

**Condensed Interim Financial Information
for the nine months ended (Un-audited)
September 30, 2019**





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Vision

To be the leader
in the Financial
Services Sector

Mission

To ensure growth of various
financial services by
creating new products and
services in the Financial
Sector

Company Information

Board of Directors	Mr. Muhammad Yousuf Amanullah Mr. Muhammad Kamran Nasir Mr. Khurshid Hadi Mr. Munir Hassan Taher Mr. Junaid Imran Mr. Ammar Talib Hajeyah Mr. Abdul Hamid Mihrez Mr. Khurram Shaikh	Chairman Chief Executive Officer Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Audit Committee	Mr. Khurshid Hadi Mr. Khurram Shaikh Mr. Ammar Talib Hajeyah	Chairman
Executive Committee	Mr. Muhammad Kamran Nasir Mr. Munir Hassan Taher Mr. Abdul Hamid Mihrez Mr. Muhammad Yousuf Amanullah Mr. Khurram Shaikh	Chairman
Human Resource & Remuneration Committee	Mr. Khurshid Hadi Mr. Muhammad Kamran Nasir Mr. Abdul Hamid Mihrez	Chairman
Chief Financial Officer	Mr. Fahad Muslim	
Company Secretary	Syed Sufyan Ahmed	
External Auditor	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, Karachi.	
Internal Auditor	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.	

Company Information

Bankers

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

Legal Advisors

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

Ms. Lubna Saleem Pervez
Office No. 409, 4th Floor, Land Mark Plaza,
Muhammad Bin Qasim Road, Off. I.I. Chundrigar Road, Karachi.

Share Registrar

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

Registered Office

17th Floor, The Center, Plot No. 28, S.B.5,
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Directors' Report

We are pleased to present the unaudited, condensed interim financial information of JS Global Capital Limited ("the Company") for the nine months ended September 30, 2019.

The summarized results are set out below:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	-----Rupees-----	
Profit before tax	24,796,579	88,240,179
Profit after tax	6,034,035	20,714,846
Earnings per share	0.16	0.55

THE ECONOMY

Pakistan entered into a fresh US\$6bn IMF program at the beginning of 1QFY20 where, with the release of the first tranche, the fund also gave the government quarterly targets that would be assessed in each upcoming review. Quantitative targets for 1QFY20 have reportedly been met by the help of revenue collections and expenditure cuts. In addition, foreign exchange reserves have also sustained with financial assistance from IMF and other global bodies such as Asian Development Bank. Furthermore, current account deficit (CAD) during 2MFY20 also declined by 55% YoY to US\$1,292mn (2.8% of GDP), supported by plummeting imports amid higher base and declining international oil prices, which further gave support to foreign exchange reserves. During the quarter, final numbers for FY19 were also released where the country's Fiscal deficit as a % of GDP expanded to 8.9%, compared to 6.6% in FY18. LSM numbers for July-2019 were also released, depicting lackluster performance with a decline of 3.28% YoY, with leading underperformers being Automobiles (-27.4% YoY), Coke & Petroleum Products (-25.1% YoY) and Iron & Steel Products (-15.4% YoY). On the inflation front, during 1QFY20 Pakistan Bureau of Statistics (PBS) revised the base year to calculate inflation to 2015-16, from 2007-08 previously. For 1QFY20, CPI averaged 10.08%, higher than 1QFY19 average of 6.08% as 21% rupee devaluation and hike in energy and utility prices in the past one year took a toll on headline inflation. Given the likely increase in near term inflation, SBP announced a 100bps increase in the Policy Rate in its Monetary Policy for July-2019 to 13.25%, whereas kept interest rates unchanged in

September-2019, citing potential improvement in inflation in the coming twenty four months.

EQUITY MARKET REVIEW

The KSE-100 index declined by 5% QoQ to close at 32,079 at the end of 1QFY20 as macroeconomic issues and geo-political noise kept investors skeptical towards fresh investments. Overall investor participation declined with average daily traded volumes sequentially declining by 25% to 99mn shares, while average daily traded value also declined by 26%. Most of the heavy-weight sectors recorded negative returns during the quarter, such as Auto Assemblers (-18% QoQ), Cement (-15% QoQ), OMCs (-13% QoQ), Refinery (-12% QoQ), Commercial Banks (-8% QoQ) and E&Ps (-7% QoQ). Moreover, the result season for the period of 4QFY19/2QCY19 brought mixed sentiments. The Banking sector reported double-digit growth in profitability, which was broadly in-line with street expectations; while some cyclical-sectors' stocks within Cements and Autos reported higher-than-anticipated losses during the quarter. Mutual funds continued to remain net sellers in 1QFY20 as well, with US\$82.48mn of total selling during the quarter. Insurance companies also remained significant net sellers of US\$23.28mn, as higher money market yields led to conversion to government securities. Selling was largely observed in the Banking and Cement sectors. Substantial selling during the quarter was taken in by individuals (US\$49.33mn) and foreigners (US\$23.23mn).

FOREIGN EXCHANGE, MONEY MARKET AND COMMODITIES REVIEW

During the period July-2019 USD/PKR was trading at 159.3460 as compared to 124.9730 in the corresponding period last year. During this period USD appreciated more than 25.10%. Highest USD/PKR parity was at 160.40 in July-2019 and lowest parity was at 156.05 September-2019 and closed in September (FY19) at 156.37. The average SWAP's in July-2019 for 1 month, 3 month & 6 month were at PKR 1.275, PKR 3.623, and PKR 6.965 paisa respectively. During this period SWAP's witnessed an upward trend and increased significantly in the month of August 2019. In August 2019 the average SWAP's traded at PKR 1.1600, PKR 4.3301 and PKR 8.3896. Although, SWAP's saw this hike due to escalated discount rate. State Bank of Pakistan maintained its policy rate at

Directors' Report

13.25% in its latest monetary policy after the long monetary tightening strategies, which was in line with the market expectations as the inflation result was largely as expected by SBP.

During the month of September-2019, yield curve shifted downwards due to the expectation of a rate cut in future by the market participants as the yield on longer tenure shifted by ~100bps on average. As longer term securities remained in limelight which was quite obvious from the healthy participation witnessed in the PIB auctions. The demand in long term securities pushed the yields downward. Resultantly the last cut offs of PIB auction of 3, 5 & 10 years were 12.95%, 12.50% and 12.25% respectively, however bids in 20 years tenor were rejected. Whereas the last cut offs of T-bill for 3, 6 & 12 months stood at 13.73%, 13.84% and 13.85% respectively. We anticipate that interest rates have peaked out and lower inflation under new methodology can lead to some cut in interest rates within this fiscal year.

Activity increased during the nine months ended September 30, 2019 at the Pakistan Mercantile Exchange (PMEX). Total volumes traded at the bourse increased by 42% when compared to last year, whereas the total value traded increased massively by 93% during the same period. Although, excluding the NSDQ100 contract, the change in volumes in the current period was almost negligible when compared to last year, whereas increase in value traded is limited to 20%. There was increased activity in higher value contracts during the period, such as GO100OZ, DJ and SP500. On the other hand, there was a notable decline in activity in smaller sized contracts during the period, which curbed the overall volumes for the bourse. Global issues such as the US-China and US-Iran tensions, the Middle East conflict, uncertainty in Europe (Brexit in particular) and jitters from possible US Fed cuts continued to cause some hesitation for investors. These factors also affected JSGCL's performance during the period, as activity declined by 35%. However, with increased concentration in higher value contracts, overall value traded for the company did not post a material decline and remained stable during the period.

COMPANY PERFORMANCE REVIEW

The Company earned a net gain of PKR 6.03 million for the nine months ended September 30, 2019 vis-à-vis net income of PKR 20.71 million in the comparative period last year. Operating revenue of the Company decreased by 70.87% over the same period last year.

