

**2022**

Quarterly Report

 **JS Global**

**EXCEPTIONAL**

Values · Products · Services





# EXCEPTIONAL

Values · Products · Services

# 2022

Quarterly Report

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



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Vision, Mission  
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The background of the entire page is a vintage, sepia-toned world map. In the upper left corner, there is a brass telescope with a lens cap. The map shows continents and various city names, including Buenos Aires, Montevideo, Lima, and London.

# Vision

To be the leader in  
the financial  
service sector

# Mission

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

## Company Information

### Board of Directors

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

### Audit Committee

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

### Risk Management Committee

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

### Human Resource & Remuneration Committee

Mr. Iftikhar Ahmed Rao	Chairman
Mr. Muhammad Kamran Nasir	Member
Mr. Muhammad Yousuf Amanullah	Member
Mr. Hasan Saeed Akbar	Member

The resignation of Syed Ghaus Ahmad was accepted in BOD meeting held on February 18th, 2022 whose casual vacancy has not yet been filled.

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

### External Auditor

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

### Legal Advisors

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

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

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

### **Bankers**

JS Bank Limited  
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**

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

## Directors' Report

We are pleased to present the unaudited, condensed interim financial information of JS Global Capital Limited ("the Company") for the Three months ended March 31, 2022.

The summarized results are set out below:-

	<b>For the Three months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
	----- Rupees -----	
Profit before tax	<b>26,375,462</b>	168,448,325
Profit after tax	<b>20,762,707</b>	121,098,107
Earnings per share	<b>0.76</b>	3.96

### THE ECONOMY

Pakistan's headline inflation continued an uptrend during the quarter, where 9MFY22 CPI averaged at 10.77%, vis-à-vis 8.35% during 9MFY21, led by higher food inflation. During the same period the State Bank of Pakistan increased the Policy Rate by 275 bp, however during the period under review, the Policy Rate remained unchanged.

On the other hand, tax collection growth remained robust with 9MFY22 collection reaching to Rs4.38 trillion, up 29% YoY. The collection has surpassed the target by Rs247 billion so far. On the fiscal end, the deficit has reached 2.1% of GDP during 1HFY22, while primary balance was reported at +0.1% of GDP over controlled expenditures and improving tax collection.

However, the external account faced pressures with mounting import bill, taking 8MFY22 Current Account Deficit (CAD) to US\$12.1 billion, as compared to a surplus of US\$994 million during 8MFY21. The 28% YoY higher exports and single-digit growth in remittances fell short to compensate for 49% YoY jump in the import bill owing to higher machinery imports, vaccine imports and higher commodity prices. The expanding external account deficit and scheduled debt payments declined the country's foreign exchange reserves decreased by US\$5.3 billion to US\$18.56 billion as at 25 March 2022. During the same period, SBP's foreign exchange reserves witnessed the most decline leading to 14% depreciation of PKR against the US\$.

### EQUITY CAPITAL MARKET

After a rollercoaster ride owing to developments on the geo-political and local political front, the KSE100

Index closed up 0.8% during 1QCY22, owing to rally witnessed in the start and then in the latter part of the quarter. Moreover, given the 3.8% PKR depreciation against the US\$ during 1QCY22, dollar terms performance of the KSE100 reflected a decline of 3.1%.

Market participants showed concerns over pressure on the external account amid increase in international commodity prices owing to Russia-Ukraine tensions, and uncertainty leading to volumes declining by 16% QoQ to 232mn shares per day. Among the participation, Banks (US\$44mn) and Companies (US\$21mn) absorbed most of the buying, while key net sellers of the period were Mutual Fund (US\$51mn) and Foreign Investors (US\$22mn).

Sector-wise performance showed Fertilizer (+163% QoQ), Food (+175% QoQ) and Chemical (+413% QoQ) among top performers, while Refinery (-61% QoQ), Technology (-55% QoQ) and Steel (Engineering: -37% QoQ), were listed among the worst performers

### COMMODITIES MARKET

During the 1Qtr 2022, the commodities market was continuously bullish, especially Gold and crude oil. Whereas in January 2022, the market traded with very thin volumes subsequently improved in later months. Gold trading activity at PMEX during 1Qtr 2022 was traded between USD1791/oz to USD2080/oz whereas during the corresponding period of 2021 gold traded between USD1980/oz to USD1686/oz. On the other hand, crude oil traded in a range of USD 74.27/bbl to USD 130.50/bbl during 2021 as against USD 47.20/bbl to USD 68.0/bbl.



## MONEY MARKET

The Money Market remained unstable during the 1QFY22; the SBP maintained the policy rate level at 9.75% to combat the economic impact of Inflation, Trade deficit, Currency depreciation and a big part of COVID-19. However, due to this monetary policy committee also increased number of meeting from 6 to 8 times per year. Going forward, we expect a change in policy rate by 1.50 -2.50 %.

The cut-off yields of T-bills at the end of March 2022 were 11.999% for 3Months T-Bill, 12.50% for 6Months T-Bill and 12.7001% for 1Year T-Bill far above policy rate by 2.25%, 2.75% and 2.95% respectively. As a result market witnessed low participation in T-Bill auction.

Participation in PIBs also persistently increased, due to liquidity injected by SBP through weekly OMO's and pushing yields downwards at the end of March 2022. Cut-off yield of 3Y, 5Y and 10Y PIBs stood at 11.85%, 11.7497% and 11.7418% respectively. In addition, moderate activity has been seen in floating rates PIB's and witnessed decline in the participation in semi-annually and quarterly coupon PIB's.

In coming months we expect interest rates will remain under pressure due to current political uncertainty. SBP will have to hike policy rate massively.

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

S. No	Name of Director
1	Mr. Iftikhar Ahmed Rao
2	Mr. Salaal Hasan
3	Ms. Shireen Raza
4	Mr. Hasan Saeed Akbar

## FOREIGN EXCHANGE MARKET

During 1QCY22, Rs/US\$ opened at Rs176.7467 as compared to Rs159.9780 in the corresponding period last year. The lowest US\$/RS parity was recorded at 174.45 on 08/02/2022 and the highest was recorded at 183.60 on 30/03/2022. US\$ closed the quarter at 183.4782

The average swaps opened in Jan 2022 for 1-Month, 3-Month & 6-Months at 1.25, 3.70 & 7.60 paisa respectively. Moreover, 1-Month swap witnessed an upward trend in March 2022 (trading at 1.65 paisa) while 3-month and 6-month swaps appreciated in March 2022 (trading at 480 paisa and 880 paisa respectively). The average swaps closed in the quarter Jan-March 2022 at an average of 390 to 824 Paisa.

The country's total foreign exchange reserve that closed at US\$24.01bn as at the end of the preceding quarter, decreased to US\$17.4bn as at 1QCY22.

## THE BOARD

The board has three mandatory sub committees namely Audit Committee, Risk Management Committee and Human Resource & Remuneration Committee, which assist the Board in the performance of its functions. The names of Board members and members of subcommittees are as follows;

#### HUMAN RESOURCE & REMUNERATION COMMITTEE

S. No	Name of Director
1	Mr. Iftikhar Ahmed Rao
2	Mr. Muhammad Yousuf Amanullah
3	Mr. Muhammad Kamran Nasir
4	Mr. Hasan Saeed Akbar

#### RISK MANAGEMENT COMMITTEE

S. No	Name of Director
1	Mr. Shahab Anwar Khawaja
2	Mr. Muhammad Yousuf Amanullah
3	Mr. Muhammad Kamran Nasir
4	Syed Ghaus Ahmad*

\*The resignation of Syed Ghaus Ahmad was accepted in BOD meeting held on February 18th, 2022 whose casual vacancy has not yet been filled.

#### COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 20.762 million for the three months ended March 31, 2022 vis-a-vis net income of PKR 121.098 million in the comparative period last year clocking a decrease of 82.85% over the same period. Operating revenue of the Company decreased by 63.62% over the same period last year. On the cost front, the Company incurred PKR 169.278 million (up by 15.14%) 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 0.76 against EPS of Rs.3.96 for the corresponding period last year, reflecting a decrease of 80.8%.

#### 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.

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**Chief Executive Officer**

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**Director**

Date: April 26th, 2022



# FINANCIAL STATEMENTS

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited) -----
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital: 150,000,000 (December 31, 2021: 150,000,000) ordinary shares of Rs.10 each		<b>1,500,000,000</b>	1,500,000,000
Issued, subscribed and paid-up share capital	4	<b>274,772,970</b>	274,772,970
Share premium		<b>1,810,104,900</b>	1,810,104,900
Surplus on re-measurement of equity securities at fair value through other comprehensive income		<b>4,437,755</b>	9,388,710
Unappropriated profit		<b>122,871,625</b>	102,108,918
		<b>2,212,187,250</b>	2,196,375,498
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing - secured	5	<b>552,135,000</b>	552,135,000
Lease liability	6	<b>4,372,757</b>	7,602,136
Deferred Liability	7	-	-
		<b>556,507,757</b>	559,737,136
<b>Current liabilities</b>			
Current portion of deferred liability	7	<b>1,166,324</b>	1,897,534
Creditors, accrued expenses and other liabilities	8	<b>1,944,628,558</b>	2,724,571,721
Commercial paper	9	<b>981,654,690</b>	953,670,325
Accrued profit		<b>8,757,036</b>	6,328,952
Unclaimed dividend		<b>3,361,843</b>	3,361,843
Current maturity of long-term financing	5	<b>121,144,067</b>	135,314,633
Current maturity of lease liability		<b>10,975,777</b>	9,274,266
		<b>3,071,688,295</b>	3,834,419,274
		<b>5,840,383,302</b>	6,590,531,908
<b>Contingencies and Commitments</b>	10		

The annexed notes 1 to 28 form an integral part of these financial statements.

**DIRECTOR**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

		March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited) -----
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	846,840,632	857,694,424
Investment property	12	122,526,308	123,321,956
Intangible assets	13	5,000,000	5,000,000
Long term investments	14	54,779,806	62,337,622
Long term loans and deposits		38,044,015	31,105,006
Deferred taxation - net	15	111,086,375	112,542,761
		<b>1,178,277,136</b>	1,192,001,769
<b>Current assets</b>			
Short term investments	16	1,008,630,749	1,392,509,008
Trade debts	17	423,584,156	1,537,968,534
Receivable against margin finance		438,456,362	453,311,520
Loans and advances - considered good		27,987,310	30,295,071
Short-term deposits and prepayments		65,883,433	619,816,280
Interest and mark-up accrued	18	20,185,729	13,953,661
Other receivables		12,069,255	7,494,026
Advance tax		62,887,305	56,313,277
Cash and bank balances	19	2,602,421,867	1,286,868,762
		<b>4,662,106,166</b>	5,398,530,139
		<b>5,840,383,302</b>	6,590,531,908

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**DIRECTOR**

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**CHIEF EXECUTIVE OFFICER**

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**CHIEF FINANCIAL OFFICER**

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022 (Un-audited) ----- (Rupees) -----	March 31, 2021 (Un-audited) -----
Operating revenue	20	98,238,763	270,050,326
Capital gain on sale of investments - net		23,788,445	10,686,478
Unrealised gain/(loss) on re-measurement of investments at fair value through profit or loss - net	16.1 & 16.2	37,036,093	(2,437,669)
Unrealised gain/(loss) on re-measurement of derivatives at fair value through profit or loss - net		(41,174,556)	3,903,314
Dividend income		15,090,480	489,771
Margin finance income		21,724,229	14,456,070
		<b>154,703,454</b>	297,148,290
Administrative and operating expenses		(169,278,187)	(147,019,091)
		(14,574,733)	150,129,199
Other operating income - net		89,424,424	24,376,591
		74,849,691	174,505,790
Provision for Sindh Workers' Welfare Fund		(538,275)	(3,437,721)
Finance cost	21	(47,935,954)	(2,619,744)
Profit before taxation		26,375,462	168,448,325
Taxation - current		(4,632,127)	(48,300,895)
- prior		-	-
- deferred	22	(980,628)	950,677
		(5,612,755)	(47,350,218)
Profit after taxation		20,762,707	121,098,107
Earnings per share - basic and diluted	23	0.76	3.96

The annexed notes 1 to 28 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 MARCH 31, 2022

	March 31, 2022 (Un-audited) ----- (Rupees) -----	March 31, 2021 (Audited) -----
Profit for the period	20,762,707	121,098,107
<b>Other comprehensive income / (loss)</b>		
<b>Items that will not be reclassified to statement of profit or loss subsequently</b>	-	-
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - equity securities	(4,762,412)	(3,787,300)
Less: Related tax	100,800	112,500
	(4,661,612)	(3,674,800)
<b>Items that may be reclassified to statement of profit or loss subsequently</b>		
Surplus / (deficit) re-measurement of investments at fair value through OCI during the year - debt securities	(340,404)	31,158
Less: Related tax	51,061	(4,674)
	(289,343)	26,484
Total comprehensive income / (loss) for the period	15,811,752	117,449,791

The annexed notes 1 to 28 form an integral part of these financial statements.

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**DIRECTOR**

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**CHIEF EXECUTIVE OFFICER**

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**CHIEF FINANCIAL OFFICER**

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2022

	Reserves					Total
	Issued, subscribed and paid-up share capital	Share premium	Surplus on re- measurement of equity securities at fair value through other comprehensive income  (Rupees)	Revenue reserve	Sub-total	
				Unappropriated profit		
<b>Balance as at January 01, 2021</b>	305,570,000	1,810,104,900	11,441,759	319,321,963	2,140,868,622	2,446,438,622
<b>Total comprehensive income for the period</b>						
Profit for the three months ended March 31, 2021	-	-	-	121,098,107	121,098,107	121,098,107
Other comprehensive gain/(loss)- net of tax	-	-	(3,648,316)	-	(3,648,316)	(3,648,316)
Total comprehensive income for the period	-	-	(3,648,316)	121,098,107	117,449,791	117,449,791
<b>Balance as at March 31, 2021</b>	<b>305,570,000</b>	<b>1,810,104,900</b>	<b>7,793,443</b>	<b>440,420,070</b>	<b>2,258,318,413</b>	<b>2,563,888,413</b>
<b>Total comprehensive income for the period</b>						
Profit for the nine months ended December 31, 2021	-	-	-	289,427,513	289,427,513	289,427,513
Other comprehensive gain/(loss)- net of tax	-	-	1,595,267	-	1,595,267	1,595,267
Total comprehensive income for the period	-	-	1,595,267	289,427,513	291,022,779	291,022,779
<b>Transactions with owners</b>						
Buy back of 3,079,703 shares having face value of Rs.10 each at a price of Rs.80 each	(30,797,030)	-	-	-	-	(30,797,030)
Amount paid in excess of face value of 3,079,703 shares	-	-	-	(215,579,210)	(215,579,210)	(215,579,210)
Interim dividend for the financial year 2021 @ Rs. 10/- per share	-	-	-	(274,772,970)	(274,772,970)	(274,772,970)
Interim dividend for the financial year 2021 @ Rs. 5/- per share	-	-	-	(137,386,485)	(137,386,485)	(137,386,485)
<b>Balance as at December 31, 2021</b>	<b>274,772,970</b>	<b>1,810,104,900</b>	<b>9,388,710</b>	<b>102,108,918</b>	<b>1,921,602,528</b>	<b>2,196,375,498</b>
<b>Total comprehensive income for the period</b>						
Profit for the three months ended March 31, 2022	-	-	-	20,762,707	20,762,707	20,762,707
Other comprehensive gain/(loss)- net of tax	-	-	(4,950,955)	-	(4,950,955)	(4,950,955)
Total comprehensive income for the period	-	-	(4,950,955)	20,762,707	15,811,752	15,811,752
<b>Balance as at March 31, 2022</b>	<b>274,772,970</b>	<b>1,810,104,900</b>	<b>4,437,755</b>	<b>122,871,625</b>	<b>1,937,414,280</b>	<b>2,212,187,250</b>

