



JS Global Capital Limited

Condensed Interim Financial Information  
for the Quarter Ended March 31, 2017  
(Un-audited)

# **CONDENSED INTERIM FINANCIAL INFORMATION**

## Contents

Company Information	03
Directors' Report to the Members	04
Condensed Interim Balance Sheet	08
Condensed Interim Profit & Loss Account	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Cash Flow Statement	12
Condensed Interim Statement of Changes in Equity	13
Notes to the Condensed Interim Financial Information	14



## Company Information

<b>Board of Directors</b>	<b>Syed Hasan Akbar Kazmi</b> <b>Mr. Munir Hassan Taher</b> <b>Mr. Khurshid Hadi</b> <b>Mr. Junaid Imran</b> <b>Mr. Ammar Talib Hajeyah</b> <b>Mr. Abdul Hamid Mihrez</b> <b>Mr. Muhammad Khalil Ur Rehman</b> <b>Mr. Muhammad Kamran Nasir</b>	Chairman Non-Executive Independent Non-Executive Non-Executive Non-Executive Non-Executive Chief Executive Officer
<b>Audit Committee</b>	<b>Mr. Khurshid Hadi</b> <b>Mr. Muhammad Khalil Ur Rehman</b> <b>Mr. Ammar Talib Hajeyah</b>	Chairman
<b>Executive Committee</b>	<b>Mr. Muhamamd Kamran Nasir</b> <b>Mr. Munir Hassan Taher</b> <b>Mr. Abdul Hamid Mihrez</b> <b>Syed Hasan Akbar Kazmi</b> <b>Mr. Muhammad Khalil Ur Rehman</b>	Chairman
<b>Human Resource &amp; Remuneration Committee</b>	<b>Syed Hasan Akbar Kazmi</b> <b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Abdul Hamid Mihrez</b>	Chairman
<b>Chief Financial Officer</b>	<b>Mr. Muhammad Umair Arif</b>	
<b>Company Secretary</b>	<b>Syed Muhammad Tariq Nabeel Jafri</b>	
<b>External Auditor</b>	<b>EY Ford Rhodes</b> Chartered Accountants 5th Floor, Progressive Plaza, Beaumont Road, Karachi.	
<b>Internal Auditor</b>	<b>Deloitte Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.	
<b>Bankers</b>	<b>JS Bank Limited</b> <b>MCB Bank Limited</b> <b>Habib Bank Limited</b> <b>Habib Metropolitan Bank Limited</b> <b>NIB Bank Limited</b> <b>Bank Alfalah Limited</b> <b>United Bank Limited</b> <b>National Bank of Pakistan</b> <b>Askari Bank Limited</b> <b>Faysal Bank Limited</b>	
<b>Legal Advisors</b>	<b>Bawaney &amp; Partners,</b> 3rd & 4th Floors, 68-C, Lane-13, Bokhari Commercial Area, Phase - VI, D.H.A, Karachi.  <b>Ms. Lubna Saleem Pervez</b> Office no. 409, 4th Floor, Land Mark Plaza, Muhammad Bin Qasim Road, Off. I.I. Chundrigar Road, Karachi.	
<b>Share Registrar</b>	<b>Technology Trade (Pvt) Limited,</b> 241-C, Block-2, P.E.C.H.S., Karachi.	
<b>Registered Office</b>	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

We are pleased to present the unaudited condensed interim financial information of JS Global Capital Limited ("the Company") for the quarter ended March 31, 2017.

The summarized results are set out below:

	<b>Three months ended</b>	
	<b>March 31, 2017</b>	March 31, 2016
	----- <b>(Rupees)</b> -----	
Profit before tax	<b>101,589,532</b>	53,348,072
Profit after tax	<b>73,848,443</b>	37,082,892
Earnings per share	<b>1.94</b>	0.74

### The Economy

For Pakistan, 2017 has been less about new initiatives and more about continuation of what has worked in the past. Signs that Pakistan is doing well economically are everywhere from the Pakistan Stock Exchange (PSX) rising faster than any of its Asian counterparts in 2016 to recently unveiled GDP numbers that average 5% year-on-year (YoY), a modest but important growth in numbers.

Inflation in the first nine months of financial year 2017 (FY17) was low, averaging 4.05% and helping to keep the policy rate at 5.75%. Government of Pakistan's progress on the fiscal front also remains on track as the fiscal deficit for FY17 is targeted at 4.1% of GDP. There is also a continued focus on improving tax collection through aggressive measures such as higher taxes on non-tax filers. The economy however did face some headwinds. The first eight months of FY17 saw the current account deficit increase due to two factors; a higher trade deficit and disappointing growth in remittance flows, which clocked in at 1.7% of GDP.