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Muhammad Kamran Nasir
Chief Executive Officer

Junaid Imran
Director

Date: October 22, 2019

ڈائریکٹرز رپورٹ:

بازار سے متعلق مختلف چیلنجز اور ملک کی سیاسی معاشی صورتحال کے باوجود کمپنی کی توجہ طویل مدتی نمو کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ باریک بینی سے اپنے وسائل کی نگرانی کرتے ہوئے اپنے حصص یافتگان کو زیادہ سے زیادہ فوائد پہنچانے کے لئے کوشاں ہے۔ اس میں بنیادی بروکرئج اور معاوضہ کی بنیاد پر آپریشنز اور ٹریڈی میجمنٹ شامل ہے۔

تسلیمات

ہم اعتراف کرتے ہیں کہ اپنے کلائنٹس، کاروباری شراکت داروں اور حصص یافتگان، اور ملازمین کی آٹھکھ محنت اور کوششوں اور حمایت سے بے ایس گلوبل کیپٹیل لمیٹڈ کے تمام ملازمین کا شکریہ ادا کرتے ہیں۔

ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (CDC)، نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ (NCCPL) اور پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کی انتظامیہ کو بھی کیپٹیل مارکیٹ مستحکم کرنے اور سرمایہ کاروں کے حقوق کے تحفظ کیلئے اقدامات کرنے پر سراہتے ہیں۔

برائے و مخانب بورڈ آف ڈائریکٹرز

محمد کامران ناصر
چیف ایگزیکٹو آفیسر

جنید عمران
ڈائریکٹر

کراچی: 22 اکتوبر 2019

ڈائریکٹرز رپورٹ:

ستمبر 2019 کے مہینے کے دوران، مارکیٹ کے شرکاء کے ذریعے مستقبل میں شرح میں کمی کی توقع کی وجہ سے پیداوار کا رخ نیچے کی طرف منتقل ہوا کیوں کہ طویل مدت کے دوران پیداوار اوسطاً 100bps کی طرف بڑھ گیا۔ طویل مدتی تمسکات اجاگر ہیں جو PIB کے نیلاموں میں بھاری شرکت سے واضح ہے۔ طویل مدتی تمسکات کی طلب کی وجہ سے منفعت کی سطح نیچے رہی۔ جس کے نتیجے میں PIB کے آخری Cut-Off میں 3، 5 اور 10 سالہ کے بالترتیب 12.95 فیصد، 12.50 فیصد اور 12.2483 فیصد رہے جبکہ 20 سالہ مدت کی بولیوں کو مسترد کر دیا گیا۔ جبکہ ٹی بلز کی آخری Cut-Off 6، 3 اور 12 ماہی مدت کے لئے بالترتیب 13.73 فیصد، 13.84 فیصد اور 13.85 فیصد رہے۔ ہم توقع کرتے ہیں کہ شرح سود میں کمی آئے گی اور نئے طریقہ کار کے مطابق افراط زر کی سطح کو اس مالیاتی سال میں شرح سود میں کمی آئے گی۔

نوامہی مدت مختتمہ 30 ستمبر 2019 میں پاکستان مرکٹسٹاک ایکسچینج (PMEX) میں سرگرمی میں اضافہ ہوا۔ خرید و فروخت کا کل حجم بازار حصص میں گزشتہ سال کی بہ نسبت 42 فیصد زیادہ رہا جبکہ کل خرید و فروخت کی مالیت میں اسی مدت کے دوران 93 فیصد کا بڑے پیمانے پر اضافہ ہوا۔ NSDQ100 کنسٹریٹ کو نکالنے کے بعد، موجودہ مدت میں حجم میں گزشتہ سال کی بہ نسبت تقریباً انتہائی معمولی تبدیلی ہوئی جبکہ گزشتہ سال خرید و فروخت کی مالیت 20 فیصد تک محدود تھی۔ اس مدت کے دوران بلند مالیت کے معاہدوں جیسے GO100Z، DJ اور SP500 میں اضافی سرگرمی دیکھی گئی۔ جبکہ دوسری جانب اس مدت کے دوران چھوٹے سائز کے معاہدوں کی سرگرمی میں قابل ذکر کمی دیکھی گئی، جس کی وجہ سے بازار حصص کا مجموعی حجم محدود ہو گیا۔ عالمی معاملات جیسے US-China اور US-Iran کے درمیان تناؤ، مشرق وسطیٰ کے تنازعے، یورپ میں غیر یقینی صورتحال (خاص طور پر Brexit) اور US Fed کی اعصاب شکن مکنہ کٹوتیوں کی وجہ سے سرمایہ کار تذبذب کا شکار رہے۔ ان عناصر کی وجہ سے مدت کے دوران JSGCL کی کارکردگی متاثر ہوئی جس کی سرگرمی میں 35 فیصد کمی آئی۔ تاہم بلند مالیت کے معاہدوں میں بڑھتی ہوئی توجہ سرگرمی کی وجہ سے کمپنی کی مجموعی خرید و فروخت کے حجم پر کوئی قابل ذکر کمی نہیں آئی اور اس مدت کے درمیان مستحکم رہی۔

کمپنی کی کارکردگی کا جائزہ

کمپنی کو نوامہی مدت مختتمہ 30 ستمبر 2019 میں 6.03 بلین پاکستانی روپے کی خالص آمدن ہوئی جبکہ گزشتہ سال اسی مدت میں 20.7 بلین روپے کی آمدنی ہوئی تھی۔ کمپنی کے آپریٹنگ ریونیو میں گزشتہ مدت کے مقابلے میں 70.87% روپے کمی ہوئی جس کی بنیادی وجہ بازار حصص کے حجم میں بہت زیادہ کمی تھی۔

ہوتی ہے۔

ایکویٹی مارکیٹ کا جائزہ

KSE-100 انڈیکس میں گزشتہ سہ ماہی کی بہ نسبت 5 فیصد کمی ہوئی جو کہ 1QFY20 کے اختتام پر 32,079 پر بند ہوا کیونکہ معاشی مسائل اور سیاسی جغرافیائی صورتحال کی وجہ سے سرمایہ کارنی سرمایہ کاریوں کے لئے ہچکچاہٹ کا شکار رہے۔ اوسطاً پومیہ خرید و فروخت میں سرمایہ کاروں کی مجموعی شرکت میں کمی کی وجہ سے یہ 25 فیصد کم ہو کر 99 ملین حصص رہ گئی جبکہ اوسطاً پومیہ خرید و فروخت کی مالیت میں 26 فیصد کمی ہوئی۔ زیادہ تر بڑے شعبوں نے سہ ماہی کے دوران منفی منفعت فراہم کی جن میں آٹو اسمبلرز (گزشتہ سہ ماہی کی بہ نسبت 18- فیصد)، سینٹ (گزشتہ سہ ماہی کی بہ نسبت 15- فیصد)، OMCs (گزشتہ سہ ماہی کی بہ نسبت 13- فیصد)، ریفائنری (گزشتہ سہ ماہی کی بہ نسبت 12- فیصد)، تجارتی بینکوں (گزشتہ سہ ماہی کی بہ نسبت 8- فیصد) اور E&Ps (گزشتہ سہ ماہی کی بہ نسبت 7- فیصد) شامل ہیں۔ مزید برآں 4QFY19/2QCY19 کے نئے موسم میں ملا جلا رجحان لایا۔ بینکنگ سیکٹر کی منافع کاری میں دہرے عدد کی نمو ہوئی جبکہ کچھ گردش شعبہ جات جیسے سینٹ اور آٹو سہ ماہی کے حصص میں سہ ماہی کے دوران توقع سے زیادہ خسارہ رہا۔ 1QFY20 میں میوچل فنڈز تسلسل کے ساتھ بڑے فروخت کنندہ رہے جنہوں نے سہ ماہی کے دوران 82.48 ملین ڈالر کی کل فروخت کی۔ بازار زر کی بلند منفعت کے نتیجے میں توجہ سرکاری تسکات کی جانب مائل ہونے کی وجہ سے بیمہ کمپنیاں بھی 23.28 ملین ڈالر کی فروخت کے ساتھ بڑی فروخت کنندہ رہیں۔ بینکنگ اور سینٹ کے شعبوں میں بڑے پیمانے پر فروخت دیکھی گئی۔ اس کے علاوہ انفرادی افراد (49.33 ملین یو ایس ڈالر) اور غیر ملکیوں (23.23 ملین یو ایس ڈالر) نے بھاری فروخت کی۔

