیسا کہ DJ-NSDQ 100 اور CRUDE 1000۔

ہنگامہ خیز 1HCY20 میں، جے ایس جی سی ایل نے 29.4 فیصد کی ویلیو ٹریڈ میں گراؤ کا سامنا کیا جبکہ حجم 18.5 فیصد کم ہوا یہ نسبت گزشتہ سال کی اسی مدت کے دوران - خام تیل معاہدات کے حجم میں کمی ناگزیر تھی جس سے تیل کی قیمتوں میں بڑے پیمانے پر کمی ہوئی۔ دوسری جانب سونے کے چھوٹے معاہدات میں بڑھتی ہوئی تجارت نے ویلیو ٹریڈ میں گراؤ کم کرنے میں مدد دی۔ آگے بڑھتے ہوئے جیسا کہ وبائی خوف میں کمی ہونے سے 2020 کے ثانوی نصف کو اجناس منڈی میں زیادہ مستحکم ماحول پیش کرنا چاہئے۔

ڈائریکٹرز رپورٹ:

جے ایس گلوبل کپینٹل ("کپینی") کی غیر آڈٹ شدہ، جامع عبوری مالیاتی تفصیلات پیش کرتے ہوئے ہمیں خوشی ہے۔

اقتصادی نتائج درج ذیل ہیں:

ششماہی مدت ختمہ 30 جون 2020	ششماہی مدت ختمہ 30 جون 2019	
95,881,479	25,178,476	منافع قبل از ٹیکس
61,381,202	5,423,849	منافع بعد از ٹیکس
2.01	0.14	فی شخص آمدن

معیشت

30 جون 2020ء کو اختتام ہونے والے چھ ماہ کے دوران حکومت کو کچھ نئے اور غیر متوقع مشکلات درپیش رہیں، جس میں نو ویل کورونا کی وبا شامل ہے۔ معاشی سرگرمی متواتر لاک ڈاؤن کے نتیجے میں قدرتی طور پر متاثر ہوئیں، بشمول حکومت اور آئی ایم ایف دونوں کا فی حد تک FY20 جی ڈی پی پیش گوئی کو کم کرتے ہوئے۔ اسی طرح بڑے پیمانے پر پیداواری سرگرمی جو کہ جولائی 2019 سے مارچ 2020 تک مستحکم اقدامات (5.40 فیصد سے نیچے) کے باعث پہلے سے زوال پذیر تھی جو کہ لاک ڈاؤن کے پہلے ماہ میں اپریل 2020ء میں 41.89 فیصد رہی۔

اسٹیٹ بینک آف پاکستان (ایس بی پی) نے معاشی سرگرمی میں تیزی لانے اور آبدی کو معاف فرام کرنے کے لئے بیشتر اقدامات کا اعلان کیا۔ شاید سینٹرل بینک سے سب سے زیادہ نمایاں سبب بیچ مارک انٹرسٹ ریٹ میں مجموعی 625 کے بنیادی پوائنٹس کی کمی ہے جو چھ ماہ کے دوران 7.00 فیصد ہو گیا۔

سینٹرل بینک نے سستی مالیاتی کمپنیوں کیلئے وباء کے دوران ملازمین کو بیدخل سے بچانے کیلئے ایک بنیادی ڈھانچہ بھی فراہم کیا جو قابل ستائش اور برکت اقدام ہے۔ مزید یہ کہ، ایس بی پی نے صحت کے شعبہ کو دوران وباء قرضہ کی سہولیت بھی فراہم کی اور مواصلاتی لین دین کی حوصلہ افزائی کیلئے ڈیجیٹل ادائیگیوں پر واجبات میں چھوٹ دی گئی۔

حکومت نے اپنی جانب سے معاشی طور پر وباء سے متاثرہ آبادی کی مدد کیلئے 1 ٹریلین پاکستانی روپے کے وبائی پیکیج کا اعلان کیا۔ معاشی سرگرمی تیز کرنے کیلئے 0.3 ملین پاکستانی روپے کی خصوصی مراعات کے ساتھ ایک ترقیاتی پیکیج کا بھی اعلان کیا گیا جو ہر ایک 100,000 گھروں کیلئے کم قیمت ہاؤسنگ اسکیم کے تحت تعمیر ہونے والے گھروں کیلئے ہے۔

اس عرصہ کے دوران، مزید مالی خسارہ گرفت میں رکھنے کیلئے FY20 کیلئے اس کو 3.0 بلین تک محدود کرتے ہوئے حکومت کا میاب رہی۔ بالآخر، ملازمین کے بقایا جات دوران سال 23.12 بلین امریکی ڈالر تک پہنچ گئے، جو پہلے سے کہیں زیادہ ہے جو سست روی کے دوران بیرون ملک پاکستانیوں کی مکمل بے روزگاری کے باعث زوال کی توقعات کے برعکس ہے۔

ایکیویٹی کپینٹل مارکیٹ

کے ایس ای 100 نے 6 ماہ کی زیرجا مدت کا آغاز جنوری میں 2.2 فیصد ریٹرن کی مثبت علامت کے ساتھ کیا۔ تاہم، انڈیکس کو گزشتہ دو ماہ میں مارچ کے اختتام پر تقریباً 30 فیصد نقصان اٹھاتے ہوئے شدید وباؤ کا سامنا رہا نسبت جنوری کے اختتام چھ ماہ کو واپس 19 کی وباء کے خوف نے زیادہ تر بڑی بین الاقوامی مارکیٹوں کو گرفت میں لیا۔ انڈیکس نے شاندار طریقے سے وصولیابی کی جیسا کہ دوسری سہ ماہی میں 17.8 فیصد (16.7 فیصد صرف اپریل میں) حاصل کرتے ہوئے اس مدت کو 34,422 پوائنٹس پر بند کرنے کیلئے نسبت 31 دسمبر 2019 کے 40,735 پوائنٹس کے مقابلے میں جو کہ چھ ماہ کی مدت کیلئے 15.5 فیصد کی ایک مجموعی کمی ہے۔

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** as at **30 June 2020**, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended 30 June 2020 and 30 June 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2020.