On the macroeconomic front, structural reforms in the economy that were put in place are yielding results. This has been helped by improving global economic conditions, rising investments related to the China-Pakistan Economic Corridor (CPEC), CSF (Coalition Support Fund) inflows of USD 350 million and a rebounding agriculture sector based on better production of major crops in 2016. Some recent reforms highlighted by the IMF in their country review of Pakistan include the cutting of costly subsidies, privatization of loss-making state entities and building up foreign reserves which are now more than USD 21 billion and reflect an import cover of five months.

### Equity Capital Markets

The KSE100 index of the PSX, a benchmark for market performance, posted a positive return of 0.73% during the first quarter of CY17. Average Daily Turnover (ADTO) clocked in at 347 million shares/day, 154% higher than the first quarter of CY16, while average daily traded value witnessed a massive rise of 132% YoY, clocking in at USD 164 million/day during the same period. The market took a breather in the first quarter, albeit with higher activity, due to concerns over the political scenario in the country, while fundamentals of the capital market remained strongly in place. Foreigners sold equities worth USD 164 million during the quarter as they look to rebalance their portfolio ahead of Pakistan's re-entry into the MSCI Emerging Markets Index (scheduled in May 2017). An overall stable macro environment and improved law & order situation suggests strong capital market performance in 2017.

### Foreign Exchange Market

During the first quarter of CY17, USD/PKR parity opened with 1/104.72 as compared to the corresponding period last year when the parity opened at 1/104.85, reflecting the appreciation of PKR by approximately 0.12% compared to the corresponding period in CY16. The highest USD/PKR parity was witnessed at 1/104.86 during January 2017 whereas the lowest parity was also witnessed at 1/104.72 during

the same month. The closing of the USD/PKR parity at 1/104.8450 on March 31, 2017 as compared to the corresponding period of 2016's closing of 1/104.75 reflected the slight depreciation of PKR (approximately 0.09%).

#### **Money Market**

During CY17, the fixed income side remained stable. The State Bank of Pakistan (SBP) in its Monetary Policy Statement (MPS) maintained the policy rate at 5.75% due to inflation remaining stable. The overnight repo rate remained close to the policy rate due to improved interbank liquidity conditions. The recent shift in market participants' interest in T-bills from Pakistan Investment Bonds (PIBs) indicates that the market expects no major change in SBP's monetary policy stance in the short term.

#### **Commodities Market**

Overall volumes at the Pakistan Mercantile Exchange Limited (PMEX) showed improvement during the first quarter of CY17 and clocked-in at approximately 2,224 million, reflecting a growth of 26.1% YoY and a 33% increase quarter-on-quarter (QoQ). This increase in activity can be attributed to renewed investor interest in the global commodities market amidst anticipation of a reversal in global commodities. Activity returned in oil contracts as well, with CRUDE100's traded value inching up by 57.5% on a YoY basis and 3.4% on a QoQ basis. Oil prices, despite volatile trading, continued to increase due to a mix of geopolitical reasons and the demand-supply position in the Middle East. Gold (GO100Z) also gained traction with value traded posting a significant increase of 12.3% on a YoY basis and an 11.6% QoQ basis as correction in the latter half of 2016 and simultaneous increase in Global Gold ETF investments made a compelling case for a recovery during 2017. Overall, the commodities markets remained alive during the first quarter of CY17 with volatility expected to persist going forward as well.

#### **Company Performance Review**

The Company earned net income of PKR 73.8 million for the quarter ended March 31, 2017 vis-à-vis net income of PKR 37.1 million in the corresponding period last year, posting a jump of 99.14% over the same period. Operating revenues of the Company also rose by 88.40 % over the corresponding period last year. The major reason for an increase in net income is an increase of brokerage income by a hefty 105.8% as compared to corresponding period last year.

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 treasury management, core brokerage and fee-based operations whilst at the same time rationalizing our cost base.

#### **Acknowledgment**

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. The Board also takes this opportunity to express its gratitude to all the employees of JS Global Capital Limited for their untiring efforts.

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

For and on behalf of the  
Board of Directors

Karachi: April 24, 2017

**Syed Hasan Akbar Kazmi**  
Chairman

 JS Global

### مٹی مارکیٹ کا جائزہ

سال 2017 کے دوران فیکسڈ انکم ڈویژن میں استحکام رہا۔ افریڈ زر کے مستحکم رہنے کی وجہ سے اسٹیٹ بینک آف پاکستان (SBP) نے اپنی مانیٹری پالیسی اسٹیٹمنٹ (MPS) میں پالیسی ریٹ کو 5.75 فیصد پر برقرار رکھا۔ انٹرنیشنل کیلیکولیشن بہتر رہنے کی وجہ سے اور نائٹ رپورٹ پالیسی ریٹ کے قریب تر رہا۔ سرمایہ کاروں کی حالیہ دلچسپی PIBs کے مقابلے میں T-bills میں رہی جو اس بات کی نشاندہی کرتی ہے کہ مارکیٹ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی مختصر مدت میں نمایاں تبدیلی کی توقع نہیں رکھتی۔