زر مبادلہ، بازار زر اور ایشیائے صرف کا جائزہ

جولائی 2019 کے دوران USD/PKR کی مساواتی قدر 159.3460 رہی جبکہ گزشتہ سال اسی مدت میں 124.9730 تھی۔ اس مدت کے دوران USD کی قدر میں 25.10 فیصد اضافہ ہوا۔ USD/PKR کی مساواتی قدر جولائی 2019 میں 160.40 کے ساتھ بلند ترین رہی جبکہ ستمبر 2019 میں 156.05 کے ساتھ کم ترین رہی اور ستمبر (FY19) میں 156.37 پر بند ہوئی۔ جولائی 2019 میں 1 ماہی، 3 ماہی اور 6 ماہی مصنوعات کی اوسطاً SWAP بالترتیب 1.275 روپے، 3.623 روپے، 6.965 روپے رہی۔ مدت کے دوران SWAP میں اوپری رجحان دیکھا گیا اور اگست 2019 میں اس میں قابل ذکر اضافہ ہوا۔ اگست 2019 میں اوسطاً SWAP خرید و فروخت 1.1600 روپے، 4.3301 روپے اور 8.3896 روپے رہی۔ SWAP میں اضافہ کی وجہ رعایتی نرخ میں اضافہ تھا۔ اسٹیٹ بینک آف پاکستان نے طویل مدت تک سخت حکمت عملیوں کے بعد اپنی حالیہ مالیاتی پالیسی میں اپنے پالیسی نرخ کو 13.25 فیصد پر برقرار رکھا کیونکہ افراط زر کے نتائج مارکیٹ کی توقعات کے تحت SBP کی توقعات کے عین مطابق تھے۔

ہم بے ایس گلوبل کیپٹل لمیٹڈ (کمپنی) کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے نو ماہی مدت مختتمہ مدت 30 ستمبر 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مختصر مالیاتی نتائج درج ذیل ہیں:

نو ماہی مدت مختتمہ 30 ستمبر 2018	نو ماہی مدت مختتمہ 30 ستمبر 2019	
88,240,179	24,796,579	منافع قبل از ٹیکس
20,714,846	6,034,035	منافع بعد از ٹیکس
0.55	0.16	فی حصص آمدن

معیشت

پاکستان حال ہی 1QFY20 کے دوران 6 بلین یو ایس ڈالر کے IMF پروگرام میں داخل ہوا جس کی پہلی قسط موصول ہوگئی ہے، فنڈ نے حکومت کو سہ ماہی اہداف دیئے ہیں جن کی تشخیص آنے والے جائزہ میں لی جائے گی۔ رپورٹ کے مطابق 1QFY20 کے مقصداری اہداف کو محصولات کی وصولی اور اخراجات میں کٹوتی سے حاصل کیا گیا۔ IMF اور دیگر عالمی اداروں جیسے ایشین ڈیولپمنٹ بینک کی مالیاتی امداد کی وجہ سے زرمبادلہ کے ذخائر میں بھی کچھ بہتری آئی۔ مزید برآں رواں کھاتے کا خسارہ 2MFY20(CAD) کے دوران گزشتہ سال کی بہ نسبت 55 فیصد کم ہو کر 1,292 بلین یو ایس ڈالر رہ گیا (GDP کا 2.8 فیصد) جبکہ درآمدات میں کمی اور تیل کی عالمی قیمتوں میں کمی کی وجہ سے زرمبادلہ کے ذخائر کو مزید تقویت ملی۔ سہ ماہی کے دوران FY19 کے حتمی اعداد و شمار کے مطابق مالیاتی خسارہ بلحاظ GDP بڑھ کر 8.9 فیصد ہو گیا جبکہ FY18 میں 6.6 فیصد تھا۔ جولائی 2019 کے LSM اعداد و شمار کے مطابق بڑے شعبہ جات کی کارکردگی میں گزشتہ سال کی بہ نسبت 3.28 فیصد کمی ہوئی جن میں آٹوموبائل (گزشتہ سال کی بہ نسبت 27.4- فیصد)، لوک اور پٹرولیم مصنوعات (گزشتہ سال کی بہ نسبت 25.1- فیصد) اور لوہے اور اسٹیل کی مصنوعات (گزشتہ سال کی بہ نسبت 15.4- فیصد) شامل ہیں۔ افراط زر کے محاذ پر 1QFY20 کے دوران PBS (Pakistan Bureau of Statistics) نے تبدیلی کرتے ہوئے 2015-2016 کو بنیادی سال بنادیا جبکہ پہلے 2007-08 تھا۔ 1QFY20- میں CPI اوسطاً 10.08 فیصد رہا جو کہ 1QFY19 سے 6.08 فیصد زیادہ ہے جس کی وجہ گزشتہ ایک سال میں روپے کی قدر میں 21 فیصد کمی اور توانائی اور یوٹیلیٹی کی قیمتوں میں اضافے نے مہنگائی کی سرخی کو بڑھا دیا۔ مستقبل قریب میں افراط زر میں متوقع اضافہ کے پیش نظر SBP نے اپنی مالیاتی پالیسی برائے جولائی 2019 میں اپنے پالیسی شرح میں 100bps بڑھا کر 13.25 فیصد کر دیئے جبکہ ستمبر 2019 میں شرح سود میں کوئی تبدیلی نہیں کی جس سے اگلے 24 ماہ میں افراط زر میں بہتری کی نشاندہی



Financial Statements

Condensed Interim Statement of Financial Position (Un-audited) As at September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees) -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital:			
150,000,000			
(December 31, 2018:			
150,000,000) ordinary			
shares of Rs.10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and			
paid-up share capital	5	<u>380,070,000</u>	380,070,000
Share premium		<u>1,810,104,900</u>	1,810,104,900
Unrealised gain			
on revaluation of			
available-for-sale			
investments - net		-	8,158,847
Unrealised gain			
on revaluation of			
investments at fair value			
through OCI		<u>(3,261,082)</u>	-
Unappropriated profit		<u>413,779,445</u>	410,067,028
		<u>2,600,693,263</u>	2,608,400,775
LIABILITIES			
Non-current liabilities			
Liability against assets			
subject to finance lease	3.1.1	255,462,216	-
Current liabilities			
Creditors, accrued expenses			
and other liabilities	6	<u>1,533,011,440</u>	2,228,284,374
Unclaimed dividend		<u>3,361,843</u>	3,361,843
Current maturity of liability against			
assets subject to finance lease	3.1.1	<u>22,514,883</u>	-
		<u>1,558,888,166</u>	2,231,646,217
		<u>4,415,043,645</u>	4,840,046,992
Contingencies and	7		
 commitments			