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 interim financial statements 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 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants

Date: 24 August 2020

Karachi



Financial Statements

Condensed Interim Statement of Financial Position (Un-audited) As at June 30, 2020

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
Note	(Rupees)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital: 150,000,000 (December 31, 2019: 150,000,000) ordinary shares of Rs.10 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	305,570,000	305,570,000
Share premium	1,810,104,900	1,810,104,900
Unrealised gain on revaluation of investments at fair value through other comprehensive income	1,904,379	5,510,021
Unappropriated profit	173,748,793	112,367,591
	2,291,328,072	2,233,552,512
LIABILITIES		
Non-current liabilities		
Liability against assets subject to finance lease	22,354,897	227,454,320
Current liabilities		
Creditors, accrued expenses and other liabilities	1,444,976,284	1,602,615,025
Unclaimed dividend	3,361,843	3,361,843
Current maturity of liability against assets subject to finance lease	8,863,323	24,870,804
	1,457,201,450	1,630,847,672
	3,770,884,419	4,091,854,504
Contingencies and commitments	8	

The annexed notes 1 to 27 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited) As at June 30, 2020

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
Note	----- (Rupees) -----		
ASSETS			
Non-current assets			
Property and equipment	9	663,739,445	518,456,550
Intangible assets	10	14,510,522	14,512,810
Long term investments	11	115,428,391	130,098,199
Long term loans and deposits		33,146,617	32,478,602
Deferred taxation - net	12	118,581,332	121,366,133
		945,406,306	816,912,294
Current assets			
Short term investments	13	125,958,888	518,531,954
Trade debts	14	439,764,754	515,709,758
Receivable against margin finance		143,201,465	315,474,761
Loans and advances - considered good	15	20,040,074	17,967,996
Short-term deposits and prepayments		299,517,813	552,876,081
Interest and mark-up accrued	16	4,039,571	14,953,123
Other receivables		3,605,121	4,308,396
Advance tax		132,530,621	132,062,405
Cash and bank balances	17	1,656,819,806	1,203,057,736
		2,825,478,113	3,274,942,210
		3,770,884,419	4,091,854,504

The annexed notes 1 to 27 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the six months ended June 30, 2020

	Note	Six months ended		Three months ended	
		June 30, 2020 (Un-audited) ----- (Rupees) -----	June 30, 2019 (Un-audited) -----	June 30, 2020 (Un-audited) ----- (Rupees) -----	June 30, 2019 (Un-audited) -----
Operating revenue	18	233,708,697	154,696,056	110,161,965	74,487,199
Capital gain on sale of investments - net		15,403,745	10,946,006	4,961,007	3,539,161
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		1,596,412	(4,782,466)	1,596,412	(11,570,856)
Unrealised (loss) / gain on remeasurement of derivatives at fair value through profit or loss - net		(1,531,160)	5,277,481	(1,531,160)	9,148,210
Dividend income		9,409,516	56,650,085	10,016	31,687,876
Margin finance income		21,069,345	23,647,082	5,028,745	10,786,816
		<u>279,656,555</u>	<u>246,434,244</u>	<u>120,226,985</u>	<u>118,078,406</u>
Administrative and operating expenses		<u>(264,003,369)</u>	<u>(281,648,608)</u>	<u>(131,306,639)</u>	<u>(141,245,336)</u>
		15,653,186	(35,214,363)	(11,079,654)	(23,166,929)
Other operating income - net		94,280,798	81,151,257	57,882,933	47,309,785
		109,933,984	45,936,894	46,803,279	24,142,856
Provision for Sindh Workers' Welfare Fund		(1,956,765)	(513,846)	(653,819)	(245,048)
Finance cost	19	(12,095,740)	(20,244,571)	(2,112,336)	(11,890,432)
Profit before taxation		95,881,479	25,178,476	44,037,124	12,007,375
Taxation - current		(31,188,280)	(14,706,001)	(6,244,440)	(8,321,570)
- prior		-	(4,941,818)	-	(2,470,909)
- deferred		(3,311,997)	(106,808)	(8,394,947)	1,439,614
	20	(34,500,277)	(19,754,627)	(14,639,387)	(9,352,865)
Profit after taxation		<u>61,381,202</u>	<u>5,423,849</u>	<u>29,397,737</u>	<u>2,654,510</u>
Earnings per share - basic and diluted	21	<u>2.01</u>	<u>0.14</u>	<u>0.96</u>	<u>0.07</u>

The annexed notes 1 to 27 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 six months ended June 30, 2020