The annexed notes 1 to 28 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 MARCH 31, 2022

	Note	March 31, 2022 (Un-audited) ----- (Rupees) -----	March 31, 2021 (Audited) -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		26,375,462	168,448,325
<b>Adjustments for:</b>			
Depreciation of operating assets expense	11.1	16,439,722	15,448,525
Depreciation of right-of-use assets	11.2	513,003	727,096
Depreciation of investment property	12	795,648	666,064
Amortisation of intangible assets	13.2	-	15
Gain on sale of property and equipment	11.1.1	21,236,227	-
Unrealised gain/(loss) on re-measurement of investments at fair value through profit or loss - net		(37,036,093)	2,437,669
Unrealised gain/(loss) on re-measurement of derivatives at fair value through profit or loss - net		41,174,556	(3,903,314)
Provision for Sindh Workers' Welfare Fund		538,275	3,437,721
Finance cost	21	47,935,954	2,619,744
		91,597,291	21,433,520
<b>Cash generated from operating activities before working capital changes</b>		<b>117,972,753</b>	<b>189,881,845</b>
<b>Decrease in current assets</b>			
Trade debts		1,114,384,378	340,782,483
Receivable against margin finance		14,855,158	71,283,191
Loans and advances		2,307,761	(7,882,066)
Short-term deposits and prepayments		553,932,847	46,683,382
Interest and mark-up accrued		(6,232,068)	1,102,738
Other receivables		18,179,771	11,111,037
		1,697,427,847	463,080,765
<b>Decrease in current liabilities</b>			
Creditors, accrued expenses and other liabilities		(701,370,702)	(183,503,456)
Cash generated from operations		1,114,029,898	469,459,154
Finance cost paid		(47,422,951)	(1,892,648)
Taxes paid		(9,995,138)	(12,775,200)
<b>Net cash generated from operating activities</b>		<b>1,056,611,809</b>	<b>454,791,306</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	11.1.1	(9,181,711)	(349,950)
Long term loans, advances and deposits		(6,939,009)	(5,981,138)
Long term investments - net		(5,589,878)	35,431,744
Short term investments - net		420,914,352	(83,756,910)
<b>Net cash generated from / (used in) investing activities</b>		<b>399,203,754</b>	<b>(54,656,254)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid / adjustment		(137,386,485)	-
Lease rentals paid		(2,875,973)	(15,866,570)
<b>Net cash used in financing activities</b>		<b>(140,262,458)</b>	<b>(15,866,570)</b>
<b>Increase in cash and cash equivalents during the period</b>		<b>1,315,553,105</b>	<b>384,268,482</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,286,868,762</b>	<b>1,621,544,086</b>
<b>Cash and cash equivalents at the end of the period</b>	19	<b>2,602,421,867</b>	<b>2,005,812,568</b>

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 DIRECTOR

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 CHIEF EXECUTIVE OFFICER

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 CHIEF FINANCIAL OFFICER

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 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 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.
- 1.4** During the year, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 3,991,525 shares through tender offer out of which 3,079,703 shares were purchased for the purpose of cancellation. The payment for accepted shares was made on June 04, 2021. The accepted shares were subsequently cancelled on June 10, 2021.
- 1.5** 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.

<b>1.6</b>	<b>Branch Name</b>	<b>Address</b>
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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

Provisions of and directives issued under the act

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

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

These 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.

#### 2.4 Use of estimates and judgments

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

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

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

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

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

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

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Employee Benefits

##### Defined contribution plan

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 3.2 Property and equipment

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

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

Category of Operating Assets	Useful life
Office equipment - computer related items	03 years
Office equipment - others	04 years
Office furniture	10 years
Leasehold improvements	10 years
Building	40 years
Motor vehicles	05 years

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

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

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

### 3.3 Intangible assets

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

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

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

### 3.4 Financial instruments

#### Initial recognition and measurement

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

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

### 3.4.1 Financial assets

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

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

#### Financial assets measured at fair value through other comprehensive income

##### a) Debt instruments at fair value through other comprehensive income

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

##### b) Equity instruments at fair value through other comprehensive income

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

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

#### Financial assets measured at amortised cost

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### Financial assets measured at fair value through profit or loss

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

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

### 3.4.2 Financial liabilities

#### Financial liabilities measured at amortised cost

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

#### De-recognition

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

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

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

#### Impairment of financial assets

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

The ECL allowance on financial assets (other than trade debts, receivable against margin finance, loans and advances and other receivables) is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. In order to determine



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

appropriate staging for financial assets (other than trade debts, receivable against margin financing, loans and advances and other receivables) under IFRS 9, the Company applies the Low Credit Risk (LCR) expedient. The Company considers only those balances as LCR that have investment grade rating from an External Rating Agency (BBB- or equivalent or higher) at the reporting date. The LCR balances are considered as stage 1. The Company considers a financial instrument defaulted and therefore, Stage 3 (credit-impaired) for ECL calculations in all cases when there is an objective evidence of impairment of financial assets and Company believes that the counter party will not be able to make its contractual payments. All other balances are considered as stage 2 as at reporting date. For measurement of ECL, PD, EAD and LGD are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective interest rate or an approximation thereof. Forward looking economic information is also included in determining the 12 month and lifetime ECL and economic variables (the “base economic scenario”) are obtained from external sources. For ECL estimation, the PDs as other comprehensive income with each rating grade are determined based on realized default rates as published by the rating agency.

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

### Offsetting of financial assets and financial liabilities

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

### 3.5 Revenue recognition

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

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

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

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

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

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

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 3.6 Taxation

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

#### Current

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

#### Deferred

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

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

### 3.7 Cash and cash equivalents

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

### 3.8 Impairment of non-financial assets

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

### 3.9 Foreign currency translation

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

### 3.10 Borrowing costs

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

### 3.11 Provisions

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 3.12 Earnings per share

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

### 3.13 Dividend distributions and appropriations

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

### 3.14 Right-of-use assets

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

#### Lease liabilities

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

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

#### Short-term leases and leases of low-value assets

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

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

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

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 3.15 Investment property

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

### 3.16 Government Grants

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

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

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

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

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

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

### 3.17 Operating segments

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

The operating segments of the Company are as follows:

#### Brokerage

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

#### Investment and treasury

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

Other operations

It consists of advisory and consultancy function.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

March 31, 2022 (Number of shares)	December 31, 2021		March 31, 2022 ----- (Rupees) -----	December 31, 2021 -----
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 (2021: 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.