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited) As at September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	8	535,805,686	216,757,123
Intangible assets	9	17,747,014	17,789,847
Long term investments	10	112,347,938	141,999,318
Long term loans and deposits		31,724,314	26,496,577
Deferred taxation - net	11	126,290,248	122,096,696
		823,915,200	525,139,561
Current assets			
Short term investments	12	411,006,792	1,019,068,046
Trade debts	13	464,203,990	1,085,989,859
Receivable against margin finance		198,004,456	297,726,631
Loans and advances - considered good		13,613,389	13,519,245
Short-term deposits and prepayments		75,574,047	136,239,312
Interest and mark-up accrued	14	16,452,554	12,684,564
Other receivables		7,579,683	56,944,676
Advance tax		146,157,156	121,133,650
Cash and bank balances	15	2,258,536,378	1,571,601,448
		3,591,128,445	4,314,907,431
		4,415,043,645	4,840,046,992

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

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

For the nine months ended September 30, 2019

Note	Nine months ended		Three months ended		
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	
	----- (Rupees) -----		----- Rupees -----		
Operating revenue	16	228,666,085	377,632,457	73,970,029	95,505,832
Capital gain on sale of investments - net		14,628,901	40,773,499	3,682,895	17,725,915
Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss - net		10,962,282	(15,426,134)	15,744,748	(24,643,711)
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net		(8,699,814)	-	(13,977,295)	-
Dividend income		60,509,609	44,212,299	3,859,524	12,867,900
Margin finance income		34,757,395	44,164,662	11,110,313	15,903,745
		<u>340,824,458</u>	<u>491,356,783</u>	<u>94,390,214</u>	<u>117,359,681</u>
Administrative and operating expenses		(422,084,645)	(493,657,531)	(140,436,037)	(158,226,991)
		<u>(81,260,187)</u>	<u>(2,300,748)</u>	<u>(46,045,823)</u>	<u>(40,867,310)</u>
Other operating income - net		137,185,399	96,203,848	56,034,142	44,200,908
		<u>55,925,212</u>	<u>93,903,100</u>	<u>9,988,319</u>	<u>3,333,598</u>
Provision for Sindh Workers' Welfare Fund		(506,052)	(1,800,820)	7,794	(41,609)
Finance cost	17	(30,622,581)	(3,862,101)	(10,378,010)	(1,253,149)
Profit before taxation		24,796,579	88,240,179	(381,897)	2,038,840
Taxation - current		(17,482,828)	(49,053,592)	(2,776,827)	(141,749)
- prior		(4,941,818)	(14,883,313)	-	-
- deferred		3,662,102	(3,588,428)	3,768,910	(138,488)
	18	<u>(18,762,544)</u>	<u>(67,525,333)</u>	<u>992,083</u>	<u>(280,237)</u>
Profit after taxation		<u>6,034,035</u>	<u>20,714,846</u>	<u>610,186</u>	<u>1,758,603</u>
Earnings per share - basic and diluted	19	<u>0.16</u>	<u>0.55</u>	<u>0.02</u>	<u>0.05</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited) For the nine months ended September 30, 2019

Note	Nine months ended		Three months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees)		Rupees	
Profit for the period	6,034,035	20,714,846	3,264,696	1,758,603
Other comprehensive income				
Items that will not be reclassified to profit or loss account subsequently				
Unrealised loss on revaluation of investments at fair value through OCI during the period	(11,323,178)	-	(17,579,565)	-
Less: Related tax	297,856	-	553,456	-
	(11,025,322)	-	(17,026,109)	-
Items that may be reclassified to profit or loss account subsequently				
Unrealised (loss) / gain on revaluation of investments at fair value through OCI during the period	(464,244)	(13,724,397)	298,442	(7,886,572)
Less: Related tax	69,637	560,700	(44,766)	322,200
	(394,607)	(13,163,697)	253,676	(7,564,372)
Unrealised loss on revaluation of available-for-sale investments during the period	-	-	-	-
Less: Related tax	-	-	-	-
	-	-	-	-
Total comprehensive income / (loss) for the period	(5,385,894)	7,551,149	(13,507,737)	(5,805,769)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Changes In Equity (Un-audited) For the nine months ended September 30, 2019

	Reserves					Sub-total	Total
	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain / (loss) on revaluation of investments at fair value through OCI (Rupees)	Revenue reserve Unappropriated profit			
Balance as at January 01, 2018	380,070,000	1,810,104,900	26,811,763	384,429,891		2,221,346,554	2,601,416,554
Profit for the nine months ended September 30, 2018	-	-	-	20,714,846		20,714,846	20,714,846
Other comprehensive loss - net of tax	-	-	(13,163,697)	-		(13,163,697)	(13,163,697)
Total comprehensive income for the period	-	-	(13,163,697)	20,714,846		7,551,149	7,551,149
Balance as at September 30, 2018	380,070,000	1,810,104,900	13,648,066	405,144,737		2,228,897,703	2,608,967,703
Balance as at December 31, 2018, as previously reported	380,070,000	1,810,104,900	8,158,847	410,067,028		2,228,330,775	2,608,400,775
Impact of initial application of IFRS 9 (note 3.1.2)	-	-	-	(2,321,617)		(2,321,617)	(2,321,617)
Adjusted balance as at January 01, 2019	380,070,000	1,810,104,900	8,158,847	407,745,411		2,226,009,158	2,606,079,158
Profit for the nine months ended September 30, 2019	-	-	-	6,034,035		6,034,035	6,034,035
Other comprehensive loss - net of tax	-	-	(11,419,929)	-		(11,419,929)	(11,419,929)
Total comprehensive income for the period	-	-	(11,419,929)	6,034,035		(5,385,894)	(5,385,894)
Balance as at September 30, 2019	380,070,000	1,810,104,900	(3,261,082)	413,779,446		2,220,623,264	2,600,693,264

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Cash Flow (Un-audited)

For the nine months ended September 30, 2019

	Nine months ended	
	September 30, 2019	September 30, 2018
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,796,579	88,240,179
Adjustments for:		
Depreciation	29,972,591	19,514,556
Depreciation of right-of-use assets	30,839,505	-
Amortisation of intangible assets	42,834	291,713
Gain on sale of property and equipment	(4,666,371)	(10,342,830)
Unrealised loss / (gain) on remeasurement of investments at fair value through profit or loss - net	(10,962,282)	821,984
Unrealised (gain) / loss on remeasurement of derivatives at fair value through profit or loss - net	8,699,814	-
Provision for Sindh Workers' Welfare Fund	506,052	1,800,820
Finance cost	30,622,581	3,862,101
	85,054,724	15,948,344
Cash generated from operating activities before working capital changes	109,851,303	104,188,523
Decrease / (increase) in current assets		
Trade debts	619,137,326	(147,702,305)
Receivable against margin finance	99,722,175	(1,983,579)
Loans and advances	(94,144)	(108,590,149)
Short-term deposits and prepayments	60,665,265	119,697,399
Interest and mark-up accrued	(3,767,990)	235,063
Other receivables	40,665,179	(15,230,049)
	816,327,811	(153,573,621)
(Decrease) / increase in current liabilities		
Creditors, accrued expenses and other liabilities	(719,350,293)	154,975,809
Cash generated from operations	206,828,821	105,590,711
Finance cost paid	(7,146,428)	(3,862,101)
Taxes paid	(47,869,050)	(103,072,764)
Net cash generated from / (used in) operating activities	151,813,343	(1,344,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(68,269,003)	(11,542,245)
Proceeds from disposal of property and equipment	5,875,786	13,578,352
Long term loans, advances and deposits	(5,227,738)	(5,414,698)
Long term investments - net	11,533,333	-
Short term investments - net	625,190,203	(749,894,365)
Net cash generated from / (used in) investing activities	569,102,581	(753,272,956)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(33,980,993)	-
Net cash used in financing activities	(33,980,993)	-
Increase / (decrease) in cash and cash equivalents during the period	686,934,931	(754,617,110)
Cash and cash equivalents at the beginning of the period	1,571,601,448	1,678,529,935
Cash and cash equivalents at the end of the period	2,258,536,379	923,912,825

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced 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 and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 2005. During 2006-07, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

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

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 ten branches (2018: eleven) in eight cities of Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2018.

