



 **JS Global**

JS Global Capital Limited

Half Yearly Report (Un-audited)

June 30, 2016

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Company Information

Board of Directors	Syed Hasan Akbar Kazmi Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Mr. Ammar Talib Hajeyah Mr. Farid Arshad Masood Mr. Khurshid Hadi Mr. Muhammad Khalil Ur Rehman Mr. Muhammad Kamran Nasir	Chairman Vice Chairman Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Khurshid Hadi Mr. Ammar Talib Hajeyah Mr. Muhammad Khalil Ur Rehman Mr. Aijaz Ali	Chairman Member Member Secretary
Executive Committee	Mr. Muhamamd Kamran Nasir Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Syed Hasan Akbar Kazmi Mr. Muhammad Khalil Ur Rehman	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Syed Hasan Akbar Kazmi Mr. Muhammad Kamran Nasir Mr. Abdul Hamid Mihrez	Chairman Member Member
CFO & Company Secretary	Mr. Muhammad Umair Arif	
External Auditor	E&Y 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	
Bankers	JS Bank Limited MCB Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Bank Alfalah Limited United Bank Limited National Bank of Pakistan Faysal Bank Limited Askari Bank Limited	
Legal Advisors	Bawaney & Partners , 3rd & 4th Floors, 68-C, Lane-13, Bokhari Commercial Area, Phase - VI DHA, 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	Technology Trade (Pvt) Limited , 241-C, BLock-2, P.E.C.H.S., Karachi	
Registered Office	6th Floor, Faysal House, Main Shakra-e-Faisal, Karachi Telephone: 92-21-111-574-111, Fax: 92-21-32800167 www.jsqcl.com www.jsglobalonline.com	

Directors' Report to the Members

On behalf of the Board of Directors of JS Global Capital Limited, I am pleased to present the unaudited, condensed interim financial statement of the Company for the six months ended June 30, 2016.

The summarized results are set out below:

	Six months ended	
	June 30, 2016	June 30, 2015
	-----Rupees-----	
Profit before tax	104,157,828	195,583,187
Profit after tax	75,102,111	116,716,385
Earnings per share	1.67	2.33

ECONOMIC REVIEW

The first six months period of 2016 (1HCY16) came to an end with key developments on the macroeconomic front and Pakistan sustaining recent economic gains. Benign commodity prices combined with pro-growth policies of the incumbent government helped the country continue its recovery stride during the period. The progress on China-Pakistan Economic Corridor (CPEC), albeit with some hitches, is reasonably on track and incumbent government appears determined to steer it to its logical conclusion. Key macroeconomic indicators, such as i) Current Account deficit (down 6.8% YoY to US\$2,525million in FY16), ii) Inflation (CPI average at 2.86% YoY in FY16 vis-à-vis 4.6% YoY in FY15), and iii) Forex reserves (up from US\$20.81billion at the end of December 31, 2015 to US\$23.08 billion at the end of 1HCY16 etc.) are reflective of continuing turnaround in country's macros. Government's progress on the fiscal front also remained commendable as it achieved its tax collection target of Rs3.16 trillion for FY16 through aggressive measures such as higher taxes on non-tax filers, with fiscal deficit being under control at 4.3% of GDP during FY16.

EQUITY MARKET REVIEW

The Pakistan Stock Exchange (PSX) witnessed an uptrend during 1HCY16, as the benchmark KSE-100 index closed up by 15% (vis-à-vis average 3% gains across regional markets). The gains were driven by i) improving macro-economic outlook, ii) reclassification of PSX into the MSCI Emerging Markets Index for June 2017, and iii) presence of strong liquidity in the equity market. However, average trading volumes clocked-in at 182 million shares/day, which was 29% lower compared to the volumes recorded during the corresponding period last year. In value terms as well, activity declined by 32% to US\$86 million/day. However, given the improving macros, better law & order and security situation along with strong corporate sector fundamentals with attractive valuations, equity market is expected to maintain its upward trajectory, going forward.

FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

During 1HCY16, yields on fixed income avenues declined sharply due to falling inflation and substantial liquidity injections by the State Bank of Pakistan (SBP). The SBP also reduced the policy rate by 25 bps in May 2016 to 5.75%, which resulted in further decline in yields. Yields on 03-year to 10-year instruments declined the most, and therefore the market's focus remained on medium to long term bonds in order to benefit from the easing phase.

The SBP's borrowing requirements also remained in control, while frequent OMO injections by the SBP kept money market comparatively liquid as OMO maturity size reached PKR1.45 trillion. As a result, focus of investment managers and banks remained on booking higher yields in order to support their fixed income portfolios. Similar trend was witnessed across T-Bills and PIBs' auctions, where sizable participation was witnessed vis-à-vis the targets. We believe market is expecting another 25 bps cut in the second half of the CY16.

As far as the currency market goes, USD/PKR parity opened at 104.85 as compared to last year's opening of 100.70, reflecting a PKR depreciation of 4%. Highest USD/PKR parity was witnessed at 104.96 in January 2016, whereas lowest parity was witnessed at 104.07 in February 2016. The USD/PKR parity closed at 104.82 on June 30, 2016, as compared to closing of 101.78 on June 30, 2015, reflecting PKR depreciation of 3%.

Moreover, average SWAPS opening in January for one month, three months and six months were at 0.49, 1.25 and 2.30 paisas, respectively. During the period under consideration, highest SWAPS points were recorded mainly in the month of February 2016 by 2 to 5 paisas in shorter tenures (one month to three months) whereas in longer tenures (four months to six months), it increased by 10 to 16 paisas. On the other hand, June 2016 recorded the lowest SWAPS points by 6 to 11 paisas in shorter tenures (one month to three months) whereas in longer tenures (four month to six months) it decreased by 14 to 19 paisas. The averaged SWAPS in June for one month, three months and six months were at 0.41, 1.20 and 2.27 paisas. Overall, the SWAP points for the period under consideration followed a declining pattern.

On the Commodities' front, 1HCY16 remained relatively better as the value of commodities traded at Pakistan Mercantile Exchange Limited (PMEX) increased to PKR 706.324 billion in 1HCY16 as against PKR 327.2 billion during the corresponding period last year. During 1HCY16, prices of all the actively-traded commodities maintained an upward trajectory. PMEX has further launched three international currencies pairs (AUD, CAD and CHF) for trading. Price of Gold moved in response to the fast-changing U.S. exchange rate parity against all the major currencies. Weak U.S. economic data, faltering global economy and subdued physical demand kept the price up, whereas oil prices mostly remained on the upward trajectory, barring some nominal declines. Market share of your Company remained strong with the Company improving its position as well as market share amongst the top industry players.