	Six months ended		Three months ended	
	June 30, 2020 (Un-audited) ----- (Rupees)	June 30, 2019 (Un-audited) ----- Rupees	June 30, 2020 (Un-audited) ----- Rupees	June 30, 2019 (Un-audited) ----- Rupees
Profit for the period	61,381,202	5,423,849	29,397,737	2,654,510
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently	-	-	-	-
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period	(5,683,619)	(1,255,683)	4,405,906	(7,512,070)
Less: Related tax	762,905	51,300	62,131	306,900
	(4,920,714)	(1,204,383)	4,468,037	(7,205,170)
Items that may be reclassified to statement of profit or loss subsequently				
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period	1,547,144	(395,004)	807,100	367,682
Less: Related tax	(232,072)	59,251	(121,065)	(55,152)
	1,315,072	(335,753)	686,035	312,530
Total comprehensive income / (loss) for the period	57,775,560	3,883,713	34,551,809	(4,238,130)

The annexed notes 1 to 27 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 six months ended June 30, 2020

	Reserves					Total
	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain / (loss) on reevaluation of available-for-sale / fair value through other comprehensive income investments - net	Revenue reserve Unappropriated profit	Sub-total	
	(Rupees)					
Balance as at 31 December 2018 as previously reported	380,070,000	1,810,104,900	8,158,847	410,067,028	2,228,330,775	2,608,400,775
Impact of initial application of IFRS 9				(13,658,916)	(13,658,916)	(13,658,916)
Impact of deferred tax				3,961,086	3,961,086	3,961,086
Adjusted Balance as at January 01, 2019	380,070,000	1,810,104,900	8,158,847	400,369,198	2,218,632,945	2,598,702,945
Total comprehensive income for the period						
Profit for the six months ended June 30, 2019	-	-	-	5,423,849	5,423,849	5,423,849
Other comprehensive loss - net of tax	-	-	(1,540,136)	-	(1,540,136)	(1,540,136)
Total comprehensive income for the period	-	-	(1,540,136)	5,423,849	3,883,713	3,883,713
Balance as at June 30, 2019	380,070,000	1,810,104,900	6,618,711	405,793,047	2,222,516,658	2,602,586,658
Total comprehensive income for the period						
Profit for the six months ended December 31, 2019	-	-	-	41,824,544	41,824,544	41,824,544
Other comprehensive loss - net of tax	-	-	(1,108,690)	-	(1,108,690)	(1,108,690)
Total comprehensive income for the period	-	-	(1,108,690)	41,824,544	40,715,854	40,715,854
Transactions with owners recognised directly in equity						
Buy back of 7,450,000 shares having face value of Rs.10 each at a price of Rs.55 each	(74,500,000)	-	-	-	-	(74,500,000)
Amount paid in excess of face value of 7,450,000 shares	-	-	-	(335,250,000)	(335,250,000)	(335,250,000)
Balance as at December 31, 2019	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 period						
Profit for the six months ended June 30, 2020	-	-	-	61,381,202	61,381,202	61,381,202
Other comprehensive loss - net of tax	-	-	(3,605,642)	-	(3,605,642)	(3,605,642)
Total comprehensive income for the period	-	-	(3,605,642)	61,381,202	57,775,560	57,775,560
Balance as at June 30, 2020	305,570,000	1,810,104,900	1,904,379	173,748,793	1,985,758,072	2,291,328,072

The annexed notes 1 to 27 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Cash Flow (Un-audited)

For the six months ended June 30, 2020

	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	95,881,479	25,178,476
Adjustments for:		
Depreciation	23,118,211	17,993,327
Depreciation of right-of-use assets	18,660,270	20,559,670
Amortisation of intangible assets	2,288	35,961
Gain on sale of property and equipment	(3,526,667)	(4,419,221)
Gain on termination of lease	(19,755,341)	-
Unrealised (gain) / loss on remeasurement of investments at fair value through profit or loss - net	(1,596,412)	4,782,466
Unrealised (loss) / gain on remeasurement of derivatives at fair value through profit or loss - net	1,531,160	(5,277,481)
Provision for Sindh Workers' Welfare Fund	1,956,765	513,846
Finance cost	12,095,740	20,244,571
	32,486,014	54,433,139
Cash generated from operating activities before working capital changes	128,367,493	79,611,615
Decrease / (increase) in current assets		
Trade debts	75,945,004	264,488,692
Receivable against margin finance	172,273,296	65,016,045
Loans and advances	(2,072,078)	(4,047,793)
Short-term deposits and prepayments	253,358,268	80,802,056
Interest and mark-up accrued	10,913,552	(422,668)
Other receivables	(627,885)	41,741,627
	509,590,157	447,577,959
(Decrease) / increase in current liabilities		
Creditors, accrued expenses and other liabilities	(136,367,011)	(109,828,608)
Cash generated from operations	501,590,639	417,360,966
Finance cost paid	(22,039,187)	(5,351,844)
Taxes paid	(31,652,864)	(33,790,420)
Net cash generated from operating activities	447,898,589	378,218,702
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(18,815,843)	(68,935,003)
Advance against purchase of property	(374,422,500)	-
Proceeds from disposal of property and equipment	3,537,716	5,875,786
Long term loans, advances and deposits	(668,015)	(2,737,985)
Addition to intangible assets	-	-
Long term investments - net	7,060,183	5,366,667
Short term investments - net	394,169,478	791,889,399
Net cash generated from investing activities	10,861,019	731,458,864
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(4,997,538)	(30,657,128)
Net cash used in financing activities	(4,997,538)	(30,657,128)
Decrease in cash and cash equivalents during the period	453,762,070	1,079,020,438
Cash and cash equivalents at the beginning of the period	1,203,057,736	1,571,601,448
Cash and cash equivalents at the end of the period	1,656,819,806	2,650,621,886

The annexed notes 1 to 27 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

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 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 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 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 (2019: eight) in seven cities of Pakistan.
- 1.4 During the period, the board of directors of the company held in their meeting held on February 20, 2020 authorized the management of the Company to conduct detailed due diligence, work out share value and appoint an advisor / consultant for the purpose to participate in the process of acquisition of upto 77.12% of the total issued paid up share capital of BIPL Securities Limited

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);
- 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.