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

2.2 Use of estimates and judgments

The preparation of condensed interim financial statements require the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended December 31, 2018.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2018 other than those disclosed below:

3.1 The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period.

Standard or Interpretation

IFRS 9 - Financial Instruments

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IFRS 16 - Leases

IFRS 15 - Revenue from Contracts with Customers

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures - (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of the above accounting standard and interpretation did not have any material effect on these condensed interim financial statements except as described in note 3.1.1 and 3.1.2.

3.1.1 IFRS 16 Leases

During the current year, the Company have adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its head office and various branches. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under 'Short term deposits and prepayments' and 'Creditors, accrued expenses and other liabilities', respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019
	---- Rupees ----
Increase in RoU asset	313,161,074
Decrease in trade deposits, short term prepayments and other receivables	(1,097,839)
Increase in total assets	312,063,235
Increase in lease liability against assets subject to finance lease	(311,958,092)
Increase in interest liability against assets subject to finance lease	(105,143)
Increase in net assets	-

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

3.1.1.1 Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

• Right-of-use assets

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

• Lease liabilities

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

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

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

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

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

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 headoffice and 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.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liability and interest liability and the movements during the period:

	September 30, 2019		
	RoU asset	Lease liability	Interest liability
	----- Rupees -----		
As at January 01, 2019	313,161,074	311,958,092	105,143
Additions	-	-	-
Depreciation expense	(30,839,505)	-	-
Interest expense	-	-	26,887,461
Payments	-	(33,980,993)	(3,411,308)
As at September 30, 2019	282,321,569	277,977,099	23,581,296

3.1.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9, with the initial application date of January 01, 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP).

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on January 01, 2019. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at January 01, 2019:

Financial assets

1 January 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
			Fair value through through other comprehensive income*	
Long term investments	Available for sale	141,999,318		141,999,318
Long term loans and advances	Loans and receivables	26,496,577	Amortised Cost	26,496,577
			Fair value through profit or loss	
Short term investments	Held for trading	1,019,068,046		1,019,068,046
Trade debts	Loans and receivables	1,085,989,859	Amortised Cost	1,083,668,242
Receivable against margin finance	Loans and receivables	297,726,631	Amortised Cost	297,726,631
Loans and advances - considered good	Loans and receivables	13,519,245	Amortised Cost	13,519,245
Short-term deposits	Loans and receivables	126,174,758	Amortised Cost	126,174,758
Interest and mark-up accrued	Loans and receivables	12,684,564	Amortised Cost	12,684,564
Other receivable	Loans and receivables	56,944,676	Amortised Cost	56,944,676
Cash and cash equivalents	Loans and receivables	1,571,601,448	Amortised Cost	1,571,601,448

The company has elected to classify its non-trading equity securities at fair value through other comprehensive income.

Financial liabilities

1 January 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
Creditors, accrued expenses and other liabilities	Other financial liabilities	2,189,565,972	Amortised Cost	2,189,565,972
Unclaimed dividend	Other financial liabilities	3,361,843	Amortised Cost	3,361,843

IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories except for trade debts. All financial assets that were classified as AFS under IAS 39 are classified as FVOCI under IFRS 9. All financial assets that were classified as HFT under IAS 39 are classified as FVPL under IFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

The application of ECL model under IFRS 9 has not significantly changed the carrying amounts of the Company's financial assets except for trade debts. An ECL allowance of Rs. 2,321,617 has been recorded against the Company's trade receivables as compared to impairment recorded under IAS 39.

3.1.2.1 Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments - Policy applicable from January 01, 2019

In the current period, the Company has adopted IFRS 9 Financial Instruments. See note 3.2.1.1 for an explanation of the impact. Comparative figures for the year ended 31 December 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Initial recognition and measurement

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

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

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

"In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)."

3.1.2.1.1 Financial assets

"The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss 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."

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI 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 OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of 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 FVOCI 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 the 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 OCI. Equity instruments at FVOCI 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 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;

or

(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;

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.

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.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

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 associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

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

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

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

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.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2018.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

September 30, 2019 (Un-audited)	December 31, 2018 (Audited)		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
---- (Number of shares) ----			----- (Rupees) -----	
20,009,700	20,009,700	Ordinary shares of Rs.10 each fully paid in cash	200,097,000	200,097,000
29,990,300	29,990,300	Ordinary shares of Rs.10 each issued as fully paid bonus shares	299,903,000	299,903,000
(11,993,000)	(11,993,000)	Buy back of 11,993,000 shares having face value of Rs.10 each	(119,930,000)	(119,930,000)
<u>38,007,000</u>	<u>38,007,000</u>		<u>380,070,000</u>	<u>380,070,000</u>

5.1 Pattern of shareholding

September 2019	December 2018	Particulars / name of the shareholders	September 2019	December 2018
---- Number of shares ----			---- Percentage of holding ----	
25,525,169	25,525,169	JS Bank Limited	67.15%	67.15%
10,166,832	10,166,832	Global Investment House, Kuwait (Refer Note 5.2)	26.75%	26.75%
1,969,471	1,949,037	Individuals (Refer Note 5.2)	5.18%	5.13%
340,323	340,323	Insurance Company	0.90%	0.90%
5,205	25,639	Joint Stock Companies	0.01%	0.07%
<u>38,007,000</u>	<u>38,007,000</u>		<u>100%</u>	<u>100%</u>

5.2 The Company has opened CDC investor account for the purpose of buy back and 10,707,471 shares were tendered in this CDC account as at September 30, 2019. Global Investment House, Kuwait has tendered 10,166,832 shares while other shareholders has tendered 540,639 shares. The Company has accepted 7,058,281 shares from Global Investment House, Kuwait and 391,719 shares from other shareholders respectively against public announcement of 7,450,000 shares. The payment for accepted shares was made on October 01, 2019. The unaccepted shares were subsequently returned to shareholders and accepted shares were subsequently cancelled on October 02, 2019.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	December 31,
		2019 (Un-audited)	2018 (Audited)
		----- (Rupees) -----	
Trade creditors	6.1	1,323,425,584	2,044,999,990
Accrued expenses		44,406,378	53,810,393
Provision for staff bonus		8,941,858	20,780,276
Provision for Workers' Welfare Fund		39,224,559	38,718,402
Interest liability		23,581,296	-
Others		93,431,765	69,975,313
	6.2	<u>1,533,011,440</u>	<u>2,228,284,374</u>

6.1 This includes payables to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.216 million (2018: Rs. 0.969 million) and Rs. 249.215 million (2018: Rs. 342.511 million) respectively in respect of trading in securities, settled subsequent to the period end.

6.2 Included herein is a sum of Rs. 5.102 million (2018: Rs. 32.234 million) payable to related parties.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There are no outstanding contingencies as at September 30, 2019 (December 31, 2018: Nil) other than tax contingencies disclosed in note 18 of these condensed interim financial statements.