### کوڈ بیٹری مارکیٹ کا جائزہ

سال 2017 کے پہلے سہ ماہی میں PMEX کے مجموعی حجم میں بہتری دکھائی دی جو 26.1 فیصد سال بہ سال اور 33 فیصد سہ ماہی بہ سہ ماہی اضافہ کے ساتھ تقریباً 2,224 ملین رہا۔ حجم میں اضافہ کی وجہ سے سرمایہ کاروں کا بڑھتا ہوا رجحان ہے جو کوڈ بیٹری کی قیمتوں میں تبدیلی کی توقع رکھتے ہیں۔ تیل کے کانٹریکٹس میں بھی سرمایہ کاری دیکھنے میں آئی اور CRUDE 100 کے حجم میں 57.5 فیصد سال بہ سال اور 3.4 فیصد سہ ماہی بہ سہ ماہی اضافہ دیکھا گیا۔ مشرق وسطیٰ کی طلب ورسد اور جو جغرافیائی سیاست کی وجہ سے تیل کی قیمتوں میں اضافہ ہے باوجود اس کے کہ تیل میں غیر مستحکم تجارت رہی۔ 2016 کے آخری نصف حصے میں تصحیح کے ساتھ گولڈ (GO100Z) کی قدر میں مزید اضافہ ہوا جو سال بہ سال بڑھ کر 12.3 فیصد اور سہ ماہی بہ سہ ماہی 11.6 فیصد رہا اور بیک وقت گلوبل گولڈ ETF سرمایہ میں اضافہ کی وجہ سے 2017 میں گولڈ کی قدر دو بارہ سال ہوئی۔ مجموعی یہ کہ کوڈ بیٹری کی مارکیٹ میں FY17 کے پہلے سہ ماہی میں دلچسپی نظر آئی اور آگے بڑھتے ہوئے مزید اتار چڑھاؤ متوقع ہے۔

### کمپنی کی کارکردگی کا جائزہ

کمپنی نے 31 مارچ 2017 کو ختم ہونے والے سہ ماہی میں 73.8 ملین روپے کی آمدنی حاصل کی، پچھلے سال اس ہی مدت میں کل آمدنی 37.1 ملین روپے تھی جو کہ 99.14 فیصد اضافہ دکھاتی ہے۔ کمپنی کے آپریٹنگ ریونیو میں پچھلے مدت کے مقابلے میں 88.40 فیصد اضافہ ہوا۔ خالص آمدنی میں اضافے کی اہم وجہ بروکرینج انکم میں پچھلے سال کے مقابلے میں 105.8 فیصد اضافہ ہے۔

کمپنی کا حتمی نظریہ طویل مدت میں اپنی ترقی کو متحرک رکھنا ہے، مینجمنٹ سختی سے اپنے وسائل کی نگرانی کر رہی ہے تاکہ اپنے عمیر ہولڈرز کو زیادہ سے زیادہ فوائد پہنچائے، اس میں بروکرینج فیس کی بنیاد پر اپریٹنگ اور ریٹرنز مینجمنٹ سے زیادہ سے زیادہ آمدنی حاصل کرنا شامل ہے اور بیک وقت اخراجات کی بنیاد کو درست رکھنا بھی شامل ہے۔

### تسلیمات

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

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، نیشنل کیلیبرنگ کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی بھی کیپٹل مارکیٹ مستحکم کرنے اور سرمایہ کاروں کے حقوق کے تحفظ کیلئے اقدامات کرنے پر سزاہتے ہیں۔

منجانب بوز ڈاؤن ڈائریکٹرز

سید حسن اکبر کاظمی  
چیئر مین

کراچی، 24 اپریل، 2017

## ممبران کے لئے ڈائریکٹرز کی رپورٹ

میں JS گلوبل کیپیٹل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے غیر آڈٹ شدہ معادی مالیاتی حسابات سے ماہ کی مدت کیلئے مورخہ 31 مارچ 2017 کو پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

نتائج کا خلاصہ مندرجہ ذیل ہیں۔

31 مارچ 2016	31 مارچ 2017
اختتام سہ ماہی	اختتام سہ ماہی
روپے	روپے
53,348,072	101,589,532
37,082,892	73,848,443
0.74	1.94

منافع قبل از ٹیکس

منافع بعد از ٹیکس

فی حصص منافع

### معاشی جائزہ

2017 پاکستان کے لئے نئے کے بجائے ماضی کے اقدامات کو جاری رکھنے کے بارے میں رہا۔ پاکستان کی معاشی کارکردگی کے علامات ہر طرح سے واضح ہیں، جیسا کہ پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) سال 2016 میں اپنے ایشیائی حریفوں کے مقابلے میں تیزی سے آگے بڑھا اور GDP میں بھی اوسط 5 فیصد اضافہ حال ہی میں ظاہر کیا جو کہ ایک معمولی لیکن اہم اضافہ ہے۔