The disclosures in these condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2019.

2.2 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.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of 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, 2019.

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, 2019.

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, 2020 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.

3.2 Standards, Interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

Standard or Interpretation

Effective date (annual periods beginning on or after)

- Covid-19-Related Rent concessions - Amendment to IFRS 16	June 01, 2020
- Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
- Sale or Contribution of assets between an investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards

IASB Effective date (annual periods beginning on or after)

- IFRS-1 - First-time Adoption of International Financial Reporting Standards	July 01, 2014
- IFRS-17 - Insurance Contracts	January 01, 2023

4. 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, 2019.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

5.1 Pattern of shareholding

June 30, 2020	December 31, 2019		June 30, 2020	December 31, 2019
Number of shares		Particulars / name of the shareholders	Percentage of holding	
25,525,169	25,525,169	JS Bank Limited	83.53%	83.53%
		Kamco Investment Company K.S.C.P (formerly Global Investment House, Kuwait)	7.72%	7.72%
2,358,551	2,358,551	Others	7.58%	7.53%
2,315,416	2,300,916	Insurance company	1.11%	1.11%
340,323	340,323	Joint stock companies	0.06%	0.11%
17,541	32,041			
30,557,000	30,557,000		100%	100%

- 5.1.1 Kamco Investment Company K.S.C.P is a major foreign shareholder holding 7.72% (2019: 7.72%) of paid up capital in the company. The Chief Executive Officer of the company is Mr. Faisal Mansoor Ebrahim Hassan Muhammad Sorkhou.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
6. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE	Note	(Rupees)	
	9.2.1	22,354,897	227,454,320

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
7. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Rupees)	
Trade creditors	7.1	1,211,387,252	1,384,491,188
Accrued expenses		41,159,297	41,646,010
Staff Provident Fund		2,203,364	2,372,570
Provision for staff bonus		12,117,950	17,000,000
Provision for Workers' Welfare Fund		31,130,499	29,177,754
Others		146,977,922	127,927,503
	7.2	1,444,976,284	1,602,615,025

- 7.1 This includes payables to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.071 (2019: Rs.0.131) million and Rs.251.011 (2019: Rs.327.858) million respectively in respect of trading in securities, settled subsequent to the period end.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

7.2 Included herein is a sum of Rs. 1.608 (2019: Rs.5.604) million payable to related parties.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no outstanding contingencies as at June 30, 2020 (2019: Nil) other than tax contingencies disclosed in note 20 of these condensed interim financial statements.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----	
8.2 Commitments			
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		<u>97,075,960</u>	<u>493,102,995</u>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 25, 2021		<u>400,000,000</u>	<u>400,000,000</u>
Outstanding settlements against margin financing contracts - net		<u>(6,186,845)</u>	<u>5,304,801</u>
Outstanding against purchase of property		<u>374,422,500</u>	<u>-</u>
Outstanding against capital expenditure		<u>91,584,112</u>	<u>89,678,479</u>
9. PROPERTY AND EQUIPMENT	Note		
Operating assets	9.1	<u>257,751,851</u>	<u>262,065,268</u>
Capital work in progress	9.2.1	<u>374,422,500</u>	<u>-</u>
Right-of-use assets	9.2	<u>31,565,094</u>	<u>256,391,283</u>
		<u>663,739,445</u>	<u>518,456,551</u>
9.1 Movement in operating assets - owned			
Book value at beginning of the period / year		<u>262,065,268</u>	<u>60,518,917</u>
Cost of additions during the period / year	9.1.1	<u>18,815,843</u>	<u>246,899,747</u>
Book value of deletions during the period / year		<u>(11,049)</u>	<u>(2,022,262)</u>
Depreciation charge for the period / year		<u>(23,118,211)</u>	<u>(43,331,135)</u>
Book value at end of the period / year		<u>257,751,851</u>	<u>262,065,268</u>
9.1.1 Details of additions during the period / year			
Office equipment		<u>1,964,371</u>	<u>27,451,292</u>
Leasehold improvements		<u>16,721,612</u>	<u>196,148,414</u>
Office furniture		<u>-</u>	<u>23,300,041</u>
Motor vehicle		<u>129,860</u>	<u>-</u>
		<u>18,815,843</u>	<u>246,899,747</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

9.1.2 Book value of deletions during the period / year:	Note	June 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
Office equipment		(11,047)	(167,308)
Motor vehicle		(2)	(1,854,954)
		(11,049)	(2,022,262)