7.2 Commitments

	September 30,	December 31,
	2019 (Un-audited)	2018 (Audited)
		----- (Rupees) -----
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	<u>382,184,300</u>	<u>1,003,368,025</u>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2020	<u>400,000,000</u>	<u>400,000,000</u>
Outstanding settlements against margin financing contracts - net	<u>15,246,232</u>	<u>12,348,192</u>
Outstanding against capital expenditure	<u>49,068,572</u>	<u>112,021,268</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees) -----	
8. PROPERTY AND EQUIPMENT			
Operating assets - owned	8.1	253,484,117	60,518,917
Capital work-in-progress		-	156,238,206
Right-of-use assets	8.2	<u>282,321,569</u>	<u>-</u>
		<u>535,805,686</u>	<u>216,757,123</u>
8.1 Movement in operating assets - owned			
Book value at beginning of the period / year		60,518,917	72,418,722
Cost of additions / transfers from			
CWIP during the period / year	8.1.1	224,507,209	17,295,479
Book value of deletions during the period / year	8.1.2	(1,597,623)	(3,660,136)
Depreciation charge for the period / year		<u>(29,944,386)</u>	<u>(25,535,148)</u>
Book value at end of the period / year		<u>253,484,117</u>	<u>60,518,917</u>
8.1.1 Details of additions during the period / year:			
Capital work-in-progress - net transfers		(156,238,206)	154,853,396
Office equipment		25,530,436	1,882,451
Leasehold improvements	8.1.1.1	175,676,732	-
Office furniture		23,300,041	880,380
Motor vehicle		-	14,532,648
		<u>224,507,209</u>	<u>17,295,479</u>
8.1.1.1 This represents leasehold improvements incurred by the Company upon transfer to new office location. These are to be depreciated at the rate to 10% per annum on straight line basis. This includes Rs.175.677 million being transferred from capital work-in-progress during the period.			
		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees) -----	
8.1.2 Book value of deletions during the period / year:			
Office equipment		(141,058)	(16,085)
Office furniture		-	(1)
Motor vehicle		<u>(1,456,565)</u>	<u>(3,644,050)</u>
		<u>(1,597,623)</u>	<u>(3,660,136)</u>
8.2 Right-of-use assets			
Head office and branches	3.1.1	<u>282,321,569</u>	<u>-</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees)	
9. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	9.1	5,727,330	5,727,330
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		8,227,330	8,227,330
Softwares		9,177	52,010
Advance against acquisition of software		9,510,507	9,510,507
		<u>17,747,014</u>	<u>17,789,847</u>

9.1 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.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees)	
10. LONG TERM INVESTMENTS			
Classified as 'at fair value through OCI'			
Shares in PSX - at cost [2,202,953 (2018: 2,202,953) shares]		23,060,884	-
Term finance / sukuk certificates - secured	10.2	117,466,667	-
Surplus on revaluation of investments at fair value through OCI		(5,112,946)	-
Current maturity	12	(23,066,667)	-
		<u>112,347,938</u>	<u>-</u>

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees)	
Classified as 'available-for-sale'			
Shares in PSX - at cost [2,202,953 (2018: 2,202,953) shares]		-	23,060,884
Term finance / sukuk certificates - secured	10.2	-	129,000,000
Surplus on revaluation of available- for-sale investments		-	6,838,434
Current maturity	12	-	(16,900,000)
		<u>-</u>	<u>141,999,318</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

10.1 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Company. Refer note 3.1.2 for detailed policy notes.

10.2 Term Finance / Sukuk Certificates - secured

Number of Certificates		Name of term finance / sukuk certificates	Carrying value	
September 30, 2019 (Un-audited)	December 31, 2018 (Audited)		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
----- (Rupees) -----				
Listed				
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	15,000,000	15,000,000
520	520	Dawood Hercules Corporation Limited - Sukuk - I	46,800,000	52,000,000
600	600	Dawood Hercules Corporation Limited - Sukuk - II	54,000,000	60,000,000
20	20	BYCO Petroleum Pakistan Limited - Sukuk - I	1,666,667	2,000,000
			<u>117,466,667</u>	<u>129,000,000</u>

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
11. DEFERRED TAXATION - NET		
Note	----- (Rupees) -----	----- (Rupees) -----

Deductible temporary differences

Accelerated depreciation for tax purposes	1,466,701	4,517,397
Difference in accounting and tax base of intangible assets	506	(3,101)
Revaluation of investments	1,514,067	1,297,447
Unused tax losses	-	3,355,917
Liability against assets subject to finance lease - net	5,578,680	-
Provision for doubtful debts	117,730,294	112,929,036
	<u>126,290,248</u>	<u>122,096,696</u>
	<u>126,290,248</u>	<u>122,096,696</u>

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
12. SHORT TERM INVESTMENTS		
Note	----- (Rupees) -----	----- (Rupees) -----

Financial assets at 'fair value through profit or loss'

Quoted equity securities	12.2	387,940,125	-
Term finance / sukuk certificates - secured	12.3	-	-
		<u>387,940,125</u>	<u>-</u>

Financial assets at 'at fair value through OCI'

Privately placed term finance certificates - unsecured	12.4	-	-
Current maturity of long term investments - secured	10	23,066,667	-
		<u>411,006,792</u>	<u>-</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note		----- (Rupees) -----	
Financial assets at fair value through profit or loss - held-for-trading			
	Quoted equity securities	-	993,811,509
	Term finance / sukuk certificates - secured	-	8,356,537
		-	1,002,168,046
Available-for-sale			
	Privately placed term finance certificates - unsecured	-	-
	Current maturity of long term investments - secured	-	16,900,000
		-	1,019,068,046

12.1 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Company. Refer note 3.1.2 for detailed policy notes.

12.2 Quoted Equity Securities

Number of Shares		Name of company	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
			Average cost	Fair value	----- (Rupees) -----	
3,367,500	3,988,500	The Bank of Punjab	27,467,490	29,364,600	47,742,345	
-	85,000	Askari Bank Limited	-	-	2,033,200	
105,000	745,000	Habib Bank Limited	12,269,140	12,407,850	89,735,250	
-	86,000	Cherat Cement Company Limited	-	-	5,989,900	
-	-	Fauji Fertilizer Company Limited	875,068	883,785	-	
9,500	-	National Bank of Pakistan	89,409	86,850	58,884,030	
3,000	1,401,000	Nishat Chunian Limited	337,134	334,700	56,449,960	
10,000	1,162,000	NetSol Technologies Limited	1,475,588	1,464,580	-	
26,000	-	Oil & Gas Development Company Limited	280,476,003	287,213,535	41,472,000	
2,334,500	324,000	Pakistan State Oil Company Limited	153,326	157,490	6,086,610	
1,000	27,000	The Searle Company Limited	-	-	9,086,830	
-	37,000	United Bank Limited	411,518	414,690	46,051,320	
3,000	375,500	Attock Refinery Limited	-	-	30,979,200	
-	210,000	D. G. Khan Cement Company Limited	-	-	82,794,950	
-	1,033,000	Descon Oxychem Limited	338,864	364,260	259,290	
26,000	9,000	Engro Fertilizers Limited	8,735,680	8,869,900	81,962,350	
130,000	1,187,000	Engro Foods Limited	-	-	1,793,700	
-	22,500	Engro Corporation Limited	-	-	18,774,660	
-	64,500	Engro Polymer & Chemicals Limited	-	-	2,302,680	
-	62,000	Fatima Fertilizer Company Limited	-	-	110,121,165	
-	3,019,500		-	-	692,519,440	
Balance c/f.			332,629,220	341,562,240		

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For the nine months ended September 30, 2019