سال کے پہلے نو ماہ میں افراط زر اوسط 4.05 فیصد رہا جو کہ پالیسی ریٹ کو 5.75 فیصد تک محدود رکھنے پر مددگار ثابت ہوا۔ مالی معاملات پر حکومت پاکستان کی کارکردگی صحیح سمت پر رہی اور مالی خسارے کا نصف سال 2017 کے لئے GDP کا 4.1 فیصد متحرک کیا گیا۔ نان ٹیکس فائلر پر زیادہ ٹیکس ریٹ لگا کر حکومت ٹیکس کی وصولی کے اقدامات کو بہتر بنانے پر متوجہ ہے۔ معیشت کو کچھ مشکلات کا سامنا رہا۔ سال 2017 کے پہلے 8 ماہ میں کرنٹ اکاؤنٹ کے خسارے میں اضافہ دیکھنے میں آیا جسکی بنیادی وجوہات: تجارتی خسارے میں اضافہ اور مایوس کن ترسیلات ہیں، جو GDP کا 1.7 فیصد ہے۔

معیشت میں انتظامی اصلاحات کے نتائج مثبت نظر آ رہے ہیں جس میں اہم کردار عالمی معیشت میں بہتری، CPEC میں بڑھتی ہوئی سرمایہ کاری، CSF کی مدد میں 350 ملین امریکی ڈالر کی آمدنی اور سال 2016 میں زراعت کے سیکٹر میں اہم فصلوں میں اچھی پیداوار کا ہے۔ IMF نے پاکستان کی ریویو رپورٹ میں حالیہ اصلاحات کا ذکر کیا گیا جس میں سبسڈیز میں کٹوتی، خسارے میں رہنے والی کمپنیوں کی نجکاری اور ذمہ داریوں میں اضافہ ہے جو اب بڑھ کر 21 ملین امریکی ڈالر ہو گا ہے۔ جو پانچ مہینوں کے اپورٹ کوریج کا عکاسی کرتی ہے۔

### اکیویٹی کیپیٹل مارکیٹ کا جائزہ

سال 2017 کے پہلے سہ ماہی میں KSE 100 انڈیکس نے 0.73 فیصد ریزن دیا۔ اوسط یومیہ کاروبار کا حجم 347 ملین حصص رہا جو گزشتہ سال کے پہلے سہ ماہی سے 154 فیصد زیادہ ہے۔ جبکہ اوسط یومیہ کاروبار کی ویلیو 164 ملین امریکی ڈالر رہی جو سال پہ سال 132 فیصد کا نمایاں اضافہ دکھاتی ہے۔ مارکیٹ کی بنیادیں پختہ ہیں اور تجارت بھی نمایاں رہیں تاہم اس کے ملک کے سیاسی مناظر میں تشویش دکھائی دی۔ پاکستان کے MSCI میں دوبارہ شمولیت سے پہلے غیر ملکی سرمایہ کاروں نے اپنا پورٹ فولیو کو ایڈجسٹ کرتے ہوئے 164 ملین امریکی ڈالر کی اکیویٹی فروخت کی۔ مستحکم معیشت اور امن و امان کی بہتر صورتحال سے کیپیٹل مارکیٹ کی اچھی کارکردگی متوقع ہے۔

### فارن ایکسچینج مارکیٹ کا جائزہ

سال 2017 کے پہلے سہ ماہی کے دوران پاکستانی روپے کی قدر میں 0.12 فیصد سے بہتری رہی امریکی ڈالر پاکستانی روپے کے درمیان ایکسچینج ریٹ کا آغاز 1/104.72 کے ساتھ ہوا، جو گزشتہ سال اس ہی مدت میں 1/104.85 تھا۔ امریکی ڈالر پاکستانی روپے کے درمیان زیادہ سے زیادہ شرح تبادلہ ماہ جنوری کے دوران 1/104.86 رہا جبکہ کم سے کم شرح تبادلہ 1/104.72 اس ہی ماہ کے دوران رہا۔ مارچ کے مہینے کے اختتام پر امریکی ڈالر کا شرح تبادلہ 1/104.84 رہا جبکہ 2016 کے اس ہی ماہ کے اختتام پر امریکی ڈالر کا شرح تبادلہ 1/104.75 رہا جو کہ پاکستانی روپے کی قدر میں معمولی کمی (تقریباً 0.09 فیصد) کی عکاسی کرتا ہے۔



## Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2017

		March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees) -----	
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized 150,000,000 (Dec 31, 2016: 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	<b>380,070,000</b>	380,070,000
Reserves		<b>2,222,708,849</b>	2,175,432,959
		<b>2,602,778,849</b>	2,555,502,959
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors, accrued expenses and other liabilities	6	<b>1,553,741,816</b>	1,902,713,070
		<u><b>4,156,520,665</b></u>	<u>4,458,216,029</u>
<b>Contingencies and Commitments</b>	7		