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 75.1 million for the six months ended June 30, 2016 vis-à-vis net income of PKR 116.7 million recorded during the same period last year, posting a decline of 35.65% on YoY basis. Operating revenue of the Company decreased by 24.83% over the same period last year. The major reason for decline in operating profit was significantly lower volumes recorded at the bourse (-29% YoY). Going forward, we believe market volumes at the local bourse will improve and, consequently, your Company will be able to present better results.

Despite ongoing market-related challenges, the Company is focused on maintaining its growth momentum in the long run. The Company's Management is acutely monitoring its resources to reap maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage, 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 Limited and National Clearing Company of Pakistan Limited for their efforts to strengthen the Capital Markets and measures to protect investor rights.

For and on behalf of the
Board of Directors

Syed Hasan Akbar Kazmi
Chairman

Karachi: August 22, 2016

ڈائریکٹرز رپورٹ برائے ممبران

ڈائریکٹرز رپورٹ:

JS گلوبل سٹیبل لینڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کہنی کے غیر آڈٹ شدہ میعادوی مالیاتی حسابات ششماہی مدت کیلئے مورخہ 30 جون 2016ء پیش کرتے ہوئے سمرٹ محسوس کر رہا ہوں۔

نتیجہ کار خلاصہ درج ذیل ہیں۔

اختتام ششماہی	اختتام ششماہی	
30 جون 2015ء	30 جون 2016ء	
195,583,187	104,157,828	منافع قبل از ٹیکس
116,716,385	75,102,111	منافع بعد از ٹیکس
2.33	1.67	فی شخص منافع

معاشی جائزہ:

چھ ماہ کی مدت جو کہ مورخہ 30 جون 2016ء (پہلا ششماہی مالیاتی سال 2016ء) کو ختم ہو گئی ہے۔ اس دوران میکرو اکنامک اور حالیہ منافع پاکستان کے حوالے سے حاصل کیا گیا ہے جو کہ حد درجہ ہے۔ حکومت کی جانب سے ایشیاء کی قیمتوں کے حوالے سے پالیسی میں اشتراک ملک کے لئے متعاون کرنے کی وجہ سے اس مدت کے دوران مسلسل ریکوری حاصل ہوئی ہے۔ چائنا پاکستان اکنامک کوریڈور (CPEC) کے حوالے سے پروگریس بھی متعاون ہے اور اس کے نتائج پر یقین کرنے کے لئے غور کیا جا رہا ہے۔ اہم میکرو اکنامکس کی نشاندہی جیسا کہ (1) کرنٹ اکاؤنٹ میں کمی (جو کہ 6.8% سال پہ سال US\$2,525 ملین مالیاتی سال 2016ء میں کم ہوئی) (2) کمی بیشی (مالیاتی سال 2016ء میں سال پہ سال CPI کا تناسب 2.86% ہے، جبکہ اس کے مقابلے میں مالیاتی سال 2015ء میں سالہ پہ سال یہ تناسب 4.6% رہا)۔ (3) FX ریزرو (دسمبر 2015ء کے آخر سے مالیاتی سال 2016ء کے آخر تک US\$23.08 بلین رہی اور اس کا اثر ملک کی بہتری کیلئے مسلسل جاری ہے۔ گورنمنٹ کی پروگریس مالیاتی حوالے سے مستقل طور پر قابل عمل ہے اور جون 2016ء کے لئے ٹیکس کی وصولی کا ہدف Rs.3.16 ٹریلین جانرانا اقدامات کے ذریعے حاصل کیا ہے جس میں ٹان ٹیکس فائیکل پریز انڈیکس قائم کیا گیا جبکہ مالیاتی خسارہ GDP کا 4.3% تک محدود رہا۔

ایکویٹی مارکیٹ کا جائزہ:

پاکستان اسٹاک ایکسچینج (PSX) میں ششماہی مالیاتی سال 2016ء کے دوران اضافہ اس بات کی گواہی ہے کہ شیخ مارک KSE-100 انڈیکس اس کی گورننگ 15% پر ہوئی (اس کے ساتھ ساتھ ریٹیل مارکیٹ میں 3% تناسب کے حساب سے منافع حاصل ہوا)۔ اور اس اضافہ میں (1) میکرو اکنامکس میں بہتری (2) پاکستان کی MSCI میرجنگ مارکیٹس کی دوبارہ درج بندی (3) مارکیٹ میں مضبوط مالیاتی اثر شامل تھا۔ لہذا تاریخی تناسب جو کہ 182 ملین شیئر پیمبرہا۔ 29% کم منافع کا موازنہ گذشتہ سال سے کیا گیا۔ اس طرح سے اس سرگرمی میں 32% US\$86 ملین پیمبرہا حاصل ہوا۔ مارکیٹ سے یہ امید کی جاتی ہے کہ وہ اپنے اس عمل کو مرتب رکھے گی اور موثر طور پر اس پر عمل کیا جائے گا۔

فلڈ آمدنی، کرنسیز اور کوڈ پیجری کی مارکیٹ کا جائزہ:

پہلے ششماہی مالیاتی سال 2016ء کے دوران مقرر کردہ آمدنی میں تیزی سے کمی جو کہ اسٹیٹ بینک آف پاکستان کی جانب سے لیکویڈٹی کے ریٹ میں کمی کی وجہ سے ہوئی۔ اسٹیٹ بینک آف پاکستان نے مئی 2016ء میں پالیسی ریٹ 25bps سے 5.75% کیا جس کے نتیجے میں مزید کمی واقع ہوئی۔ اس طرح سے 3 سے 10 سال کے دوران اس میں زیادہ کمی نظر آئی۔ لہذا مارکیٹ کی توجہ مسلسل طور پر متوسط اور طویل مدتی بانڈز پر رہی تاکہ آسانی سے فوائد حاصل کئے جاسکیں۔

اسٹیٹ بینک آف پاکستان کے تحت قرضہ جات کی ضروریات کا مرحلہ بھی کنٹرول میں ہے اور متواتر اسٹیٹ بینک کی جانب سے OMO انجکشنز کے تحت OMO کا موازنہ 1.45 ٹریلین پاکستانی روپے سے کیا جاسکتا ہے جس کے نتیجے میں سرمایہ کاری، شیئرز اور بینکنگ نے اعلیٰ پیمانے پر ہنگامہ اپنا تو جدہ مرکز کئے ہوئے ہیں تاکہ اپنے مقررہ آمدنی کے پورٹ فولیو کو