Number of Shares		Name of company	September 30, 2019		December 31, 2018
September 30, 2019	December 31, 2018		September 30, 2019	December 31, 2018	
(Un-audited)	(Audited)		(Un-audited)	(Audited)	
			Average cost	Fair value	
			----- (Rupees) -----		
		Balance b/f.	332,629,220	341,562,240	692,519,440
-	92,000	Fauji Cement Company Limited	-	-	1,925,560
3,000	197,000	Fauji Foods Limited	31,983	31,350	5,965,160
15,000		Fauji Fertilizer Bin Qasim Limited	219,002	222,450	-
-	5,000	Gul Ahmed Textile Mills Limited	-	-	230,850
-	638,000	International Steels Limited	-	-	41,961,260
54,500	111,000	Lotte Chemical Pakistan Limited	778,526	743,380	1,874,790
-	8,500	Lucky Cement Limited	-	-	3,694,695
1,718,500	138,500	Maple Leaf Cement Factory Limited	24,240,252	25,227,580	5,630,025
45,000	-	Mughal Iron & Steel Industries Limited	1,178,107	1,259,100	-
137,000	1,000	Nishat Mills Limited	10,906,088	11,508,000	126,530
130,500	-	K-Electric Limited	421,702	463,275	-
-	2,849,500	Pak Elektron Limited	-	-	70,952,550
-	72,000	Pioneer Cement Limited	-	-	3,017,520
-	3,000	Pakistan Oilfields Limited	-	-	1,274,460
-	1,069,000	Power Cement Limited	-	-	8,370,270
5,500	-	Pakistan Petroleum Limited	717,350	748,165	-
-	1,453,000	Sui Northern Gas Pipelines Limited	-	-	111,982,710
19,500	962,000	Sui Southern Gas Company Limited	312,266	333,255	22,222,200
5,000	-	The Hub Power Company Limited	360,349	353,750	-
88,000	-	Kot Addu Power Company Limited	2,752,483	2,926,880	-
290,000	857,500	Unity Foods Limited	2,430,516	2,560,700	22,063,489
			376,977,843	387,940,125	993,811,509
		Unrealised gain on remeasurement at fair value through profit or loss - net	10,962,282	-	-
			387,940,125	387,940,125	993,811,509

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

13.1 Included herein is a sum of Rs. 2.756 million (2018: Rs. 326.567 million) receivable from related party.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees)	
14. INTEREST AND MARK-UP ACCRUED	Note		
Accrued mark-up on margin finance		11,014,493	9,352,285
Accrued mark-up on term finance / sukuk certificates		1,776,807	3,285,304
Profit receivable on bank deposits		3,661,254	46,975
		<u>16,452,554</u>	<u>12,684,564</u>

15. CASH AND BANK BALANCES

Cash with banks:

- Current accounts		2,390,756	3,008,585
- PLS accounts	15.1	1,455,904,596	1,368,343,863
- Deposits maturing within 12 months	15.2	800,000,000	200,000,000
		2,258,295,352	1,571,352,448
Cash in hand		241,026	249,000
	15.3	<u>2,258,536,378</u>	<u>1,571,601,448</u>

15.1 Profit and loss / deposit accounts carry profit rates ranging from 6.75% to 12.75% (2018: 3% to 9.50%) per annum.

15.2 These term deposit certificates carry profit rate of 9.6% to 13.75% (2018: 9.6%). These term deposit certificates have maturities upto October 2019.

15.3 These include balances with the Parent Company amounting to Rs. 2,252.816 million (2018: Rs. 1,564.143 million).

15.4 Detail of customer assets held in designated bank accounts and CDC are as follows:

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees)
Customer assets held in the designated bank accounts	<u>701,758,802</u>	<u>1,352,363,828</u>
Customer assets held in the CDC	<u>24,443,772,485</u>	<u>29,935,147,057</u>
Securities pledged with financial institutions	<u>2,454,449,770</u>	<u>3,001,505,809</u>

(Un-Audited)

	Nine months ended		Three months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		Rupees		
16. OPERATING REVENUE				
Brokerage and operating income	202,183,754	292,197,349	68,239,799	92,996,763
Advisory and consultancy fee	26,482,331	85,435,108	5,730,230	2,509,069
	<u>228,666,085</u>	<u>377,632,457</u>	<u>73,970,029</u>	<u>95,505,832</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

		(Un-Audited)			
		Nine months ended		Three months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
17.	FINANCE COST	----- Rupees -----			
	Commission expense on bank guarantee	3,523,979	3,501,019	1,107,853	1,134,585
	Bank and other charges	211,141	361,082	51,844	118,564
	Interest expense on assets subject to finance lease	3.1.1 <u>26,887,461</u>	-	<u>9,218,313</u>	-
		<u><u>30,622,581</u></u>	<u><u>3,862,101</u></u>	<u><u>10,378,010</u></u>	<u><u>1,253,149</u></u>

18. TAXATION

18.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2018.

18.2 The Company has recognised current tax on minimum tax regime as at 31 December 2018 and has continued to recognise tax on a similar basis as at the period end.

19. EARNINGS PER SHARE - BASIC AND DILUTED

		(Un-Audited)			
		Nine month ended		Three months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		----- Rupees -----			
	Profit after taxation	<u>6,034,035</u>	<u>20,714,846</u>	<u>610,186</u>	<u>1,758,603</u>
		----- (Number) -----			
	Weighted average number of shares	<u>38,007,000</u>	<u>38,007,000</u>	<u>38,007,000</u>	<u>38,007,000</u>
		----- Rupees -----			
	(Loss) / earnings per share - basic and diluted	<u>0.16</u>	<u>0.55</u>	<u>0.02</u>	<u>0.05</u>

20. RELATED PARTY TRANSACTIONS

20.1 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).

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

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

	September 30, 2019		December 31, 2018	
	(Un-audited)		(Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	----- (Rupees) -----			
Trade debts				
Opening balance	751,152	126,548,025	167,470	2,230,737
Invoiced during the period / year	98,142,811	1,449,736,824	29,571,166	18,966,515,485
Received during the period / year	(98,166,551)	(1,575,075,274)	(28,987,484)	(18,842,198,197)
Closing balance	<u>727,412</u>	<u>1,209,575</u>	<u>751,152</u>	<u>126,548,025</u>
Trade payable				
Opening balance	908,271	20,887,955	43,838	14,323,967
Invoiced during the period / year	62,391,340	10,278,648,939	23,560,575	3,533,520,498
Paid during the period / year	(59,042,550)	(10,298,699,166)	(22,696,142)	(3,526,956,510)
Closing balance	<u>4,257,061</u>	<u>837,728</u>	<u>908,271</u>	<u>20,887,955</u>
Loans and advances				
Opening balance	4,068,315	-	4,833,988	-
Disbursements during the period / year	6,337,000	-	3,085,000	-
Repayments during the period / year	(3,327,033)	-	(3,850,673)	-
Closing balance	<u>7,078,281</u>	<u>-</u>	<u>4,068,315</u>	<u>-</u>

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees) -----	
Balances with parent company		
Trade debts	<u>683,329</u>	<u>179,797</u>
Other receivables	<u>1,188,651</u>	<u>1,188,651</u>
Bank balances with parent company	<u>2,252,816,314</u>	<u>1,564,143,145</u>
Other payable	<u>6,960</u>	<u>4,206,960</u>
Balances with ultimate parent company		
Trade debts	<u>135,290</u>	<u>199,087,961</u>
Other receivables	<u>272,757</u>	<u>223,465</u>
Mark-up receivable on term finance certificates	<u>152,285</u>	<u>617,937</u>
Principal outstanding on term finance certificates	<u>15,000,000</u>	<u>20,250,000</u>
Rent payable	<u>-</u>	<u>160,000</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
----- (Rupees) -----		
Balances with associated entities of group companies		
Other receivables	<u>1,692,038</u>	<u>1,692,038</u>
Rent Payable	<u>-</u>	<u>6,070,400</u>
Security Deposit	<u>3,035,200</u>	<u>3,035,200</u>

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
----- (Rupees) -----		
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	<u>13,680,173</u>	<u>16,115,293</u>
Purchase of units of JS Cash Fund	<u>-</u>	<u>100,000,000</u>