		March 31, 2022 ----- (Rupees) -----	December 31, 2021 -----
<b>5. LONG-TERM FINANCING - secured</b>			
<b>Conventional</b>			
Salaries and Wages	5.2	42,394,067	56,564,633
Short-term maturity		(42,394,067)	(56,564,633)
<b>Islamic</b>			
Long-term Loan	5.3	630,885,000	630,885,000
Short-term maturity		(78,750,000)	(78,750,000)
Long-term maturity		<u>552,135,000</u>	<u>552,135,000</u>
<b>Short-term maturity</b>		<u>121,144,067</u>	<u>135,314,633</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 5.1 Long term finance utilised mark-up arrangements

	Number of instalments and commencement date	Date of maturity	Rate of mark-up per annum	March 31, 2022 ----- (Rupees) -----	December 31, 2021 -----
Islamic					
i) <b>BankIslami Pakistan Limited</b>					
Diminishing Musharika	12 quarterly instalments 31 January 2022	November 21, 2024	3 months Kibor+1.5%	<b>330,885,000</b>	330,885,000
ii) <b>Dubai Islamic Bank - Pakistan Limited</b>					
Diminishing Musharika	12 quarterly instalments 31 January 2022	November 21, 2024	3 months Kibor+1.5%	<b>300,000,000</b>	300,000,000
Conventional					
i) <b>JS Bank Limited</b>			3%	<b>56,564,633</b>	56,564,633
Payroll Finance Facility	8 quarterly instalments 02 November 2022	November 02, 2022		<b>687,449,633</b>	<b>687,449,633</b>

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

**5.3** Last year, the Company obtained Diminishing Musharakah term finance facility, aggregating to Rs. 630.885 million (2021: nil). This facility is secured against charge over the property (16th and 17th floor of building).

### 6. Lease Liability

	March 31, 2022 ----- (Rupees) -----	December 31, 2021 -----
<b>As at January 01</b>	<b>16,876,402</b>	25,154,794
Interest expense	<b>513,003</b>	2,686,157
Disposal	-	-
Payment of rentals	<b>(2,040,871)</b>	(10,964,549)
<b>As at December 31</b>	<b>15,348,534</b>	16,876,402
Less: Current maturity	<b>(10,975,777)</b>	(9,274,266)
	<b>4,372,757</b>	<b>7,602,136</b>

### 7. DEFERRED LIABILITY

#### Government Grant

Opening balance	<b>1,897,534</b>	6,509,030
Received during the year	-	-
Released to the statement of profit or loss	<b>(731,210)</b>	(4,611,496)
Closing balance	<b>1,166,324</b>	1,897,534
Current portion of Government Grant	<b>1,166,324</b>	1,897,534
Non-current portion of Government Grant	-	-
	<b>1,166,324</b>	<b>1,897,534</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

		March 31, 2022	December 31, 2021
	Note	----- (Rupees) -----	
<b>8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Trade creditors	8.1	1,566,661,393	2,170,742,315
Accrued expenses		64,367,104	58,916,629
Staff Provident Fund	8.2	3,133,812	2,758,038
Provision for staff bonus	8.3	34,533,626	88,763,376
Provision for Sindh Workers' Welfare Fund		46,551,715	46,013,440
Others		229,380,908	357,377,923
		<b>1,944,628,558</b>	<b>2,724,571,721</b>

**8.1** This includes payable to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.214 (2021: Rs.0.214) million and Rs.131.637 (2021: Rs.890.66) million respectively in respect of trading in securities, settled subsequent to the period end.

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

**8.3 Movement in provision for staff bonus is as follows:**

	March 31, 2022	December 31, 2021
	----- (Rupees) -----	
Balance at the beginning of the year	88,763,376	36,117,950
Paid during the year	(54,229,750)	(18,665,534)
Charged during the year	-	71,310,960
Balance at the end of the year	<b>34,533,626</b>	<b>88,763,376</b>

## 9. COMMERCIAL PAPER

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

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There are no outstanding contingencies as at March 31, 2022 (2021: Nil) other than tax contingencies disclosed in note 22 of these condensed interim financial statements.

	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----	
<b>10.2 Commitments</b>		
Future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	<b>1,008,137,615</b>	<b>1,395,782,715</b>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 25, 2022	<b>400,000,000</b>	<b>400,000,000</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited) -----
<b>11. PROPERTY AND EQUIPMENT</b>			
Operating assets	11.1	836,024,452	844,801,235
Right-of-use assets	11.2	10,816,180	12,893,189
		<b>846,840,632</b>	<b>857,694,424</b>
<b>11.1 Movement in operating assets - owned</b>			
Book value at beginning of the period / year	11.1.1	844,801,235	874,531,952
Cost of additions during the period / year	11.1.1	9,181,711	32,236,508
Book value of deletions during the period / year	11.1.2	(1,518,773)	(12,737)
Depreciation charge for the period / year	11.1.2	(16,439,722)	(61,954,488)
Book value at end of the period / year		<b>836,024,452</b>	<b>844,801,235</b>
<b>11.1.1 Details of additions during the period / year</b>			
Office equipment		9,181,711	29,323,331
Building on leasehold land		-	-
Leasehold improvements		-	-
Office furniture		-	2,913,177
		<b>9,181,711</b>	<b>32,236,508</b>
<b>11.1.2 Book value of deletions during the period / year:</b>			
Office equipment		-	(12,737)
Motor vehicle		(1,518,773)	-
		<b>(1,518,773)</b>	<b>(12,737)</b>
<b>11.2 Right-of-use assets</b>			
Head office and branches		<b>10,816,180</b>	<b>21,045,354</b>
<b>12. INVESTMENT PROPERTY</b>			
Opening balance	12.1&12.2	123,321,956	127,303,650
Additions		-	-
Depreciation		(795,648)	(3,981,694)
Closing balance		<b>122,526,308</b>	<b>123,321,956</b>
<b>12.1</b>			
On the acquisition of the building from JS Lands (Private) Limited., the Company vis-à-vis rented out a portion of the property to JS Investments Limited, a related party, under a rental arrangement.			
<b>12.2</b>			
Investment property comprises of 5,805 square feet of 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan, the fair value of which has been determined on the basis of valuation carried out by an independent professional valuer as of December 31, 2021 which amounts to Rs. 145.125 (2020: 145.125) million. The valuation was carried out on the basis of market intelligence, indexation of the original cost, year of construction and present condition and location.			
<b>13. INTANGIBLE ASSETS</b>			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	13.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		<b>5,000,000</b>	<b>5,000,000</b>
Softwares		-	-
		<b>5,000,000</b>	<b>5,000,000</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

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

14. LONG TERM INVESTMENTS	Note	March 31,	December 31,
		2022 (Un-audited)	2021 (Audited)
		(Rupees)	
<b>Classified as 'at fair value through Other Comprehensive Income'</b>			
Shares of PSX - at cost (2021: 2,202,953 shares)	14.1	23,060,884	23,060,884
Term finance / sukuk certificates		28,625,000	31,080,000
		51,685,884	54,140,884
Surplus on revaluation - net		3,093,922	8,196,738
		<b>54,779,806</b>	<b>62,337,622</b>