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

## Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2017

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
ASSETS	Note	(Rupees)
<b>Non Current Assets</b>		
Property and equipment	8	65,654,048
Intangible assets	9	10,741,528
Long term investments	10	60,591,631
Long term loans, advances and deposits		20,263,856
Deferred taxation-net	11	103,493,340
		<b>268,456,991</b>
<b>Current Assets</b>		
Short term investments	12	819,719,863
Trade debts	13	922,947,253
Receivable against margin finance		855,461,209
Loans and advances		11,701,497
Deposits and short-term prepayments		461,936,638
Interest and mark-up accrued	14	17,284,195
Other receivables		13,418,636
Advance tax		47,250,952
Cash and bank balances	15	1,047,751,383
		<b>4,197,471,626</b>
		<b>4,156,520,665</b>
		<b>4,458,216,029</b>

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

**Syed Hasan Akbar Kazmi**  
Chairman

**Muhammad Kamran Nasir**  
Chief Executive Officer

**JS Global**

## Condensed Interim Profit & Loss Account (Un-audited) For the three months ended March 31, 2017

	Note	Three months ended	
		March 31, 2017	March 31, 2016
----- (Rupees) -----			
Operating revenue	16	155,660,245	82,623,898
Capital gain / (loss) on sale of investments		47,145,865	(528,641)
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		298,492	(678,487)
Dividend income		4,234,818	17,682,878
Margin finance income		31,581,504	17,885,985
		<u>238,920,924</u>	<u>116,985,633</u>
Administrative and operating expenses		(151,283,485)	(96,122,417)
		<u>87,637,439</u>	<u>20,863,216</u>
Other operating income - net		<u>16,720,059</u>	<u>33,660,547</u>
		<u>104,357,498</u>	<u>54,523,763</u>
Provision for Workers' Welfare Fund		(2,101,791)	(1,088,736)
Finance cost		(666,175)	(86,955)
Profit before taxation		<u>101,589,532</u>	<u>53,348,072</u>
Taxation			
- current	17	(28,219,273)	(17,126,651)
- deferred		478,184	861,471
		<u>(27,741,089)</u>	<u>(16,265,180)</u>
Profit after taxation		<u>73,848,443</u>	<u>37,082,892</u>
Earnings per share - basic and diluted	18	<u>1.94</u>	<u>0.74</u>

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

## Condensed Interim Statement of Comprehensive Income (Un-audited)

### For the three months ended March 31, 2017

	Three months ended	
	March 31, 2017	March 31, 2016
	----- (Rupees) -----	
<b>Profit for the period</b>	<b>73,848,443</b>	37,082,892
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit and loss account</b>	-	-
<b>Items that may be reclassified subsequently to profit and loss account</b>		
Unrealised gain on revaluation of available for sale investments during the period	-	-
Less: related tax	-	-
Reclassification adjustments relating to available for sale investments disposed of during the period	(34,287,165)	(4,636,867)
Less: related tax	7,714,612	695,530
	(26,572,553)	(3,941,337)
<b>Total comprehensive income for the period</b>	<b>47,275,890</b>	33,141,555

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

\_\_\_\_\_  
**Syed Hasan Akbar Kazmi**  
Chairman

\_\_\_\_\_  
**Muhammad Kamran Nasir**  
Chief Executive Officer



## Condensed Interim Cash Flow Statement (Un-audited) For the three months ended March 31, 2017

	Three months ended	
	March 31, 2017	March 31, 2016
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	101,589,532	53,348,072
Adjustments for:		
Depreciation	5,605,116	4,681,022
Amortization of intangible assets	731,418	1,029,594
Gain on sale of property and equipment	(134,999)	(106,300)
Unrealised (gain) / loss on remeasurement of investments at fair value through profit or loss - net	(298,492)	678,487
Provision for Workers' Welfare Fund	2,101,791	1,088,736
Finance cost	666,175	86,955
	<u>8,671,009</u>	<u>7,458,494</u>
Cash generated from operating activities before working capital changes	<u>110,260,541</u>	60,806,566
<b>(Increase) / decrease in current assets:</b>		
Trade debts	385,104,522	3,219,170
Receivable against margin finance	863,719	204,432,177
Loans and advances	1,215,212	4,137,712
Deposits and short term prepayments	(131,280,703)	21,747,144
Interest and markup accrued	48,247	15,541,235
Other receivables	(3,131,033)	(640,313)
	<u>252,819,964</u>	248,437,125
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued expenses and other liabilities	(351,073,045)	(64,618,574)
Cash generated from operations	<u>12,007,460</u>	244,625,117
Finance cost paid	(666,175)	(86,955)
Taxes paid	(28,908,575)	(22,804,944)
Net cash (used in) / generated from operating activities	<u>(17,567,290)</u>	221,733,218
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(3,243,891)	(6,234,604)
Proceeds from disposal of property and equipment	135,000	106,300
Long term loans, advances and deposits	(2,529,962)	(2,431,319)
Addition to intangible assets	(82,473)	(50,000)
Short term investments - net	562,010,820	44,479,493
Net cash generated from investing activities	<u>556,289,494</u>	35,869,870
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	-	(1,575)
Net cash used in financing activities	-	(1,575)
Increase in cash and cash equivalents during the period	<u>538,722,204</u>	257,601,513
Cash and cash equivalents at the beginning of the period	1,047,751,383	1,480,125,758
Cash and cash equivalents at the end of the period	<u>1,586,473,587</u>	<u>1,737,727,271</u>