سپورٹ دے سکیں۔ یہی طریقہ کار T-Bills اور PIBs کی نیلامی میں دیکھا گیا جس میں ہف کے حوالے سے اکثریت نے شرکت کی تھی۔ ہمیں یقین ہے کہ مارکیٹ موجودہ سال کے دوسرے حصہ میں ایک اور 25 bps حاصل کرے گی۔

USD/PKR جو کہ 104.84 پر کھولا گیا تھا جس کا موازنہ گزشتہ سال کی اوسط 100.70 سے کیا جاسکتا ہے جس کے تحت پاکستانی روپے میں 4% کی کمی واقع ہوئی اور جنوری 2016ء میں 104.96 پر USD/PKR میں اضافہ ہوا تھا۔ اسی طرح 30 جون 2016ء میں USD/PKR کی کلوزنگ 104.82 پر ہوئی جس کا موازنہ گزشتہ سال 30 جون 2015ء کی کلوزنگ 101.78 سے کیا جاسکتا ہے جس کے سبب PKR میں 3% کی کمی واقع ہوئی۔

مزید یہ کہ ایک ماہ، تین ماہ اور چھ ماہ کے لئے جنوری میں SWAPS کی اوپننگ کا تناسب 1.25، 1.04 اور 2.30 ہے۔ گزشتہ چھ ماہ کے دوران SWAPS کے پوائنٹ زیادہ پائے گئے، بالخصوص فروری 2016ء کے مہینے میں 2 سے 5 پیسہ ریکارڈ کیا گیا (1 ماہ سے 3 ماہ تک) جب کہ طویل مدتی پوائنٹس کے حساب سے (4 ماہ سے 6 ماہ) اس میں اضافہ رہا اس کے ساتھ ساتھ اسی مدت کے دوران 14 سے 19 پیسہ کی کمی واقع ہوئی۔ ایک ماہ، تین ماہ اور چھ ماہ کیلئے جون میں SWAPS کا تناسب 0.41، 1.20 اور 2.27 رہا لہذا چھ ماہ کی مدت کے دوران SWAP کے پوائنٹس کا تناسب اسی طرح رہا۔

2016ء کے پہلے حصہ میں ایشیا، امریکہ اور برطانیہ کیلئے معاملہ بہتر رہا کیونکہ پاکستان مرکزی بینک (PMEX) ایشیا کی تجارت کی قدر میں مالیاتی سال 2016ء کے پہلی ششماہی میں 32.7 بلین پاکستانی روپے کے مقابلے میں 706.324 بلین پاکستانی روپے رہی۔ 2016ء کے پہلے حصہ کے دوران تمام ایشیا کی قیمتوں میں اضافہ رہا۔ PMEX نے مزید تین انٹرنیشنل کرنسیز (AUD, CAD & CHF) تجارت کیلئے شامل کیں۔ سونے کی قیمت امریکی ایکسچینج ریٹ کے تحت بڑی تیزی سے تبدیل ہوئی جس کا اثر تمام بڑی کرنسیز پر پڑا۔ کمزور US اقتصادی ڈیٹا اور اس کی ٹانگ میں کافی کمی واقع ہوئی۔ JS گلوبل کے مارکیٹ شیئرز کی حالت کچھنی میں بہتری اور انڈسٹری نے مارکیٹ شیئرز کے حوالے سے اپنی پوزیشن قائم رکھی۔

کچھنی کی کارکردگی کا جائزہ:

کچھنی نے 30 جون 2016ء کو ختم ہونے والے سال میں ششماہی میں 75.1mn PKR ملین آمدنی حاصل کی گزشتہ سال اسی مدت میں کل آمدنی PKR 116.7mn تھی جو کہ 35.65% کمی دکھاتی ہے۔ کچھنی کے آپریٹنگ ریونیو میں گزشتہ سال کی مدت کے مقابلے میں 24.83% کمی واقع ہوئی، اس کی کمی اہم وجہ آپریٹنگ منافع میں والیوم کمی ہے (29%- سال ہرسال)۔ ہمیں یقین ہے کہ لوکل بنیاد پر مارکیٹ والیوم میں اضافہ ہوگا اور کچھنی بہتر نتائج پیش کر سکے گی۔

لہذا مذکورہ بالا مارکیٹ سے متعلق چیلنجز کچھنی نے طویل مدتی عمل پر اپنی نظریں مرکوز کی ہوئی ہیں اور انتظامیہ تمام ذرائع کا جائزہ لے رہی ہے تاکہ ان کے شیئرز ہولڈرز کو زیادہ سے زیادہ فائدہ حاصل ہو سکے۔ اس میں اہم معاملات بروکرینج، فیس کی بنیاد پر آپریشن اور ہرچاند سے متعلق انتظام شامل ہے۔

تعمیرات:

ہم اپنے ملازمین کی اتھک محنت اور کوششوں کو غلطیوں سے سزا دیتے ہیں۔ اس سلسلے میں حمایت اور اعتماد کیلئے ہم اپنے کلائنٹس، کاروباری شریک کار اور حصص یافتگان کے بھی مشکور ہیں۔

ہم سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان انسائیکسچینج اور نیشنل کلیئرنگ کچھنی آف پاکستان لیٹیڈ کے بھی ان کی کوششوں کے لئے مشکور ہیں جس کی وجہ سے کچھنیل مارکیٹس کو قوت حاصل ہوئی اور اس کے نتیجے میں سرمایہ کاران کے حقوق کا تحفظ ہوا۔

از طرف بورڈ آف ڈائریکٹرز

سید حسن اکبر کاظمی

چیرمین

کراچی، 22 اگست 2016ء

Auditors' Report to the Members on Review of Condensed Interim Financial Information



Introduction

We have reviewed the accompanying condensed interim statement of financial position of JS Global Capital Limited (the Company) as at 30 June 2016 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the explanatory notes (here-in-after referred to as the "condensed interim financial information") for the six-months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other matter

The condensed interim financial information of the Company for the six-months period ended 30 June 2015 and the financial statements for the year ended 31 December 2015 were reviewed and audited respectively by another firm of Chartered Accountants whose review report dated 10 August 2015 and audit report dated 11 February 2016 expressed an unqualified conclusion and unqualified opinion thereon respectively.