9.2 Right-of-use assets

Head office and branches	9.2.1	31,565,094	256,391,283
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9.2.1 During the period, the Company entered into an 'agreement to sale' with JS Lands (Private) Limited (a related party), after obtaining shareholders' approval in Annual general meeting held on April 22, 2020, whereby, the Company agrees to acquire certain properties at an estimated cost of Rs.748.5 million (out of which Rs. 374.423 million has been paid during the period), subject to completion of certain work as explained in the exhibit of 'agreement to sale'. Up till the previous reporting period, such properties were accounted for under IFRS 16 'Leases', as the same were on rental basis. However, pursuant to the aforementioned agreement, the Company has now reassessed the situation and modified the lease term in view of expected date of transfer of ownership which is estimated to be materialized by end of August 2020. Accordingly, the right of use asset, earlier recorded has been reduced by Rs. 206.165 million, with corresponding liability reduced by Rs. 225.932 million. Consequently, the Company has recognised Rs. 19.766 million as gain on lease modification during the period (which is included in other operating income).

10. INTANGIBLE ASSETS	Note	June 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	10.1	5,727,330	5,727,330
Less: Impairment	10.2	(3,227,330)	(3,227,330)
		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		15	2,303
Advance against acquisition of software	10.3	9,510,507	9,510,507
		14,510,522	14,512,810

10.1 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.

10.2 During the year ended December 31, 2019 PSX has determined that the notional value of transferable TRE Certificate shall be taken at Rs.2.5 million for the purpose of Base Minimum Capital (BMC) Requirement. Accordingly the company has reduced it's carrying amount to Rs.2.5 million and thereby recognizing an impairment of Rs.3.227 million.

10.3 Represents advance paid to Saudi National Technology Group Company Limited situated in Riyadh, Kingdom of Saudia Arabia amounting to Rs.9.510 (2019: Rs.9.510) million equivalent to \$ 75,000 for acquisition of software. The remaining payments will be made after the completion of the project.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

11. LONG TERM INVESTMENTS	Note	June 30,	December 31,
		2020	2019
		(Un-audited)	(Audited)
(Rupees)			
Classified as 'at fair value through Other Comprehensive Income'			
Shares of PSX - at cost (2019: 2,202,953 shares)		23,060,884	23,060,884
Term finance / sukuk certificates	11.1	120,566,667	112,100,000
Advance against subscription of sukuk certificate		-	20,000,000
		143,627,551	155,160,884
(Deficit) / Surplus on revaluation - net		(132,493)	4,003,982
Current maturity of long term investments	13	(28,066,667)	(29,066,667)
		115,428,391	130,098,199

11.1 Term finance / sukuk certificates

Number of Certificates	Name of term finance / sukuk certificates	Carrying value	
		June 30, 2020	December 31, 2019
(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees)			
Listed debt securities - secured			
3,000	3,000	15,000,000	15,000,000
520	520	36,400,000	41,600,000
600	600	48,000,000	54,000,000
20	20	1,166,667	1,500,000
4,000	-	20,000,000	-
		11.1.1	-
		11.1.2	112,100,000
		120,566,667	112,100,000

11.1.1 This represents subscription of Bank Islami Pakistan Limited - Ehad Sukuk I certificate having face value of Rs.5,000, perpetual in tenure and carrying mark-up at the rate of 3 months KIBOR + 2.75%.

11.1.2 The term finance / sukuk certificates held by the Company are secured against pledged listed securities and first ranking pari passu floating charge over all movable properties of the issuer.

11.1.3 The maximum aggregate amount of term finance / sukuk certificates loans due from the related party at the end of any month during the year was Rs.35 (2019: Rs.15) million.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
12. DEFFERED TAXATION - NET	Note	(Rupees)	
Taxable temporary difference			
Revaluation of investments		1,873,784	1,258,151
Deductible temporary differences			
Accelerated depreciation for tax purposes		(4,115,158)	363,375
Difference in accounting and tax base of intangible assets		(4)	491
Liability against assets subject to finance lease - net		(100,593)	(1,179,186)
Provision for doubtful debts		120,923,302	120,923,302
		116,707,547	120,107,982
		118,581,331	121,366,133
13. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities	13.1	96,442,685	487,185,287
Exchange Traded Fund	13.2	1,449,536	-
At fair value through other comprehensive income			
Privately placed term finance certificates - unsecured	13.3	-	-
Current maturity of long term investments - secured	11	28,066,667	29,066,667
Advance against subscription of right shares		-	2,280,000
		125,958,888	518,531,954