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

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

### For the three months ended March 31, 2017

	Issued, subscribed and paid-up share capital	Reserves			Sub-total	Total
		Share premium	Unrealised gain on revaluation of available-for -sale investments - net	Revenue Reserve Unappropriated profit		
..... (Rupees) .....						
<b>Balance as at January 01, 2016</b>	<b>500,000,000</b>	<b>1,810,104,900</b>	<b>15,619,607</b>	<b>559,612,692</b>	<b>2,385,337,199</b>	<b>2,885,337,199</b>
<b>Total comprehensive income for the period</b>						
Profit for the three months ended March 31, 2016	-	-	-	37,082,892	37,082,892	37,082,892
<b>Other comprehensive income - net of tax</b>	-	-	(3,941,337)	-	(3,941,337)	(3,941,337)
Total comprehensive income for the period	-	-	(3,941,337)	37,082,892	33,141,555	33,141,555
<b>Balance as at March 31, 2016</b>	<b>500,000,000</b>	<b>1,810,104,900</b>	<b>11,678,270</b>	<b>596,695,584</b>	<b>2,418,478,754</b>	<b>2,918,478,754</b>
<b>Total comprehensive income for the period</b>						
Profit for the nine months ended December 31, 2016	-	-	-	133,952,604	133,952,604	133,952,604
<b>Other comprehensive income - net of tax</b>	-	-	54,749,601	-	54,749,601	54,749,601
Total comprehensive income for the period	-	-	54,749,601	133,952,604	188,702,205	188,702,205
<b>Transaction with owners recognised directly in equity</b>						
Buy back of 11,993,000 shares having face value of Rs. 10 each at 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)
<b>Balance as at December 31, 2016</b>	<b>380,070,000</b>	<b>1,810,104,900</b>	<b>66,427,871</b>	<b>298,900,188</b>	<b>2,175,432,959</b>	<b>2,555,502,959</b>
<b>Total comprehensive income for the period</b>						
Profit for the three months ended March 31, 2017	-	-	-	73,848,443	73,848,443	73,848,443
<b>Other comprehensive income - net of tax</b>	-	-	(26,572,553)	-	(26,572,553)	(26,572,553)
Total comprehensive income for the period	-	-	(26,572,553)	73,848,443	47,275,890	47,275,890
<b>Balance as at March 31, 2017</b>	<b>380,070,000</b>	<b>1,810,104,900</b>	<b>39,855,318</b>	<b>372,748,631</b>	<b>2,222,708,849</b>	<b>2,602,778,849</b>

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

**Syed Hasan Akbar Kazmi**  
Chairman

**Muhammad Kamran Nasir**  
Chief Executive Officer

**JS Global**

## Notes to the Condensed Interim Financial Information (Un-audited) For the three months ended March 31, 2017

### 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. The Company has ten branches in eight cities of Pakistan.

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 6th floor, Faysal House, Shakra-e-Faisal, Karachi, Pakistan.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial information have 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 where requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2016.

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

This condensed interim financial information is 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 information 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, 2016.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2016 other than those disclosed below:

IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for unrealised losses (Amendments)	January 01, 2017

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

#### Standard

IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

#### 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, 2016.

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

March 31, 2017 (Un-audited)	December 31, 2016 (Audited)		March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees)			(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)
<b>38,007,000</b>	<b>38,007,000</b>		<b>380,070,000</b>	<b>380,070,000</b>

#### 5.1 Pattern of shareholding

March 31, 2017	December 31, 2016		March 31, 2017	December 31, 2016
No of shares		Particulars / name of the shareholders holding more than 5%	Percentage of holding	
25,525,169	25,525,169	JS Bank Limited	67.16%	67.16%
10,166,832	10,166,832	Global Investment House, Kuwait	26.75%	26.75%
1,744,823	1,721,223	Individuals	4.59%	4.53%
340,323	340,323	Insurance Company	0.89%	0.89%
229,853	253,453	Joint Stock Companies	0.61%	0.67%
<b>38,007,000</b>	<b>38,007,000</b>		<b>100.00%</b>	<b>100.00%</b>