### 14.1 Term finance / sukuk certificates

Number of Certificates		Name of term finance / sukuk certificates	Carrying value	
March 31, 2022 (Un-audited)	December 31, 2021 (Audited)		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
			(Rupees)	
<b>Listed debt securities - secured</b>				
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	7,500,000	10,000,000
-	-	Dawood Hercules Corporation Limited - Sukuk - I	-	-
-	-	Dawood Hercules Corporation Limited - Sukuk - II	-	-
20	20	BYCO Petroleum Pakistan Limited - Sukuk - I	1,000,000	1,000,000
4,025	4,016	BIPL Ehad Sukuk	20,125,000	20,080,000
			<b>28,625,000</b>	<b>31,080,000</b>

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

Name of security	Face Value Per Certificates (Rupees)	Unredeemed face value Per Certificates (Rupees)	Mark-up rate (per annum)	Maturity	Rating
<b>Listed debt securities - secured (note 14.1.2)</b>					
Jahangir Siddiqui & Co. - Limited term finance certificate XI - related party	5,000	3,333	6 months KIBOR +1.40%	March 06, 2023	AA+
BYCO Petroleum - Pakistan Limited Sukuk	100,000	50,000	3 months KIBOR +1.05%	January 18, 2023	AAA
<b>Listed Debt Security - Unsecured</b>					
Bank Islami - Pakistan Limited Ehad Sukuk	5,000	5,000	3 months KIBOR +2.75%	Perpetual	A-

**14.1.2** These term finance certificates and sukuks held by the Company are secured against either marketable securities of the issuer or a charge on the shares of the issuer's core investments inclusive of 50% margin or a ranking charge over present and future fixed assets of the issuer with a 25% margin. The maximum aggregate amount of term finance certificates and sukuk loans due from related party at the end of any month during the year was Rs.7.5 million (2021: Rs.10) million.

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

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

	March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited)
Balance at the beginning of the year	8,196,738	10,309,414
Surplus / (deficit) on re-measurement of investments during the year	<u>(5,102,816)</u>	<u>(2,112,676)</u>
Balance at the end of the year	<u>3,093,922</u>	<u>8,196,738</u>

### 15. DEFERRED TAXATION - NET

#### Taxable temporary difference

Difference in accounting and tax base of  
- intangible assets  
- operating assets and investment property  
Government grant

#### Deductible temporary differences

Lease liability  
lease - net  
Revaluation of investments  
Allowance for expected credit losses

Note	March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited)
------	---	-----------------------------------

-	-
<b>(12,749,934)</b>	(11,065,821)
<b>(338,234)</b>	(550,285)
<b>(13,088,168)</b>	(11,616,106)
<b>1,314,383</b>	1,155,131
<b>206,216</b>	349,792
<b>122,653,944</b>	122,653,944
<b>124,174,543</b>	124,158,867
<b>111,086,375</b>	112,542,761

### 16. SHORT TERM INVESTMENTS

#### At fair value through profit or loss

Quoted equity securities  
Exchange Traded Fund  
Advance against subscription of right shares

#### At fair value through other comprehensive income

Privately placed term finance certificates - unsecured

16.1	<b>1,001,520,853</b>	1,386,669,860
16.2	<b>7,109,896</b>	5,839,148
	-	-
16.3	-	-
	<b>1,008,630,749</b>	<b>1,392,509,008</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 16.1 Quoted equity securities

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

Number of shares		Name of company	March 31, 2022		December 31, 2021	
March 31, 2022 (Un-audited)	December 31, 2021 (Audited)		(Un-audited)	(Audited)	(Un-audited)	(Audited)
			Average cost	Fair value	----- (Rupees) -----	
-	-	Amreli Steels Limited	-	-	-	-
40,000	44,500	Habib Bank Limited	4,640,165	4,516,400	5,189,590	-
-	-	Cherat Cement Company Limited	-	-	-	-
8,000	214,000	National Bank of Pakistan	245,485	249,520	7,387,280	-
401,500	-	Fauji Fertilizer Bin Qasim Limited	8,816,000	9,069,885	-	-
1,114,500	380,500	Nishat Chunian Limited	55,623,080	57,909,420	17,331,775	-
6,500	17,000	National Refinery Limited	1,296,047	1,347,580	4,838,030	-
674,500	1,896,500	Oil & Gas Development Company Limited	62,897,654	56,071,185	163,478,300	-
488,000	557,000	Pakistan State Oil Company Limited	75,763,262	81,334,960	101,312,730	-
4,000	-	The Searle Company Limited	455,475	495,960	-	-
-	5,000	AGP Limited	-	-	484,950	-
444,500	284,000	The Hub Power Company Limited	30,451,545	31,817,310	20,260,560	-
65,000	-	United Bank Limited	9,045,783	8,865,350	-	-
7,500	121,000	Attock Refinery Limited	856,082	965,100	17,427,630	-
1,108,500	1,100,000	K-Electric Limited*	3,241,932	3,480,690	3,784,000	-
203,500	7,000	D. G. Khan Cement Company Limited	13,490,040	15,476,175	580,580	-
47,500	992,500	Mughal Iron and Steel Industries Limited	3,987,128	4,332,000	103,329,175	-
78,000	139,500	NetSol Technologies Limited	6,432,946	6,693,960	13,093,470	-
294,000	299,000	Pakistan Petroleum Limited	23,148,142	21,403,200	23,632,960	-
1,000	9,000	Engro Fertilizers Limited	88,100	91,770	684,810	-
688,000	5,000	AI Shaheer Corporation Limited	6,903,250	7,657,440	67,400	-
-	355,500	Engro Polymer & Chemicals Limited	-	-	19,271,655	-
1,032,000	180,000	Gul Ahmed Textile Mills Limited	46,031,536	48,968,400	8,470,800	-
284,000	44,500	Fauji Cement Company Limited	5,034,440	5,146,080	817,465	-
1,273,000	280,000	Fauji Foods Limited	9,719,140	10,234,920	2,573,200	-
25,500	761,000	International Steels Limited	1,470,369	1,661,835	50,317,320	-
-	-	Lotte Chemical Pakistan Limited	-	-	-	-
24,000	105,500	Maple Leaf Cement Factory Limited	349,371	648,900	3,792,725	-
2,014,500	48,500	Nishat Mills Limited	1,906,386	2,056,320	3,859,630	-
32,500	65,500	Pak Elektron Limited	31,839,901	33,299,685	1,475,060	-
-	4,000	Pioneer Cement Limited	2,233,711	2,617,875	355,000	-
-	20,500	Aisha Steel Mills Limited	-	-	308,730	-
59,500	-	Power Cement Limited	-	-	-	-
3,034,000	1,028,000	Sui Northern Gas Pipelines Limited	1,787,522	1,890,910	34,386,600	-
470,000	4,000,000	Pakistan Telecommunication Company Limited	24,083,591	23,665,200	34,800,000	-
404,500	99,000	Pakistan Refinery Limited	5,288,842	5,954,900	1,427,580	-
-	989,500	Avanceon Limited	35,185,164	35,802,295	90,163,240	-
1,990,000	-	Hascol Petroleum Limited	-	-	-	-
650,000	11,000	Pakistan International Bulk Terminal Limited	11,980,955	12,676,300	80,960	-
1,369,000	500,000	Bank Alfalah Limited	21,377,350	22,048,000	17,300,000	-
29,500	1,916,500	Cnergyco PK Limited	6,981,543	7,132,490	13,051,365	-
-	8,000	Ghani Global Glass Limited	300,014	392,055	112,800	-