Chartered Accountants

Engagement Partner: Shaikh Ahmed Salman

Date: August 22, 2016

Place: Karachi

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2016

	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Note	----- (Rupees) -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized: 150,000,000 (December 31, 2015: 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	5 380,070,000	500,000,000
Reserves	2,027,994,289	2,385,337,199
	2,408,064,289	2,885,337,199
LIABILITIES		
Current liabilities		
Creditors, accrued expenses and other liabilities	6 674,194,560	626,381,343
Taxation - net	676,165	20,874,177
	674,870,725	647,255,520
	<u>3,082,935,014</u>	<u>3,532,592,719</u>
Contingencies and commitments	7	

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

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2016

		June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	8	62,969,080	59,901,526
Intangible assets	9	12,765,949	14,630,692
Long term investment	10	15,272,670	15,272,670
Long term loans, advances and deposits		16,572,068	16,446,847
Deferred taxation - net	11	117,768,700	116,928,817
		225,348,467	223,180,552
Current assets			
Short term investments	12	1,085,482,137	766,247,823
Trade debts	13	907,450,424	814,707,115
Loans and advances		24,193,160	12,999,942
Deposits and short-term prepayments		166,716,775	190,221,145
Interest and mark-up accrued	14	16,048,038	25,626,294
Other receivables		32,981,552	19,484,090
Cash and bank balances	15	624,714,461	1,480,125,758
		2,857,586,547	3,309,412,167
		<u>3,082,935,014</u>	<u>3,532,592,719</u>

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

Condensed Interim Statement of Profit or Loss Account (Un-audited)

For the six months ended June 30, 2016

	Note	Six months ended		Quarter ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		Rupees		Rupees	
Operating revenue	16	192,554,198	256,152,271	109,930,300	135,017,759
Capital gain on sale of investments	17	7,205,625	43,736,678	7,734,266	15,694,270
Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss - net	18	(19,206,469)	3,806,055	(23,898,272)	(2,292,866)
		180,553,354	303,695,004	93,766,294	148,419,163
Administrative and operating expenses		(217,034,403)	(236,316,778)	(120,911,986)	(120,147,323)
		(36,481,049)	67,378,226	(27,145,692)	28,271,840
Other operating income	19	142,944,479	135,371,657	79,085,359	59,124,587
		106,463,430	202,749,883	51,939,667	87,396,427
Provision for Workers' Welfare Fund		(2,124,317)	(3,991,514)	(1,035,581)	(1,734,528)
Finance cost		(181,285)	(3,175,182)	(94,330)	(671,041)
Profit before taxation		104,157,828	195,583,187	50,809,756	84,990,858
Taxation - current	20	(29,771,684)	(64,882,499)	(12,645,033)	(26,235,116)
- deferred		715,967	(13,984,303)	(145,504)	(17,964,006)
		(29,055,717)	(78,866,802)	(12,790,537)	(44,199,122)
Profit after taxation		75,102,111	116,716,385	38,019,219	40,791,736
Earnings per share - basic and diluted	21	1.67	2.33	0.95	0.82

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months ended June 30, 2016

	Six months ended		Quarter ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- Rupees -----		----- Rupees -----	
Profit for the period	75,102,111	116,716,385	38,019,219	40,791,736
Other comprehensive income				
Items that may be reclassified to profit or loss account subsequently	-	-	-	-
Unrealised (loss) / gain on revaluation of available-for-sale investments	(820,025)	9,629,391	3,816,842	(2,853,059)
Less: Related tax	123,004	(2,285,763)	(572,526)	2,083,095
	(697,021)	7,343,628	3,244,316	(769,964)
Total comprehensive income for the period	74,405,090	124,060,013	41,263,535	40,021,772

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

Muhammad Kamran Nasir
Chief Executive

Syed Hasan Akbar Kazmi
Chairman

 **JS Global**

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months ended June 30, 2016

	Six months ended	
	June 30, 2016	June 30, 2015
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	104,157,828	195,583,187
Adjustments for:		
Depreciation	10,294,226	7,324,900
Amortization of intangible assets	2,064,743	1,847,475
Gain on sale of property and equipment	(106,300)	(13,520)
Unrealised gain on remeasurement of investments carried at fair value through profit or loss - net	(3,197,175)	(3,806,055)
Provision for Workers' Welfare Fund	2,124,317	3,991,514
Finance cost	181,285	3,175,182
	11,361,096	12,519,496
Cash generated from operating activities before working capital changes	115,518,924	208,102,683
Decrease / (increase) in current assets:		
Trade debts	(92,743,309)	(252,908,093)
Loans and advances	(11,193,218)	(544,576)
Deposits and short- term prepayments	23,504,370	(69,261,149)
Interest and mark-up accrued	9,578,256	(2,492,681)
Other receivables	(13,497,462)	15,145,542
	(84,351,363)	(310,060,957)
Increase / (decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	45,695,013	(61,332,112)
Cash generated from / (used in) operations	76,862,574	(163,290,386)
Finance cost paid	(181,285)	(3,175,182)
Taxes paid	(50,093,612)	(48,568,240)
Net cash generated from / (used in) operating activities	26,587,677	(215,033,808)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,361,780)	(19,555,545)
Purchase of software	(200,000)	(2,089,109)
Proceeds from disposal of property and equipment	106,300	42,000
Long term loans, advances and deposits	(125,221)	(3,428,898)
Short term investments - net	(316,734,160)	62,093,622
Net cash (used in) / generated from investing activities	(330,314,861)	37,062,070
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy back of shares	(551,678,000)	-
Dividend paid	(6,113)	(174,165)
Net cash used in financing activities	(551,684,113)	(174,165)
Decrease in cash and cash equivalents during the period	(855,411,297)	(178,145,903)
Cash and cash equivalents at the beginning of the period	1,480,125,758	1,300,127,346
Cash and cash equivalents at the end of the period	624,714,461	1,121,981,443