**6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES**

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
	----- (Rupees) -----	
Trade creditors	1,408,835,005	1,739,633,582
Accrued expenses	54,519,042	48,474,628
Provision for staff bonus	15,213,399	31,614,750
Unclaimed dividend	3,425,985	3,425,985
Provision for Workers' Welfare Fund	34,753,349	32,651,558
Unrealised loss on revaluation of future equity transaction	-	14,172,626
Others creditors	36,995,036	32,739,941
	<b>1,553,741,816</b>	<b>1,902,713,070</b>

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

It represents 10% of the sale price of the PSX shares (i.e. Rs. 2.8) retained to settle any outstanding liabilities of PSX in terms of Share Purchase Agreement. (For more details please refer note 10.1)

<b>4,488,268</b>	-
------------------	---

**7.2 Commitments**

Future sale transactions of equity securities entered into by the Company in respect of which the sale transactions have not been settled as at March 31, 2017 (December 31, 2016).

<b>185,989,040</b>	<b>750,928,880</b>
--------------------	--------------------

**8. PROPERTY AND EQUIPMENT**

	Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
		----- (Rupees) -----	
Book value at the beginning of the year		65,654,048	59,901,526
Cost of addition during the period / year	8.1	3,243,891	29,903,458
Book value of deletions during the period / year	8.2	(1)	(2,245,924)
Depreciation charge for the period / year		(5,605,116)	(21,905,012)
Book value at the end of the period / year		<b>63,292,822</b>	<b>65,654,048</b>

**8.1 Cost of additions during the period / year**

Office equipment	2,720,591	12,229,897
Office furniture	523,300	4,393,500
Motor vehicles	-	13,280,061
	<b>3,243,891</b>	<b>29,903,458</b>

**8.2 Book value of deletions during the period / year**

Office equipment	(1)	(36,220)
Office furniture	-	-
Motor vehicles	-	(2,209,704)
	<b>(1)</b>	<b>(2,245,924)</b>

**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
		<b>8,227,330</b>	<b>8,227,330</b>
Softwares		1,865,253	2,514,198
		<b>10,092,583</b>	<b>10,741,528</b>

9.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualisation 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.

<b>10. LONG TERM INVESTMENT</b>		<b>March 31, 2017 (Un-audited)</b>	December 31, 2016 (Audited)
		----- <b>(Rupees)</b> -----	
<b>Available for sale</b>	<b>Note</b>		
Shares in Pakistan Stock Exchange Limited (PSX) - Cost		<b>9,165,414</b>	15,272,670
Surplus on revaluation on shares in PSX		<b>51,426,217</b>	85,713,382
		<b>60,591,631</b>	100,986,052
Current maturity shown under current assets		-	(40,394,421)
	10.1	<b>60,591,631</b>	60,591,631

10.1 Pursuant to demutualisation of the Pakistan Stock Exchange Limited ('PSX' or 'the Exchange'), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualisation, the Company received 4,007,383 shares of Rs.10 each and TREC from the PSX against its membership card which was carried at Rs.21 million in the books of the Company. Out of allotted 4,007,383 shares, 40% shares were received by the Company whereas, remaining 60% shares were transferred in a blocked CDC account under the PSX participant ID which were meant for selling to strategic investor, general public and financial institutions and proceeds to be paid to the Company.

The Company has, based on Institute of Chartered Accountants of Pakistan's technical guide dated May 29, 2013, 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 and consequently, the investments had been recognized at Rs. 15.3 million and TREC at Rs. 5.7 million.

During the year 2016, Divestment Committee of the Exchange had issued an invitation for Expression of Interest for acquiring upto 40% equity stake in PSX held in blocked CDC account. Thereafter, bids were submitted by interested persons and as a result of bidding process, share price of Rs. 28/share had been offered by the Anchor Investor/successful investor and accordingly, the Share Purchase Agreement (SPA) was signed between PSX, Divestment Committee of PSX and Anchor Investor for sale of 40% equity stake in PSX at share price of Rs. 28/share. Subsequent to December 31, 2016, the SPA has been executed and PSX has transferred the sale proceeds at Rs. 25.2 per share, after retaining 10% of the sale price for one year, to settle any outstanding liabilities of PSX in terms of SPA, which fact has been disclosed as contingent asset in note 7.

The remaining shareholding in PSX is carried at the rate of Rs. 25.2 per share (i.e the sale price of Rs. 28/share after deducting 10% retention i.e. Rs. 2.8/share, as stated above).