Transactions with the parent company

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
----- (Rupees) -----		
Nature of transactions		
Purchase of Pakistan investment bonds	<u>83,215,938</u>	<u>21,621,204</u>
Purchase of Term Deposit	<u>2,700,000,000</u>	<u>-</u>
Sale of Term Deposit	<u>1,901,965,370</u>	<u>-</u>
Advisory expense	<u>-</u>	<u>21,000,000</u>
Mark-up Income on Term Deposit	<u>2,339,178</u>	<u>-</u>
Brokerage income	<u>2,728,619</u>	<u>1,123,767</u>
Utilities and consultancy charges	<u>4,500,000</u>	<u>3,295,000</u>
Bank charges	<u>122,441</u>	<u>209,829</u>
Gain on Sukuk Certificate	<u>25,000</u>	<u>-</u>
Sale of Sukuk Certificate	<u>25,044,918</u>	<u>-</u>
Purchase of Sukuk Certificate	<u>-</u>	<u>2,026,237</u>
Profit on PLS accounts	<u>106,779,648</u>	<u>58,928,101</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
----- (Rupees) -----		
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	<u>802,501</u>	<u>735,392</u>
Reimbursement of expenses by the ultimate parent company	<u>70,828</u>	<u>3,955,266</u>
Reimbursement of expenses to the ultimate parent company	<u>17,282,489</u>	<u>47,162,945</u>
Market maker fee received	<u>500,000</u>	<u>12,020,768</u>
Mark-up received on term finance certificates	<u>1,911,634</u>	<u>1,157,855</u>
Principal received on term finance certificates	<u>5,250,000</u>	<u>3,750,000</u>

Transactions with key management personnel of the Company and its parent company

Nature of transactions

Brokerage income	<u>129,704</u>	<u>134,812</u>
Director's Remuneration	<u>1,300,000</u>	<u>1,500,000</u>
Remuneration paid to Chief Executive Officer	<u>24,829,367</u>	<u>24,950,890</u>
Remuneration paid to key management personnel	<u>71,592,258</u>	<u>60,307,053</u>

Transactions with other related parties

Nature of transactions	Relationship		
Royalty expense	Key management personnel of the parent	<u>11,250,000</u>	<u>10,000,000</u>
Brokerage Expense	Related Parties	<u>454,535</u>	<u>-</u>
Insurance expense	Related Parties	<u>14,412,319</u>	<u>9,905,862</u>
Sale of term finance certificates	Related party	<u>1,313,762,758</u>	<u>-</u>
Purchase of term finance certificates	Related party	<u>-</u>	<u>15,000,000</u>
Mark-up on Sukuk certificates	Related party	<u>128,668</u>	<u>-</u>

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

		September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
----- (Rupees) -----			
Capital gain on sale of sukuk certificates	Related party	<u>2,712,414</u>	<u>1,892,929</u>
Contributions to staff provident fund	Post - employment benefit plan	<u>10,161,007</u>	<u>10,830,913</u>
Sale of sukuk certificates	Related Party	<u>3,454,088,124</u>	<u>387,473,386</u>
Security Deposit	Related Party	<u>-</u>	<u>-</u>

September 30, 2019 (Un-audited)

Brokerage	Investment and treasury	Other operations	Total
----- (Rupees) -----			

21. OPERATING SEGMENTS

Segment revenues	202,183,754	225,569,222	34,628,229	462,381,205
Gain on remeasurement of investments	-	10,962,282	-	10,962,282
Administrative and operating expenses	(220,001,758)	(18,906,567)	(122,321,391)	(361,229,716)
Depreciation	(16,064,303)	(16,053,797)	(28,693,996)	(60,812,096)
Amortisation of intangible assets	-	-	(42,834)	(42,834)
Finance cost	(30,622,581)	-	-	(30,622,581)
	<u>(64,504,888)</u>	<u>201,571,140</u>	<u>(116,429,992)</u>	<u>20,636,260</u>
Gain on sale of property and equipment				4,666,371
Provision for Sindh Workers' Welfare Fund				(506,052)
Taxation				(18,762,544)
Profit after tax				<u>6,034,035</u>
Segment assets	<u>1,540,655,424</u>	<u>2,352,449,183</u>	<u>521,939,038</u>	<u>4,415,043,645</u>
Segment liabilities	<u>1,343,772,063</u>	<u>-</u>	<u>470,578,319</u>	<u>1,814,350,382</u>

There were no major customer of the Company which derived 10 percent or more of the Company's revenue.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

	September 30, 2018 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	292,197,349	196,169,181	99,194,101	587,560,631
Gain on remeasurement of investments				-
Administrative and operating expenses	(249,933,852)	(50,857,502)	(173,059,908)	(473,851,262)
Depreciation	(12,851,662)	332,723	(6,995,617)	(19,514,556)
Amortisation of intangible assets	-	-	(291,713)	(291,713)
Finance cost	(3,862,101)	-	-	(3,862,101)
	<u>25,549,734</u>	<u>145,644,402</u>	<u>(81,153,137)</u>	<u>90,040,999</u>
Gain on sale of property and equipment				-
Provision for Sindh Workers' Welfare Fund				(1,800,820)
Taxation				(67,525,333)
Profit after tax				<u>20,714,846</u>
Segment assets	<u>1,698,282,012</u>	<u>2,027,890,437</u>	<u>200,609,586</u>	<u>3,926,782,035</u>
Segment liabilities	<u>1,159,607,623</u>	<u>-</u>	<u>158,206,709</u>	<u>1,317,814,332</u>

22. Fair value of financial instruments

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

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

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

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

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

Financial assets at fair value through profit or loss	September 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
Quoted equity securities	387,940,125	-	-	387,940,125
Term finance / sukuk certificates - secured	-	-	-	-
	<u>387,940,125</u>	<u>-</u>	<u>-</u>	<u>387,940,125</u>
Financial assets at fair value through OCI				
Listed securities	18,570,894	-	-	18,570,894
Term finance / sukuk certificates - secured	-	116,843,711	-	116,843,711
	<u>18,570,894</u>	<u>116,843,711</u>	<u>-</u>	<u>135,414,605</u>
Financial assets at fair value through profit or loss	December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
Quoted equity securities	993,811,509	-	-	993,811,509
Term finance / sukuk certificates - secured	-	8,356,537	-	8,356,537
	<u>993,811,509</u>	<u>8,356,537</u>	<u>-</u>	<u>1,002,168,046</u>
Available-for-sale				
Listed securities	29,894,072	-	-	29,894,072
Term finance / sukuk certificates - secured	-	129,005,246	-	129,005,246
	<u>29,894,072</u>	<u>129,005,246</u>	<u>-</u>	<u>158,899,318</u>

During the period ended September 30, 2019, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

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

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

During the period ended September 30, 2019, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.13.991 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2019

24. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on October 22, 2019.

Director

Chief Executive Officer

Chief Financial Officer



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Stock Exchange Road, Karachi

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

Hyderabad Branch

Office No. 5, Mezzanine Floor, Autobhan
Towers, Autobhan Road, Unit No. 3,
Lafitabad, Hyderabad.

Islamabad Branch

Room No. 413, 4th Floor, ISE Towers, 55-B,
Jinnah Avenue, Islamabad

Rawalpindi Branch

Shop No.s 1-2, 1st Floor, Falcon Empire, Plaza No. 101,
Civic Center, Phase -IV, Bahria Town, Islamabad

Lahore Branch I

Office No. 135-Y, 1st Floor, Street No. 11, Phase-III,
D.H.A., Lahore

Lahore Branch II

Plot No. 434-G/1, MA Johar Town,
Lahore

Faisalabad Branch

G-4, Meezan Executive Tower,
Liaquat Road, Faisalabad

Multan Branch

Office No. 608-A, 6th Floor,
The United Mall, Plot No. 74, Abdali Road, Multan

Peshawar Branch

1st Floor, S.I.C Building No. 34, The Mall Road,
Peshawar Cantt, Peshawar



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