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

Number of shares		Name of company	March 31, 2022		December 31, 2021
March 31, 2022	December 31, 2021		(Un-audited)	(Audited)	
(Un-audited)	(Audited)		Average cost	Fair value	
			----- (Rupees) -----		
29,500	8,000	Ghani Global Glass Limited	300,014	392,055	112,800
1,505,500	553,500	Ghani Global Holdings Limited	21,558,715	26,030,095	13,350,420
-	35,500	Ghandhara Nissan Limited	-	-	2,773,970
3,606,000	1,517,500	Hum Network Limited	23,856,014	24,376,560	9,803,050
1,500	5,000	International Industries Limited	177,274	178,755	694,050
470,500	-	Bank AL Habib Limited	35,758,000	31,965,770	-
29,000	-	Engro Corporation Limited	7,813,249	7,760,400	-
224,500	-	Frieslandcampina Engro Pakistan Limited	18,117,614	18,990,455	-
516,000	-	Fauji Fertilizer Company Limited	57,368,625	58,679,520	-
1,000	-	Ghandhara Industries Limited	161,478	165,760	-
250,000	-	Image Pakistan Limited	3,986,000	4,585,000	-
296,000	-	Kot Addu Power Company Limited	8,193,570	9,258,880	-
35,000	-	Pakistan Oilfields Limited	13,462,220	13,043,800	-
4,000	-	Pak Suzuki Motor Company Limited	871,588	902,920	-
5,000	-	The Organic Meat Company Limited	134,500	141,400	-
600,000	-	Worldcall Telecom Limited	948,000	1,074,000	-
-	50,000	Meezan Bank Limited	-	-	6,705,500
235,000	1,210,000	Silkbank Limited	259,595	267,900	1,754,500
1,000	101,500	Telecard Limited	14,792	14,170	1,608,775
30,000	14,500	Tariq Glass Industries Limited	3,463,029	3,818,100	1,573,540
696,000	19,500	TPL Corp Limited	6,750,667	7,864,800	323,310
963,000	696,000	TPL Properties Limited	16,917,539	19,452,600	22,724,400
75,000	108,000	Treet Corporation Limited	2,327,438	2,544,750	4,502,520
1,037,000	3,561,000	TRG Pakistan Limited	79,258,673	80,730,450	419,841,900
800,500	1,467,000	Waves Singer Pakistan Limited	10,632,225	11,999,495	22,870,530
5,783,500	4,257,500	Unity Foods Limited	138,151,458	151,701,205	112,696,025
			963,134,214	1,001,520,855	1,386,669,860
		Unrealised gain on re-measurement at fair value through profit or loss - net	38,386,641	-	-
			<b>1,001,520,855</b>	<b>1,001,520,855</b>	<b>1,386,669,860</b>

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 16.2 Exchange Traded Fund

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

Number of shares/fund		Name of company	March 31, 2022		December 31, 2021
March 31, 2022	December 31, 2021		(Un-audited)	(Audited)	
(Un-audited)	(Audited)		Average cost	Fair value	
			(Rupees)		
226	198	D.G. Khan Cement Company Limited	22,834	17,187	16,422
345	397	Engro Fertilizers Limited	42,063	31,661	30,208
258	234	Engro Corporation Limited	91,725	69,041	63,746
503	443	Habib Bank Limited	75,454	56,794	51,663
703	602	The Hub Power Company Limited	66,854	50,321	42,947
82	69	Lucky Cement Limited	69,325	52,181	46,870
359	309	United Bank Limited	65,051	48,964	42,203
126	114	The Searle Company Limited	20,756	15,623	16,384
328	282	TRG Pakistan Limited	33,924	25,535	33,248
		UBL Pakistan Enterprise			
22,000	26,500	Exchange Traded Fund	360,969	271,700	338,405
532	453	Attock Refinery Limited	69,284	68,458	65,246
816	-	Avanceon Limited	73,095	72,224	-
1,036	1,096	D.G. Khan Cement Company Limited	79,738	78,788	90,902
1,242	1,375	Engro Corporation Limited	336,368	332,359	374,578
4,427	4,222	The Hub Power Company Limited	320,707	316,885	301,197
466	436	Lucky Cement Limited	300,116	296,539	296,166
2,377	2,136	Maple Leaf Cement Factory Limited	86,725	85,691	76,789
270	177	National Refinery Limited	56,652	55,976	50,372
3,054	2,803	Oil & Gas Development Company Limited	256,942	253,879	241,619
3,183	2,924	Pakistan Petroleum Limited	234,518	231,722	231,113
987	978	Pakistan State Oil Company Limited	166,488	164,503	177,888
-	924	The Searle Company Limited	-	-	132,797
3,021	2,546	Unity Foods Limited	80,197	79,241	67,393
-	517	Unity Foods Limited - Lor	-	-	548
259,000	233,000	Meezan Pakistan Exchange Traded Fund	2,214,950	2,188,550	2,050,400
129	208	Bank Al Habib Limited	18,742	8,764	14,354
87	71	Engro Corporation Limited	49,787	23,281	19,342
172	198	Fauji Fertilizer Company Limited	41,828	19,560	19,851
160	192	Habib Bank Limited	38,633	18,066	22,391
204	258	The Hub Power Company Limited	31,227	14,602	18,406
23	34	Lucky Cement Limited	31,299	14,636	23,096
84	129	MCB Bank Limited	26,165	12,235	19,782
94	92	Meezan Bank Limited	26,325	12,310	12,338
127	196	Oil & Gas Development Company Limited	22,577	10,558	16,895
52	78	Pakistan Oilfields Limited	41,443	19,379	27,894
151	221	Pakistan Petroleum Limited	23,508	10,993	17,468
50	73	Pakistan State Oil Company Limited	17,821	8,334	13,278
26	21	Systems Limited	21,065	9,851	15,957
105	144	TRG Pakistan Limited	17,481	8,174	16,978
132	133	United Bank Limited	38,500	18,003	18,165
25,000	16,000	NIT Pakistan Gateway Exchange Traded Fund	574,719	268,750	177,280
108	-	AGP Limited	12,732	9,729	-
269	-	Aisha Steel Mills Limited	5,013	3,831	-
222	-	Cherat Cement Company Limited	40,931	31,275	-
214	-	D.G. Khan Cement Company Limited	21,299	16,275	-
450	-	Frieslandcampina Engro Pakistan Limited	49,817	38,066	-