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

Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months ended June 30, 2016

	Issued, subscribed and paid-up share capital	Share premium	Reserves		Sub-total	TOTAL
			Unrealised gain on revaluation of available-for- sale investments - net	Revenue Reserve Unappropriated profit		
(Rupees)						
Balance as at January 01, 2015	500,000,000	1,810,104,900	7,840,273	308,316,278	2,126,261,451	2,626,261,451
Total comprehensive income for the period						
Profit for the six months ended June 30, 2015	-	-	-	116,716,385	116,716,385	116,716,385
Other comprehensive income - net of tax	-	-	7,343,628	-	7,343,628	7,343,628
Total comprehensive income for the period	-	-	7,343,628	116,716,385	124,060,013	124,060,013
Balance as at June 30, 2015	500,000,000	1,810,104,900	15,183,901	425,032,663	2,250,321,464	2,750,321,464
Total comprehensive income for the period						
Profit for the six months ended December 31, 2015	-	-	-	134,580,029	134,580,029	134,580,029
Other comprehensive income - net of tax	-	-	435,706	-	435,706	435,706
Total comprehensive income for the period	-	-	435,706	134,580,029	135,015,735	135,015,735
Balance as at December 31, 2015	500,000,000	1,810,104,900	15,619,607	559,612,692	2,385,337,199	2,885,337,199
Total comprehensive income for the period						
Profit for the six months ended June 30, 2016	-	-	-	75,102,111	75,102,111	75,102,111
Other comprehensive income - net of tax	-	-	(697,021)	-	(697,021)	(697,021)
Total comprehensive income for the period	-	-	(697,021)	75,102,111	74,405,090	74,405,090
Transactions with owners recognised directly in equity						
Buy back of 11,993,000 shares having face value of Rs.10 each @ price of Rs.46 each	(119,930,000)	-	-	-	-	(119,930,000)
Amount paid in excess of face value of 11,993,000 shares	-	-	-	(431,748,000)	(431,748,000)	(431,748,000)
Balance as at June 30, 2016	380,070,000	1,810,104,900	14,922,586	202,966,803	2,027,994,289	2,408,064,289

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

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 (KSE) and Islamabad Stock Exchange Limited (ISE) on February 07, 2005. During 2006 -2007, 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 subsidiary of JSCL, the ultimate parent of the Company.

During 2015, Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange were merged and named as the Pakistan Stock Exchange (PSX). As a result JS Global Capital Limited is now a Trading Right Entitlement Certificate (TREC) holder of PSX besides being member of Pakistan Mercantile Exchange Limited. 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 Company has nine branches in eight cities of Pakistan. The registered office of the Company is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in these condensed interim financial statements does 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, 2015.

These condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984.

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 requires 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, 2015.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2015 other than those disclosed below:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the during the period:

IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim Financial Statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above standards / amendments / interpretations did not have any material effect on these condensed interim Financial Statements.

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, 2015.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

In pursuance of the special resolution passed by members of the Company at the Annual General Meeting held on March 22, 2016 authorizing the Company to buy-back the shares under Section 95A of the Companies Ordinance, 1984 read with the Companies (Buy-Back of Shares) Rules, 1999, up to a maximum of 12,000,000 issued ordinary shares of the Company of the nominal / face value of Rs.10 (Rupees Ten) each at a price of Rs.46 (Rupees forty six) per share, the Company has bought back its 11,993,000 ordinary shares from its members. Consequently, the paid up capital of Company has been reduced to Rs.380,070,000 divided into 38,007,000 ordinary shares of the face value of Rs.10 each.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Note	----- (Rupees) -----	
6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES		
Trade creditors	567,574,951	448,218,210
Accrued expenses	36,952,052	72,835,905
Provision for staff bonus	15,114,750	41,045,950
Unclaimed dividend	3,425,985	3,432,098
Retention money - Softech	40,600	40,600
Advance fee from client	-	5,877,413
Provision for Workers' Welfare Fund	29,898,180	27,773,863
Others	21,188,042	27,157,304
	<u>674,194,560</u>	<u>626,381,343</u>
7. CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
There are no outstanding contingencies as at June 30, 2016 (December 31, 2015: Nil) other than tax contingencies disclosed in note 20 of these condensed interim financial statements.		
7.2 Commitments		
Net - future sale / (purchase) transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	<u>1,016,560,423</u>	<u>702,176,085</u>
8. PROPERTY AND EQUIPMENT		
Book value at beginning of the year	59,901,526	41,868,786
Cost of additions during the period / year	13,361,780	36,965,351
Book value of deletions / write off during the period / year	-	(1,042,341)
Depreciation charge for the period / year	(10,294,226)	(17,890,270)
Book value at end of the period / year	<u>62,969,080</u>	<u>59,901,526</u>
8.1 Cost of additions during the period / year		
Office equipment	4,034,578	15,271,614
Office furniture	4,075,150	2,527,802
Motor vehicles	5,252,052	19,165,935
	<u>13,361,780</u>	<u>36,965,351</u>
8.2 Book value of deletions / write off during the period / year		
Office equipment	-	126,624
Motor vehicles	-	915,717
	<u>-</u>	<u>1,042,341</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

		June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	Note	----- (Rupees) -----	
9. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited	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		4,538,619	6,403,362
		12,765,949	14,630,692

9.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) [formerly Karachi Stock Exchange Limited] in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act). The Company has also received shares of PSX after completion of the demutualisation process. Refer note 10.1 for more detail.

10. LONG TERM INVESTMENT

Available-for-sale

Shares in Pakistan Stock Exchange Limited	10.1	15,272,670	15,272,670
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10.1 Pursuant to demutualization of the PSX, the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received 4,007,383 shares and TREC from the PSX against its membership card which was carried at Rs.21 million in the books of the Company.

Based on the technical guide dated May 29, 2013 issued by the Institute of Chartered Accountants of Pakistan, the Company has allocated its carrying value of the membership card of Rs.21 million in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs.15.3 million and TREC at Rs.5.7 million.

		June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
		----- (Rupees) -----	
11. DEFERRED TAXATION - NET			
Taxable temporary difference			
Revaluation of investments		(3,112,973)	(3,051,458)
Deductible temporary differences			
Accelerated depreciation for tax purposes		1,410,500	356,395
Difference in accounting and tax base of intangible assets		60,106	212,813
Provision for doubtful debts		119,411,067	119,411,067
		120,881,673	119,980,275
		117,768,700	116,928,817

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

12. SHORT TERM INVESTMENTS	Note	June 30,	December 31,
		2016	2015
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Financial asset at fair value through profit or loss - held for trading			
Quoted equity securities	12.1	1,010,587,740	697,014,276
Units of mutual funds	12.2	15,003,741	-
Term finance certificates and sukuk certificates	12.3	34,879,903	43,402,769
		1,060,471,384	740,417,045
Available-for-sale			
Quoted equity securities	12.4	25,010,753	25,830,778
Privately placed term finance certificates - unsecured	12.5	-	-
		25,010,753	25,830,778
		1,085,482,137	766,247,823