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

13.1 Quoted equity securities

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

Number of shares		Name of company	June 30,	December 31,	Average cost	Fair value
June 30, 2020 (Un-audited)	December 31, 2019 (Audited)		2020 (Un-audited)	2019 (Audited)		
					----- (Rupees) -----	
135,000	598,500	The Bank of Punjab	1,120,320	1,134,000	6,781,005	
4,500	227,500	Amreli Steels Limited	147,975	146,880	8,217,300	
94,500	-	Avanceon Limited	3,374,555	3,341,520	-	
5,000	-	Cherat Cement Company Limited	436,400	435,850	-	
3,500	-	Engro Corporation Limited	1,009,925	1,025,220	-	
830,000	-	Hascol Petroleum Limited	11,139,090	11,288,000	-	
25,000	6,000	Habib Bank Limited	2,412,365	2,421,750	944,520	
3,000	519,500	National Bank of Pakistan	77,700	82,950	22,494,350	
2,500	211,500	Fauji Fertilizer Bin Qasim Limited	38,650	39,900	4,128,480	
1,000	40,500	Nishat Chunian Limited	33,650	32,450	1,727,325	
2,000	5,000	National Refinery Limited	216,100	214,560	705,400	
		Oil & Gas Development Company Limited	1,327,894	1,308,000	21,774,960	
12,000	153,000	Pakistan State Oil Company Limited	7,246,308	7,749,840	73,302,300	
49,000	382,500	The Searle Company Limited	5,075,959	5,080,365	60,302,430	
25,500	319,500	Sui Northern Gas Pipelines Limited	352,800	354,900	-	
6,500	-	The General Tyre and Rubber	-	-	669,120	
-	12,000	The Hub Power Company Limited	-	-	5,694,350	
-	61,000	United Bank Limited	254,293	258,400	575,750	
2,500	3,500	Attock Refinery Limited	9,849,586	9,959,180	46,909,800	
111,500	420,000	K-Electric Limited *	-	-	8,676,635	
-	1,985,500	D. G. Khan Cement Company Limited	8,844,485	9,386,300	47,012,910	
110,000	633,000	Mughal Iron and Steel Industries Limited	-	-	778,430	
-	19,000	NetSol Technologies Limited	-	-	4,972,430	
-	75,500	Pakistan Petroleum Limited	15,677,063	15,620,400	11,656,900	
180,000	85,000	Engro Fertilizers Limited	362,400	361,680	23,240,595	
6,000	316,500	Engro Foods Limited	-	-	277,550	
-	3,500	Engro Polymer & Chemicals Limited	-	-	18,232,290	
-	549,000	Fatima Fertilizer Company Limited	-	-	2,181,605	
-	21,500	Fauji Cement Company Limited	182,600	185,680	3,936,680	
11,000	253,000					

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

Number of shares		Name of company	June 30,	December 31,	Average cost	Fair value
June 30, 2020	December 31, 2019		2020	2019		
(Un-audited)	(Audited)		(Un-audited)	(Audited)	(Rupees)	
17,000	158,500	Fauji Foods Limited	166,090	160,650	2,293,495	
49,000	935,000	International Steels Limited	2,502,850	2,530,850	54,127,150	
		Lotte Chemical				
10,000	227,000	Pakistan Limited	101,500	99,500	3,182,540	
		Maple Leaf Cement				
697,500	190,000	Factory Limited	17,831,440	18,121,050	4,396,600	
25,000	17,000	Nishat Mills Limited	1,932,710	1,950,250	1,804,380	
88,000	513,000	Pak Elektron Limited	1,993,350	2,017,840	13,886,910	
18,000	153,500	Pioneer Cement Limited	1,151,950	1,134,720	4,680,215	
-	18,000	Pakistan Oilfields Limited	-	-	8,040,960	
		Sui Southern Gas				
-	559,500	Company Limited	-	-	12,040,442	
-	468,000	Unity Foods Limited	-	-	7,539,480	
			94,860,008	96,442,685	487,185,287	
		Unrealised gain on				
		remeasurement at fair value				
		through profit or loss - net	1,582,677	-	-	
			96,442,685	96,442,685	487,185,287	

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

13.2 Exchange Traded Fund

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

Number of shares/fund		Name of company	June 30,	December 31,	Average cost	Fair value
June 30, 2020	December 31, 2019		2020	2019		
(Un-audited)	(Audited)		(Un-audited)	(Audited)	(Rupees)	
280	-	Bank Al-Habib Limited	14,815	14,644	-	
403	-	Engro Corporation Limited	117,085	118,047	-	
561	-	Fauji Fertilizer Company Limited	59,658	61,704	-	
563	-	Habib Bank Limited	56,455	54,538	-	
615	-	Hub Power Company Limited	44,977	44,588	-	
170	-	Lucky Cement Limited	77,189	78,469	-	
259	-	MCB Bank Limited	41,026	41,976	-	
587	-	Oil and Gas Development Company Limited	64,206	63,983	-	

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees)	
14. TRADE DEBTS			
Purchase of shares on behalf of clients		356,660,971	459,764,044
Advisory services		2,242,733	2,799,786
Forex and fixed income commission		5,428,375	7,887,494
Commodity		75,432,675	45,258,434
		439,764,754	515,709,758
Considered doubtful		409,285,717	409,285,717
		849,050,471	924,995,475
Provision for doubtful debts		(409,285,717)	(409,285,717)
	14.1	439,764,754	515,709,758
14.1	Included herein is a sum of Rs.5.576 (2019: Rs.215.397) million receivable from related parties.		
		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees)	
15. LOANS AND ADVANCES - Considered good			
Current maturity of long term loans - secured		6,687,520	7,026,401
Advances to staff		6,499,544	3,962,796
Advance to suppliers		6,853,010	6,978,799
		20,040,074	17,967,996
		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees)	
16. INTEREST AND MARK-UP ACCRUED			
Accrued mark-up on margin finance		2,062,637	12,133,320
Accrued mark-up on term finance / sukuk certificates		1,883,365	2,435,978
Profit receivable on bank deposits		93,569	383,825
		4,039,571	14,953,123
17. CASH AND BANK BALANCES			
Cash with banks:			
- Current accounts		4,119,949	4,043,558
- Profit or loss savings (PLS) / deposit accounts	17.1	1,652,491,454	1,198,257,740
		1,656,611,403	1,202,301,298
Cash in hand		208,403	756,438
	17.2	1,656,819,806	1,203,057,736