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

Number of shares/fund		Name of company	March 31,		December 31,
March 31,	December 31,		2022	2021	
2022	2021		(Un-audited)	(Audited)	
(Un-audited)	(Audited)		Average cost	Fair value	
			(Rupees)		
334	-	Gul Ahmed Textile Mills Limited	20,741	15,848	-
49	-	Honda Atlas Cars (Pakistan) Limited	13,289	10,154	-
413	-	Interloop Limited	39,943	30,521	-
252	-	International Industries Limited	39,302	30,031	-
135	-	International Steels Limited	11,514	8,798	-
31	-	Lucky Cement Limited	25,817	19,727	-
589	-	Maple Leaf Cement Factory Limited	27,789	21,233	-
145	-	Mughal Iron And Steel Industries Ltd	17,307	13,224	-
429	-	Nishat (Chunian) Limited	29,173	22,291	-
332	-	Nishat Mills Limited	37,228	28,446	-
85	-	Pak Suzuki Motor Company Limited	25,111	19,187	-
129	-	Pakistan State Oil Company Limited	28,138	21,500	-
138	-	The Searle Company Limited	22,393	17,111	-
383	-	Sui Northern Gas Pipelines Limited	15,930	12,172	-
479	-	Unity Foods Limited	16,443	12,564	-
33,500	-	Alfalah Consumer Index Exchange Traded Fund	414,750	316,910	-
210	-	Engro Fertilizers Limited	25,221	19,272	-
222	-	Engro Polymer & Chemicals Limited	19,309	14,754	-
88	-	Fauji Fertilizer Company Limited	13,097	10,007	-
7	-	Indus Motor Company Limited	11,961	9,139	-
10	-	Mari Petroleum Company Limited	23,158	17,695	-
19	-	Millat Tractors Limited	21,557	16,472	-
163	-	Nishat (Chunian) Limited	11,084	8,469	-
92	-	Tariq Glass Industries Ltd	15,324	11,709	-
1,529	-	Tpl Properties Limited	40,421	30,886	-
88	-	United Bank Limited	15,708	12,002	-
47,500	-	JS Momentum Factor Exchange Traded Fund	494,831	378,100	-
336	-	Bank Alfalah Limited	14,916	11,397	-
111	150	Bank Al Habib Limited	9,870	7,541	10,352
259	198	Engro Fertilizers Limited	31,106	23,768	15,066
103	75	Engro Corporation Limited	36,072	27,563	20,432
212	150	Fauji Fertilizer Company Limited	31,552	24,109	15,039
308	229	Habib Bank Limited	45,513	34,776	26,706
386	288	The Hub Power Company Limited	36,160	27,630	20,546
53	35	Lucky Cement Limited	44,139	33,727	23,775
138	95	MCB Bank Limited	26,307	20,101	14,568
156	105	Meezan Bank Limited	26,737	20,430	14,082
49	36	Pakistan Oilfields Limited	23,899	18,261	12,874
282	214	Pakistan Petroleum Limited	26,868	20,530	16,915
116	91	Pakistan State Oil Company Limited	25,303	19,334	16,552
336	186	TRG Pakistan Limited	34,233	26,158	21,929
202	143	United Bank Limited	36,057	27,551	19,531
351	252	Oil & Gas Development Company Limited	38,187	29,179	21,722
16,500	27,000	NBP Pakistan Growth Exchange Traded Fund	221,339	169,125	276,480
			8,460,444	7,109,896	5,839,148
		Unrealised loss on re-measurement at fair value through profit or loss - net	(1,350,548)	-	-
			7,109,896	7,109,896	5,839,148

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 16.3 Privately Placed Term Finance Certificates - Unsecured

March 31, 2022 (Un-audited)					
Number of certificates	Mark-up rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)	16.3.1	October 19, 2020	326,456,184
		Provision for impairment			(326,456,184)
					-
					-
		December 31, 2021 (Audited)			-

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

17. TRADE DEBTS	Note	March 31, 2022	December 31, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Purchase of shares on behalf of clients		348,989,278	1,470,759,798
Advisory services		1,836,280	1,203,405
Forex and fixed income commission		5,481,665	6,516,850
Commodity		67,276,933	59,488,481
		423,584,156	1,537,968,534
<b>Considered doubtful</b>		409,285,717	409,285,717
		832,869,873	1,947,254,251
Provision for doubtful debts		(409,285,717)	(409,285,717)
	17.1	423,584,156	1,537,968,534

17.1 Included herein is a sum of Rs.4.096 (2021: Rs.215.397) million receivable from related parties.

18. INTEREST AND MARK-UP ACCRUED	Note	March 31, 2022	December 31, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Accrued mark-up on margin finance		18,493,911	12,629,367
Accrued mark-up on term finance / sukuk certificates		774,731	985,782
Interest receivable on bank deposits		917,087	338,512
		20,185,729	13,953,661
<b>19. CASH AND BANK BALANCES</b>			
Cash with banks:			
- Current accounts		31,251,976	17,444,983
- Deposit accounts	19.1	2,570,945,891	1,269,199,779
		2,602,197,867	1,286,644,762
Cash in hand:		224,000	224,000
	19.2	2,602,421,867	1,286,868,762

19.1 These carry profit / mark-up rates ranging from 4.50% to 9.25% (2021: 2.75% to 9.25%) per annum.

19.2 These include balances with the Parent Company amounting to Rs.2,392.574 (2021: Rs.1,247.176) million.

19.3 Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	<b>March 31, 2022 (Un-audited)</b> ----- (Rupees) -----	December 31, 2021 (Audited)
Customers' assets held in the designated bank accounts	<u>1,248,963,480</u>	<u>1,242,787,363</u>
Customers' assets held in the CDC	<u>30,433,743,827</u>	<u>35,346,434,952</u>
<b>19.4</b> Securities pledged with financial institutions	<u>9,075,849,668</u>	<u>13,720,458,795</u>
	<b>March 31, 2022 (Un-audited)</b> ----- (Rupees) -----	March 31, 2021 (Un-audited)
<b>20. OPERATING REVENUE</b>	Note	----- (Rupees) -----
Brokerage and operating income	<u>95,703,697</u>	256,309,742
Advisory and consultancy fee	<u>2,535,066</u>	13,740,584
	<u>98,238,763</u>	<u>270,050,326</u>
<b>21. FINANCE COST</b>		
Mark-up on long-term loans	<u>17,485,253</u>	-
Mark-up on commercial paper	<u>27,984,365</u>	-
Commission charges on bank guarantee	21.1 <u>1,118,405</u>	1,137,364
Bank and other charges	<u>103,718</u>	21,520
Interest expense on SBP Re-Finance Scheme for Salaries and Wages	<u>731,210</u>	733,764
Interest expense on assets subject to finance lease	<u>513,003</u>	727,096
	<u>47,935,954</u>	<u>2,619,744</u>
<b>21.1</b> During the year, the Company obtained bank guarantee from a different financial institutions, to meet exposure requirements, amounting to Rs.400 (2021: Rs.400) million. It was priced at 1.75% per annum and will be expiring on May 25, 2022.		
<b>22. TAXATION</b>		
<b>22.1</b> There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2021.		
	<b>March 31, 2022 (Un-audited)</b> ----- (Rupees) -----	March 31, 2021 (Un-audited)
<b>23. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation	<u>20,762,707</u>	<u>121,098,107</u>
	----- (Number) -----	
Weighted average number of shares	<u>27,477,297</u>	<u>30,557,000</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>0.76</u>	<u>3.96</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

### 24. RELATED PARTY TRANSACTIONS

24.1 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:

	March 31, 2022 2022 (Un-audited)		December 31, 2021 2021 (Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entitie	Associated entities other than parent company
	----- (Rupees) -----			
<b>Trade debts</b>				
Opening balance	14,207	3,627,068	79,952	27,348,212
Invoiced during the year	(3,765,877)	(1,937,121,598)	7,279	439,157,098
Received during the year	4,026,832	1,936,900,408	(73,025)	(462,878,242)
Closing balance	<u>275,162</u>	<u>3,405,878</u>	<u>14,207</u>	<u>3,627,068</u>
<b>Trade payable</b>				
Opening balance	130,336,990	254,963,606	6,314,449	783,092
Invoiced during the year	379,198,844	286,942,819	1,452,595,975	1,468,430,320
Paid during the year	(508,719,821)	(257,076,689)	(1,328,573,434)	(1,214,249,806)
Closing balance	<u>816,013</u>	<u>284,829,736</u>	<u>130,336,990</u>	<u>254,963,606</u>
<b>Loans and advances</b>				
Opening balance	12,926,331	-	9,613,515	-
Disbursements during the year	9,048,129	-	10,239,346	-
Repayments during the year	(2,343,777)	-	(6,926,530)	-
Closing balance	<u>19,630,683</u>	<u>-</u>	<u>12,926,331</u>	<u>-</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	March 31, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited)
<b>Balances with Parent Company</b>		
Trade debts	396,956	-
Trade Payable	-	6,319
Bank balances with parent company	2,392,573,877	1,247,175,943
Other payable	6,960	6,960
Long term financing	42,394,067	56,564,633
Interest payable	314,470	428,611
Dividend Payable	-	127,632,045
<b>Balances with ultimate Parent Company</b>		
Trade debts	18,412	-
Trade Payable	-	224,150,764
Other receivables	284,852	284,852
Mark-up receivable on term finance certificates	64,264	284,121
Principal outstanding on term finance certificates	7,500,000	10,000,000
<b>Balances with associated entities of group companies</b>		
Other receivables	61,628	61,628
Mark-up payable on commercial paper	5,813,286	1,559,662
Mark-up payable on long term financing	4,108,050	3,973,884
Principal outstanding on term finance certificates	20,125,000	20,080,000
Donation payable	-	2,255,223
	March 31, 2022 (Un-audited) ----- (Rupees) -----	March 31, 2021 (Un-audited)
<b>Transactions with associated entities of group companies</b>		
<b>Nature of transactions</b>		
Brokerage income	7,612,209	4,496,515
<b>Transactions with the Parent Company</b>		
<b>Nature of transactions</b>		
Brokerage income	713,441	89,935
Bank charges	68,122	14,482
Mark-up on deposit accounts	48,034,177	13,639,191
Dividend Paid	255,264,089	-
<b>Transactions with ultimate Parent Company</b>		
<b>Nature of transactions</b>		
Brokerage income	3,450,853	3,720,580
Reimbursement of expenses by the ultimate parent company	127,033,542	140,471
Reimbursement of expenses to the ultimate parent company	18,452,623	4,722,614
Mark-up received on term finance certificates	443,326	536,472
Principal received on term finance certificates	2,500,000	500,000

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	March 31, 2022 (Un-audited) ----- (Rupees) -----	March 31, 2021 (Un-audited) ----- (Rupees) -----
<b>Transactions with key management personnel of the Company and its Parent Company</b>		
<b>Nature of transactions</b>		
Brokerage income	180,142	9,048,993
Directors' remuneration	425,000	456,516
Remuneration paid to Chief Executive Officer	24,661,209	7,309,546
Remuneration paid to key management personnel	94,368,314	36,237,063
<b>Transactions with other related parties</b>		
<b>Nature of transactions</b>		
Royalty expense	5,000,000	5,000,000
Insurance expense	23,690,886	3,108,692
Purchase of term finance certificates	50,660,709	-
Sale of term finance certificates	153,560,440	-
Sale of sukuk certificates	422,795,899	322,747,291
Mark-up on sukuk certificates	495,432	1,154,804
Capital gain on sale of sukuk certificates	2,929,100	1,468,175
Contributions to staff provident fund	4,602,952	3,350,359

	Brokerage ----- (Rupees) -----	March 31, 2022 (Un-audited) Investment and treasury (Rupees)	Other operations	Total
<b>25. OPERATING SEGMENTS</b>				
Segment revenues	191,132,284	35,875,760	1,502,956	228,511,000
Gain/(Loss) on re-measurement of investments	-	(4,138,463)	-	(4,138,463)
Administrative and operating expenses	(93,706,723)	(21,547,135)	(36,537,763)	(151,791,621)
Depreciation	(10,214,332)	(786,429)	(6,485,805)	(17,486,566)
Amortisation of intangible assets	-	-	-	-
Finance cost	(47,935,954)	-	-	(47,935,954)
	39,275,275	9,403,733	(41,520,612)	7,158,396
Gain on sale of property and equipment	-	-	-	-
Gain on termination of lease	-	-	-	19,755,341
Provision for Sindh Workers' Welfare Fund	-	-	-	(538,275)
Taxation	-	-	-	(5,612,755)
Profit after tax	-	-	-	20,762,707
Segment assets	3,356,098,415	1,725,233,496	759,051,391	5,840,383,302
Segment liabilities	2,638,028,062	-	990,167,990	3,628,196,052

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 March 31, 2022 and December 31, 2021 are located and operating in Pakistan.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	Brokerage	March 31, 2021 (Un-audited) Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	256,309,742	41,978,678	2,015,475	300,303,895
Gain/(Loss) on re-measurement of investments	-	1,465,645	-	1,465,645
Administrative and operating expenses	(83,706,723)	(11,547,135)	(34,278,667)	(129,532,525)
Depreciation	(10,214,332)	(786,429)	(6,485,805)	(17,486,566)
Amortisation of intangible assets	-	-	-	-
Finance cost	(2,619,744)	-	-	(2,619,744)
	<u>159,768,943</u>	<u>31,110,759</u>	<u>(38,748,997)</u>	<u>152,130,705</u>
Gain on sale of property and equipment				-
Gain on termination of lease				19,755,341
Provision for Sindh Workers' Welfare Fund				(3,437,721)
Taxation				(47,350,218)
Profit after tax				<u>121,098,107</u>
Segment assets	<u>3,156,098,415</u>	<u>1,629,620,095</u>	<u>515,744,432</u>	<u>5,301,462,942</u>
Segment liabilities	<u>2,210,709,622</u>	<u>-</u>	<u>526,864,907</u>	<u>2,737,574,529</u>

### 26. 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).

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:

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	March 31, 2022 (Un-audited)			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>				
Quoted equity securities	1,001,520,853	-	-	1,001,520,853
Exchange Traded Fund	7,109,896			7,109,896
	<u>1,008,630,749</u>	<u>-</u>	<u>-</u>	<u>1,008,630,749</u>
<b>Fair value through other comprehensive income</b>				
Quoted securities	54,779,806	-	-	54,779,806
	<u>54,779,806</u>	<u>-</u>	<u>-</u>	<u>54,779,806</u>
	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Quoted equity securities	1,386,669,860	-	-	1,386,669,860
Exchange Traded Fund	5,839,148			5,839,148
	<u>1,392,509,008</u>	<u>-</u>	<u>-</u>	<u>1,392,509,008</u>
<b>Fair value through other comprehensive income</b>				
Quoted securities	62,337,622	-	-	62,337,622
	<u>62,337,622</u>	<u>-</u>	<u>-</u>	<u>62,337,622</u>

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

At present, JSGCL employs nine members in its research department (including head of research, two 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 March 31, 2022, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 11.547 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

### 28. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on April 26, 2022.

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**DIRECTOR**

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**CHIEF EXECUTIVE OFFICER**

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**CHIEF FINANCIAL OFFICER**



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