12.1 Quoted Equity Securities

Number of shares		Name of company	June 30,	December 31,	
June 30, 2016	December 31, 2015		2016	2015	
			(Un-audited)	(Audited)	
			----- Fair value -----		
			----- (Rupees) -----		
		Average cost			
765,500	908,000	Adamjee Insurance Company Limited	37,804,167	38,397,480	51,311,080
-	74,000	Askari Bank Limited	-	-	1,608,760
269,500	-	Fauji Fertilizer Bin Qasim Limited	14,725,571	14,286,195	-
229,000	68,500	Fauji Fertilizer Company Limited	26,614,961	26,270,880	8,081,630
142,500	-	Habib Bank Limited	28,694,783	28,152,300	-
-	72,000	National Bank of Pakistan Oil and Gas Development Company Limited	-	-	3,890,880
526,000	620,500	Company Limited	74,355,950	72,624,820	72,809,470
120,000	92,500	Pakistan State Oil Company Limited	45,562,864	45,055,200	30,133,725
44,500	-	TRG Pakistan Limited	1,522,035	1,492,975	-
-	4,000	United Bank Limited	-	-	619,800
420,500	14,500	Attock Refinery Limited	118,270,467	117,798,870	3,072,260
160,000	-	Cherat Cement Company Limited	19,613,079	19,131,200	-
24,500	353,500	D. G. Khan Cement Company Limited	3,785,706	4,667,005	52,173,065
1,941,000	464,500	Engro Fertilizer Limited	127,979,420	125,155,680	39,078,385
106,500	113,500	Engro Foods Limited	17,763,728	17,394,645	16,637,966
717,000	728,000	Engro Corporation Limited	242,342,738	238,739,490	203,395,920
1,306,000	1,284,500	Fauji Cement Company Limited	46,189,396	46,754,800	47,295,290
71,500	-	Hascol Petroleum Limited	13,695,495	13,968,955	-
9,500	309,000	Maple Leaf Cement Factory Limited	985,775	1,002,345	23,045,220
414,000	224,500	Nishat Mills Limited	49,566,741	44,670,600	21,298,315
1,908,000	1,281,000	Pak Elektron Limited	127,924,962	123,352,200	80,113,740
14,000	183,000	Pakistan Petroleum Limited	2,234,995	2,170,700	22,291,230
-	-	Pakistan Telecommunication Company Limited	-	-	-
44,000	-	Company Limited	660,390	661,320	-
324,000	838,500	Sui Northern Gas Pipelines Limited	11,612,445	11,757,960	20,157,540
26,500	-	Sui Southern Gas Company Limited	719,725	729,545	-
30,500	-	The Searle Company Limited	17,093,709	16,352,575	-
			1,029,719,102	1,010,587,740	697,014,276
		Unrealized loss on remeasurement at fair value	(19,131,362)	-	-
			1,010,587,740	1,010,587,740	697,014,276

12.1.1 These securities were purchased in the ready "T+2" market and sold in the future market.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

12.2 Units of Mutual Funds

Number of units		Name of fund	June 30, 2016	December 31, 2015	
June 30, 2016	December 31, 2015		(Un-audited)	(Audited)	(Audited)
			Average cost	Fair value	
			(Rupees)		
1,496,543	-	ABL Cash Fund	15,000,000	15,003,741	-
			15,000,000	15,003,741	-
		Unrealized gain on remeasurement at fair value	3,741	-	-
			15,003,741	15,003,741	-

12.3 Term Finance Certificates and Sukuk Certificates

Number of Certificates		Name of term finance / sukuk certificates	June 30, 2016	December 31, 2015	
June 30, 2016	December 31, 2015		(Un-audited)	(Audited)	(Audited)
			Average cost	Fair value	
			(Rupees)		
Listed					
Conventional					
-	2,100	Jahangir Siddiqui & Co. Limited VII - related party	-	-	2,567,342
6,000	6,000	Jahangir Siddiqui & Co. Limited VIII - related party	24,022,770	24,005,424	25,897,770
-	200	Pakistan Mobile Communication Limited TFC VII	-	-	4,001,676
Shariah compliant					
1,505	1,505	Engro Corporation Limited Islamic - Rupiya Sukuk - I	8,071,556	7,920,198	8,071,556
500	500	Engro Corporation Limited Islamic - Rupiya Sukuk - II	2,864,425	2,954,281	2,864,425
			34,958,751	34,879,903	43,402,769
		Unrealized loss on remeasurement at fair value	(78,848)	-	-
			34,879,903	34,879,903	43,402,769

12.4 Quoted Equity Securities

Number of shares		Name of company	June 30, 2016	December 31, 2015	
June 30, 2016	December 31, 2015		(Un-audited)	(Audited)	(Audited)
			Average cost	Fair value	
			(Rupees)		
745,477	745,477	TRG Pakistan Limited	25,830,778	25,010,753	25,830,778
			25,830,778	25,010,753	25,830,778
		Unrealized loss on remeasurement at fair value	(820,025)	-	-
			25,010,753	25,010,753	25,830,778

12.4.1 These shares were acquired as a result of underwriting arrangement undertaken by the Company.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

15.1 Profit and loss / deposit accounts carry profit ranging from 3.75% to 6.5% (2015: 4% to 7%) per annum.

15.2 Foreign currency deposit accounts carry profit ranging from 0.1% to 1% (2015: 0.1% to 1%) per annum.

Six months ended	
June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
----- (Rupees) -----	

16. OPERATING REVENUE

Brokerage and operating income	182,689,655	243,764,271
Advisory and consultancy fee	9,864,543	12,388,000
	192,554,198	256,152,271

17. CAPITAL GAIN ON SALE OF INVESTMENTS

Conventional

Gain on sale of quoted equity securities	4,405,538	14,058,922
Gain on sale of term finance certificates - listed	280,674	648,248
Gain / (loss) on sale of term finance certificates - unlisted	2,060,107	(2,000,793)
Gain on sale of Pakistan investment bonds	367,042	30,648,631
Gain on sale of treasury bills	6,014	378,705
	7,119,375	43,733,713

Shariah Compliant

Gain on sale of Engro Rupiya sukuks	86,250	2,965
	7,205,625	43,736,678

18. UNREALISED (LOSS) / GAIN ON REMEASUREMENT OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - NET

Conventional

(Loss) / gain on quoted equity securities	(19,131,362)	3,167,417
Gain on units of mutual funds	3,741	-
Loss on term finance certificates - listed	(17,346)	(159,447)
	(19,144,967)	3,007,970