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

- 17.1 These carry profit / mark-up rates ranging from 7.50% to 12.75% (2019: 6.75% to 12.75%) per annum.
- 17.2 These include balances with the Parent Company amounting to Rs.1,633.758 (2019: Rs.1,191.916) million.
- 17.3 Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees)	
Customers' assets held in the designated bank accounts	902,637,444	1,002,724,903
Customers' assets held in the CDC	32,621,864,317	33,921,514,583
17.4 Securities pledged with financial institutions	4,762,560,689	3,748,885,157

	(Un-audited)			
	Six months ended		Three months ended	
	June 30, 2020	June 30, 2019	June 30, 2,020	June 30, 2019
18. OPERATING REVENUE	(Rupees)			
Brokerage and operating income	217,191,072	133,943,955	100,414,572	62,595,083
Advisory and consultancy fee	16,517,625	20,752,101	9,747,393	11,892,116
	233,708,697	154,696,056	110,161,965	74,487,199
19. FINANCE COST				
Commission expense on bank guarantee	2,203,468	2,416,126	1,119,699	1,306,206
Bank and Other Charges	80,378	159,297	24,565	94,352
Interest expense on assets subject to finance lease	9,811,894	17,669,148	968,072	10,489,874
	12,095,740	20,244,571	2,112,336	11,890,432

20. TAXATION

- 20.1 For the tax years 2015, 2016 and 2017, orders under section 4B were passed by the tax officer raising demands of Super tax at Rs. 24,317,509, Rs. 24,483,669, Rs. 19,490,281 for each of the above tax years respectively. The orders raising demand pertaining to super tax was later confirmed by the CIRA and the Honorable ATIR. The Company has also now filed reference application before the Honorable SHC against the appellate order of the ATIR [ITRA Nos. 52 to 53 of 2020] wherein the case will be decided on merits. In pursuance of the judgement of Hon'able Supreme Court of Pakistan (SCP), the Company has paid 50% of tax demands raised in respect of tax years 2016 and 2017 to maintain the suits before Sindh High Court. Whereas, no amount of super tax demand has been paid for tax year 2015.

The Honorable SHC vide order dated July 21, 2020 has dismissed the CP pertaining to TY 2015, however suits pertaining to TY 2016 and 2017 have not been disposed of. The Company is currently evaluating the legal options to approach the Supreme Court to challenge the aforesaid decision of SHC and seek interim relief in respect of the outstanding super tax demand for all three years.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

- 20.2 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2019.

		(Un-audited)			
		Six months ended		Three months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
21. EARNINGS PER SHARE -	BASIC AND DILUTED	----- (Rupees) -----			
Profit after taxation		<u>61,381,202</u>	<u>5,423,849</u>	<u>29,397,737</u>	<u>2,654,510</u>
		----- (Number) -----			
Weighted average number of shares		<u>30,557,000</u>	<u>38,007,000</u>	<u>30,557,000</u>	<u>38,007,000</u>
		----- (Rupees) -----			
Earnings per share - basic and diluted		<u>2.01</u>	<u>0.14</u>	<u>0.96</u>	<u>0.07</u>

22. RELATED PARTY TRANSACTIONS

- 22.1 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, 2020 2020 (Un-audited)		December 31, 2019 2019 (Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	----- (Rupees) -----			
Trade debts				
Opening balance	711,750	133,527,922	751,152	126,548,025
Invoiced during the year	7,748,419	1,780,740,398	36,535,541	12,197,459,991
Received during the year	<u>(8,445,162)</u>	<u>(1,912,080,947)</u>	<u>(36,574,943)</u>	<u>(12,190,480,094)</u>
Closing balance	<u>15,007</u>	<u>2,187,373</u>	<u>711,750</u>	<u>133,527,922</u>
Trade payable				
Opening balance	4,819,790	777,619	908,271	20,887,955
Invoiced during the year	249,300,338	9,338,343,667	23,706,106	1,013,526,640
Paid during the year	<u>(253,391,972)</u>	<u>(9,338,241,251)</u>	<u>(19,794,587)</u>	<u>(1,033,636,976)</u>
Closing balance	<u>728,156</u>	<u>880,035</u>	<u>4,819,790</u>	<u>777,619</u>
Loans and advances				
Opening balance	9,951,648	-	4,068,315	-
Disbursements during the year	5,875,000	-	9,837,000	-
Repayments during the year	<u>(2,782,613)</u>	<u>-</u>	<u>(3,953,667)</u>	<u>-</u>
Closing balance	<u>13,044,035</u>	<u>-</u>	<u>9,951,648</u>	<u>-</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
Balances with Parent Company		
Trade debts	2,799,112	902,218
Bank balances with parent company	1,633,757,797	1,191,916,629
Other payable	6,960	6,960
Balances with ultimate Parent Company		
Trade debts	574,583	80,255,294
Other receivables	281,111	272,757
Mark-up receivable on term finance certificates	698,384	736,044
Principal outstanding on term finance certificates	15,000,000	15,000,000
Balances with associated entities of group companies		
Other receivables	1,334,459	1,334,459
Advance against purchase of property	374,422,500	-
Security Deposit	3,035,200	3,035,200
Principal outstanding on term finance certificates	20,000,000	-
	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
	----- (Rupees) -----	
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	17,362,756	9,893,367
Lease rentals	-	30,657,128
Transactions with the Parent Company		
Nature of transactions		
Purchase of Pakistan investment bonds	-	83,215,938
Sale of Sukuk Certificate	-	25,044,918
Brokerage income	3,888,112	1,286,749
Purchase of term deposit	-	1,100,000,000
Sale of term deposit	-	800,662,795
Mark-up income on term deposit	-	736,438
Rent, utilities and consultancy charges	-	4,500,000
Bank charges	40,204	85,767
Mark-up on deposit accounts	49,252,263	52,236,364
Gain on sukuk certificate	-	25,000