Shariah compliant

(Loss) / gain on Engro Rupiya sukuks	(61,502)	798,085
	(19,206,469)	3,806,055

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

		Six months ended	
		June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
19. OTHER OPERATING INCOME	Note		
Income from financial assets:			
Mark-up on term finance certificates, treasury bills, Pakistan investment bonds and national savings bonds	19.1	2,173,912	39,570,084
Dividend income	19.2	35,923,878	28,743,842
Return on cash margin on future contracts		3,227,706	6,770,927
Exchange loss on foreign currency deposit accounts - conventional	19.3	(33,894)	(90,823)
Mark-up earned on profit and loss / deposit accounts	19.4	41,178,295	32,875,870
Unrealised gain / (loss) on remeasurement of derivative futures		22,403,644	(1,996,525)
Income under margin financing		37,471,061	29,112,526
		142,344,602	134,985,901
Income from non-financial assets:			
Gain on sale of property and equipment		106,300	13,520
Other income	19.5	493,577	372,236
		599,877	385,756
		142,944,479	135,371,657
19.1 Mark-up on term finance certificates, treasury bills, Pakistan investment bonds and national savings bonds			
Conventional			
Income on Pakistan investment bonds		27,472	35,416,422
Income on investment in term finance certificates - listed		1,232,937	2,892,018
Income on investment in term finance certificates - unlisted		250,009	606,030
		1,510,418	38,914,470
Shariah compliant			
Income on Investment in Engro Rupiya Sukuks		663,494	655,614
		2,173,912	39,570,084
19.2 Dividend income			
Conventional			
United Bank Limited		1,668,000	841,000
National Bank of Pakistan		-	8,874,250
Habib Bank Limited		1,758,750	-
Askari Bank Limited		87,500	-
Pakistan Stock Exchange Limited		400,738	601,108
Oil and Gas Development Company Limited		2,516,850	285,000
Pakistan State Oil Company Limited		1,120,000	1,560,000
Fauji Fertilizer Company Limited		2,695,840	861,040
Adamjee Insurance Company Limited		2,153,250	1,737,750
Fauji Fertilizer Bin Qasim Limited		210,450	502,875
Maple Leaf Cement Factory Limited		1,792,500	1,224,000
Pakistan Petroleum Limited		882,000	2,340,000
Engro Fertilizers Limited		2,964,000	2,965,500
Fauji Cement Company Limited		5,131,000	390,500
Pakistan Telecommunication Company Limited		3,627,000	1,233,000
Engro Corporation Limited		7,297,500	2,919,000
Pioneer Cement Limited		582,500	967,500
Hascol Petroleum Limited		1,036,000	-
D.G Khan Cement Company Limited		-	77,875
JS Principal Secure Fund		-	1,363,444
		35,923,878	28,743,842
Shariah compliant			
		-	-
		35,923,878	28,743,842

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

- 19.3** This represents exchange loss arose on foreign currency deposit accounts placed with conventional banks.
- 19.4** This represents profit earned on bank accounts under interest / mark-up arrangements.
- 19.5** This includes interest on staff loans amounting to Rs.0.37 million (June 30, 2015: Rs.0.19 million).

20. TAXATION

- 20.1** Except for the following matters, there has been no change in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2015.
- 20.2** During the period, an amended assessment order dated April 28, 2016, has been passed under section 122 (5A) of the Income tax Ordinance, 2001 (the Ordinance) by the Additional Commissioner Inland Revenue, for the tax year 2014. Through said order, the ACIR raised demand amounting to Rs.20,081 million. The Company has filed rectification application identifying various errors / details not considered by the ACIR and requested the ACIR to rectify the same. In addition to that, Company has also filed an appeal to the Commissioner Inland Revenue Appeals - IV (CIR-A) which is pending. The Company has also obtained stay order against recovery of demand from Sindh High Court (SHC) till the decision of CIR-A. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.
- 20.3** Tax department has issued show cause notice dated June 08, 2015 confronting (alleged) non payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005. In response thereto, an extension request was filed. The department however issued order without rejecting the application and raised FED demand of Rs. 78,003 million on account of non-payment of FED for the period from July 2010 till December 2013. The Company filed a rectification appeal amounting to Rs. 55.3 million against the said order on account of certain computational errors. However, the remaining demand of Rs. 22,526 million represents duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act 2011 on such services. The Company has also filed an appeal in the Sindh High Court (SHC), through KSE Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequent to the period end, disposed of the order in Company's favor.
- 20.4** During 2015, the Company received a show cause notice from Officer Inland Revenue contending short deduction / deposit of tax on dividend paid during 2014. Subsequently, an order was passed demanding an amount of Rs.281,597. The Company filed an appeal with Commissioner Appeals and stay order was granted. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.

	Note	June 30, 2016 (Un-audited) ----- (Rupees) -----	June 30, 2015 (Un-audited) ----- (Rupees) -----
21. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation		<u>75,102,111</u>	<u>116,716,385</u>
		----- (Number) -----	
Weighted average number of shares		<u>44,964,265</u>	<u>50,000,000</u>
		----- (Rupees) -----	
Earnings per share - basic and diluted	21.1	<u>1.67</u>	<u>2.33</u>

- 21.1** Earning per share for the current period has been calculated considering revised number of shares after buy back of shares as disclosed in Note 5.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

22. RELATED PARTY TRANSACTIONS

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 period end with related parties, other than those which have been disclosed elsewhere in these financial information, are as follows:

	June 30, 2016 (Un-audited)		December 31, 2015 (Audited)	
	Key management personnel of entity and associate entities	Associated entities other than parent company	Key management personnel of entity and associate entities	Associated entities other than parent company
	----- (Rupees) -----			
Trade debts				
Opening balance	248	1,108,420	-	837,530
Invoiced during the period / year	10,115,621	3,249,506,461	19,672,630	5,283,663,432
Received during the period / year	(9,695,676)	(3,236,429,800)	(19,672,382)	(5,283,392,542)
Closing balance	<u>420,193</u>	<u>14,185,081</u>	<u>248</u>	<u>1,108,420</u>
Trade payable				
Opening balance	220,817	1,026,130	101,301	3,676,161
Invoiced during the period / year	10,330,342	2,738,513,991	268,080,042	8,626,606,124
Paid during the period / year	(5,281,396)	(2,736,088,970)	(267,960,526)	(8,629,256,155)
Closing balance	<u>5,269,763</u>	<u>3,451,151</u>	<u>220,817</u>	<u>1,026,130</u>
Loans and advances				
Opening balance	648,789	-	-	-
Disbursements during the period / year	-	-	700,000	-
Repayments during the period / year	(79,068)	-	(51,211)	-
Closing balance	<u>569,721</u>	<u>-</u>	<u>648,789</u>	<u>-</u>
			June 30, 2016	December 31, 2015
			(Un-audited)	(Audited)
			----- (Rupees) -----	
Balances with parent company				
Trade debts			<u>119,415</u>	<u>299,089</u>
Other receivables			<u>1,186,700</u>	<u>1,216,508</u>
Balances with parent company			<u>591,564,943</u>	<u>1,444,672,497</u>
Balances with ultimate parent company				
Trade Payable			<u>6,920,781</u>	<u>136,652</u>
Other receivables			<u>401,844</u>	<u>397,091</u>
Balances with associated entities of group companies				
Other Receivables			<u>1,660,238</u>	<u>1,660,238</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

	June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
	----- (Rupees) -----	
Transactions with associated companies		
Nature of transactions		
Payment on account of expenses to associated companies	<u>390,146</u>	<u>566,721</u>
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	<u>7,793,416</u>	<u>10,397,472</u>
Transactions with the parent company		
Nature of transactions		
Purchase of Treasury Bills - net	<u>14,786,700</u>	<u>4,191,312,500</u>
Purchase of Pakistan Investment Bonds - net	<u>-</u>	<u>354,146,214</u>
Sale of Pakistan Investment Bonds - net	<u>35,045,966</u>	<u>-</u>
Brokerage income	<u>1,132,012</u>	<u>2,696,760</u>
Payment for rent and utilities and consultancy charges	<u>1,312,000</u>	<u>1,630,482</u>
Bank charges	<u>119,692</u>	<u>235,211</u>
Mark-up on PLS account	<u>39,814,093</u>	<u>31,611,167</u>
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	<u>2,193,370</u>	<u>7,499,748</u>
Reimbursement of expenses for rent and utilities	<u>26,797,199</u>	<u>23,495,955</u>
Purchase of Pakistan Investment Bonds - net	<u>41,130,626</u>	<u>-</u>
Transactions with other related parties		
Nature of transactions	Relationship	
Royalty expense	Key management personnel of the parent	
		<u>5,000,000</u> <u>5,000,000</u>
Brokerage income	Key management personnel	<u>36,003</u> <u>142,918</u>
Director's remuneration	Key management personnel	<u>1,150,000</u> <u>950,000</u>
Contributions to Staff Provident Fund	Post - employment benefit plan	<u>4,753,061</u> <u>3,384,237</u>
Purchase of Term Finance Certificates - net	Related party	<u>83,200,000</u> <u>-</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

23. OPERATING SEGMENTS

	June 30, 2016 (Un-audited)			Total
	Brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues	182,689,655	127,084,690	13,723,489	323,497,834
Administrative and operating expenses	(133,293,218)	(10,183,144)	(61,194,965)	(204,671,327)
Depreciation	(5,273,920)	(80,499)	(4,943,915)	(10,298,333)
Amortisation of intangible assets	-	-	(2,064,743)	(2,064,743)
Finance cost	-	(181,285)	-	(181,285)
	<u>44,122,517</u>	<u>116,639,762</u>	<u>(54,480,134)</u>	<u>106,282,145</u>
Provision for Workers' Welfare Fund				(2,124,317)
Taxation				(29,055,717)
Profit after tax				<u>75,102,111</u>
Segment assets	<u>950,265,206</u>	<u>2,090,149,773</u>	<u>42,520,035</u>	<u>3,082,935,014</u>
Segment liabilities	<u>589,951,652</u>	<u>-</u>	<u>84,919,073</u>	<u>674,870,725</u>

There was no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

	June 30, 2015 (Un-audited)			Total
	Brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues	243,764,271	176,905,702	18,396,688	439,066,661
Administrative and operating expenses	(127,218,679)	(15,463,320)	(84,462,404)	(227,144,403)
Depreciation	(3,354,676)	(51,597)	(3,918,627)	(7,324,900)
Amortisation of intangible assets	-	-	(1,847,475)	(1,847,475)
Finance cost	-	(3,175,182)	-	(3,175,182)
	<u>113,190,916</u>	<u>158,215,603</u>	<u>(71,831,818)</u>	<u>199,574,701</u>
Provision for Workers' Welfare Fund				(3,991,514)
Taxation				(78,866,802)
Profit after tax				<u>116,716,385</u>
Segment assets	<u>931,135,298</u>	<u>2,539,880,491</u>	<u>39,211,815</u>	<u>3,510,227,604</u>
Segment liabilities	<u>599,460,245</u>	<u>-</u>	<u>160,445,895</u>	<u>759,906,140</u>

There was no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

24. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Rs. Nil (December 31, 2015: Rs.Nil) per share, amounting to Rs. Nil (December 31, 2015: Rs.Nil) and bonus of Nil (December 31, 2015: Nil) per share for the six months period ended June 30, 2016, in their meeting held on August 22, 2016.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended June 30, 2016

In respect of investments in quoted equity securities and units of open ended mutual funds, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates and sukuks, fair value is determined by reference to mufap rates.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- Level 3:** Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	June 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Asset measured at fair value				
Financial assets classified as 'held-for-trading securities'				
Quoted equity securities	1,010,587,740	-	-	1,010,587,740
Open end mutual funds	-	15,003,741	-	15,003,741
Term Finance Certificates and Sukuks	-	34,879,903	-	34,879,903
Derivative financial asset	22,420,324	-	-	22,420,324
Financial assets classified as 'available-for-sale securities'				
Quoted equity securities	25,010,753	-	-	25,010,753
	<u>1,058,018,817</u>	<u>49,883,644</u>	<u>-</u>	<u>1,107,902,461</u>

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Asset measured at fair value				
Financial assets classified as 'held-for-trading securities'				
Quoted equity securities	697,014,276	-	-	697,014,276
Term Finance Certificates and Sukuks	-	43,402,769	-	43,402,769
Derivative financial asset	4,102,230	-	-	4,102,230
Financial assets classified as 'available-for-sale securities'				
Quoted equity securities	25,830,778	-	-	25,830,778
	<u>726,947,284</u>	<u>43,402,769</u>	<u>-</u>	<u>770,350,053</u>

Notes to the Condensed Interim Financial Statements (Un-audited) For the six months ended June 30, 2016

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

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

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

During the period ended June 30, 2016, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.7,358,485 which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

27. GENERAL

27.1 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended June 30, 2016 and June 30, 2015 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

27.2 Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison. However, there were no major reclassifications during the period.

27.3 Figures have been rounded off to the nearest rupee.

28. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 22, 2016.



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