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
	----- (Rupees) -----	
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	1,045,145	801,995
Reimbursement of expenses by the ultimate parent company	-	69,528
Reimbursement of expenses to the ultimate parent company	1,032,000	16,802,489
Market maker fee received	250,000	-
Mark-up received on term finance certificates	1,153,701	985,796
Principal redeemed on term finance certificates	-	5,250,000
Transactions with key management personnel of the Company and its Parent Company		
Nature of transactions		
Brokerage income	513,243	78,209
Directors' remuneration	1,900,000	1,300,000
Remuneration paid to Chief Executive Officer	16,920,252	18,974,163
Remuneration paid to key management personnel	60,267,929	50,090,036
Transactions with other related parties		
Nature of transactions		
Royalty expense	7,500,000	7,500,000
Brokerage expense	-	454,535
Insurance expense	8,421,299	10,247,849
Sale of sukuk certificates	43,209,118	2,857,841,285
Mark-up on sukuk certificates	-	10,864
Capital gain on sale of sukuk certificates	400,000	1,940,353
Sale of term finance certificates	-	1,313,762,758
Contributions to staff provident fund	6,649,680	6,943,014

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

	June 30, 2020 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
23. OPERATING SEGMENTS				
Segment revenues	217,191,072	103,478,764	31,874,095	352,543,931
Gain on remeasurement of investments	-	1,596,412	-	1,596,412
Administrative and operating expenses	(139,358,064)	(11,660,821)	(78,230,419)	(229,249,304)
Depreciation	(13,264,718)	(12,763,767)	(8,723,580)	(34,752,065)
Amortisation of intangible assets	-	(2,000)	-	(2,000)
Finance cost	(12,095,740)	-	-	(12,095,740)
	<u>52,472,550</u>	<u>80,648,588</u>	<u>(55,079,904)</u>	<u>78,041,234</u>
Gain on sale of property and equipment				41,669
Gain on termination of lease				19,755,341
Provision for Sindh Workers' Welfare Fund				(1,956,765)
Taxation				<u>(34,500,277)</u>
Profit after tax				<u>61,381,202</u>
Segment assets	<u>1,940,287,354</u>	<u>1,240,583,350</u>	<u>590,013,715</u>	<u>3,770,884,419</u>
Segment liabilities	<u>1,233,767,279</u>	<u>-</u>	<u>245,789,068</u>	<u>1,479,556,347</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, 2020 and December 31, 2019 are located and operating in Pakistan.

	June 30, 2019 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	151,468,532	155,719,959	20,760,255	327,948,746
loss on remeasurement of investments	-	(4,782,466)	-	(4,782,466)
Administrative and operating expenses	(151,415,670)	(25,991,130)	(69,459,727)	(246,866,527)
Depreciation	(13,362,314)	(7,559,560)	(13,824,246)	(34,746,120)
Amortisation of intangible assets	-	-	(35,961)	(35,961)
Finance cost	(20,244,571)	-	-	(20,244,571)
	<u>(33,554,023)</u>	<u>117,386,803</u>	<u>(62,559,679)</u>	<u>21,273,101</u>
Gain on sale of property and equipment				4,419,221
Provision for Sindh Workers' Welfare Fund				(513,846)
Taxation				<u>(19,754,627)</u>
Profit after tax				<u>5,423,849</u>
Segment assets	<u>2,601,250,438</u>	<u>1,884,216,058</u>	<u>543,897,577</u>	<u>5,029,364,073</u>
Segment liabilities	<u>1,703,986,809</u>	<u>-</u>	<u>456,628,312</u>	<u>2,160,615,121</u>

24. FAIR VALUE OF FINANCIAL STATEMENTS

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.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

	June 30, 2020 (Un-audited)			
Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Quoted equity securities	96,442,685	-	-	96,442,685
	96,442,685	-	-	96,442,685
Fair value through other comprehensive income				
Quoted securities	21,809,235	-	-	21,809,235
Term finance / sukuk certificates	121,685,823	-	-	121,685,823
	143,495,058	-	-	143,495,058
	December 31, 2019 (Audited)			
Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Quoted equity securities	487,185,287	-	-	487,185,287
	487,185,287	-	-	487,185,287
Fair value through other comprehensive income				
Quoted securities	27,492,853	-	-	27,492,853
Term finance / sukuk certificates	111,672,013	-	-	111,672,013
	139,164,866	-	-	139,164,866

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2020

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

At present, JSGCL employs eight members in its research department (including head of research, three senior analysts, a 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 period ended June 30, 2020, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.10.396 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

26. GENERAL

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended June 30, 2020 and June 30, 2019 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

27. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 19, 2020.

Director

Chief Executive Officer








Chief Financial Officer



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