<b>11. DEFERRED TAXATION - NET</b>		<b>March 31, 2017 (Un-audited)</b>	December 31, 2016 (Audited)
		----- <b>(Rupees)</b> -----	
<b>Taxable temporary difference</b>			
Revaluation of investments		<b>(11,615,673)</b>	(19,185,011)
<b>Deductible temporary differences</b>			
Accelerated depreciation for tax purposes		<b>2,238,901</b>	1,645,034
Difference in accounting and tax base of intangible assets		<b>67,513</b>	37,921
Provision for doubtful debts		<b>120,995,396</b>	120,995,396
		<b>111,686,137</b>	103,493,340

**12 SHORT TERM INVESTMENTS**

		March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees) -----	
<b>Financial asset at fair value through profit or loss - held for trading</b>			
Quoted equity securities	12.1	191,481,212	746,234,904
Term finance certificates and sukuk certificates	12.2	32,239,157	33,090,538
		<b>223,720,369</b>	<b>779,325,442</b>
<b>Available for sale</b>			
Privately placed term finance certificates - unsecured	12.3	-	-
Unquoted equity securities - shares in PSX	10	-	40,394,421
		-	40,394,421
		<b>223,720,369</b>	<b>819,719,863</b>

**12.1 Quoted Equity Securities**

		March 31, 2017 (Un-audited)	December 31, 2016 (Audited)		
Number of shares	Name of Company			Average Cost	Fair Value
March 31, 2017 (Un-audited)	December 31, 2016 (Audited)			----- (Rupees) -----	
-	2,224,000	-	-	-	39,253,600
175,000	304,500	18,281,500	18,130,000	18,130,000	31,780,665
552,000	176,500	41,387,980	41,217,840	41,217,840	13,218,085
-	300,000	-	-	-	18,729,000
-	291,500	-	-	-	48,199,525
25,500	132,500	10,950,279	10,799,760	10,799,760	57,532,828
-	940,000	-	-	-	16,572,200
99,000	78,000	44,970,693	44,432,190	44,432,190	33,173,400
82,500	380,000	19,216,930	19,173,000	19,173,000	84,257,400
128,500	523,000	8,183,125	8,051,810	8,051,810	35,553,540
97,000	14,500	15,859,310	15,756,680	15,756,680	2,783,130
29,000	342,000	10,802,725	10,672,580	10,672,580	108,102,780
-	258,000	-	-	-	11,630,640
90,000	-	736,200	736,200	736,200	-
-	126,500	-	-	-	42,696,280
500	82,000	112,966	113,700	113,700	19,501,240
27,000	-	3,386,510	3,349,620	3,349,620	-
5,500	73,000	904,750	908,600	908,600	11,115,710
172,000	1,938,000	15,273,485	15,841,200	15,841,200	138,140,640
-	7,000	-	-	-	1,317,260
-	57,000	-	-	-	30,473,340
94,012	94,012	2,203,641	2,298,032	2,298,032	2,203,641
		<b>192,270,094</b>	<b>191,481,212</b>	<b>191,481,212</b>	<b>746,234,904</b>
		<b>(788,882)</b>	-	-	-
		<b>191,481,212</b>	<b>191,481,212</b>	<b>191,481,212</b>	<b>746,234,904</b>

12.1.1 These securities (except for Ghani Global Glass Limited) were purchased in the ready "T+2" market and sold in the future market.

12.1.2 Ghani Global Glass Limited shares were acquired as a result of underwriting arrangement undertaken by the Company.

**12.2 Term Finance Certificates and Sukuk Certificates**

Number of Certificates		Name of Term Finance / Sukuk Certificates	March 31, 2017	December 31, 2016	
March 31, 2017 (Un-audited)	December 31, 2016 (Audited)		(Un-audited)	(Audited)	
			Average Cost	Fair Value	
		Listed	---(Rupees)---		
6,000	6,000	Jahangir Siddiqui & Company Limited VIII - related party	21,012,579	21,066,612	21,012,579
530	597	Engro Corporation Limited Islamic - Rupiya Sukuk - II	3,512,351	3,478,701	3,512,349
1,500	1,635	Engro Corporation Limited Islamic - Rupiya Sukuk - I	7,858,357	7,693,844	8,565,610
			32,383,287	32,239,157	33,090,538
Unrealized loss on remeasurement at fair value			(144,130)	-	-
			32,239,157	32,239,157	33,090,538

**12.3 Privately placed term finance certificates - unsecured**

March 31, 2017 (Un-audited)					
Number of certificates	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately placed term finance certificates)	12.3.1	October 19, 2020	326,456,184
		Impairment of investment in TFC			(326,456,184)
					-
December 31, 2016 (Audited)					
Number of certificates	Markup rate (%)	Name of Company		Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately placed term finance certificates)		October 19, 2020	326,456,184
		Impairment of investment in TFC			(326,456,184)
					-

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

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
------(Rupees)-----		
<b>13 TRADE DEBTS</b>		
Purchase of shares on behalf of clients	441,169,207	834,677,831
Advisory services	5,690,106	5,362,467
Forex and fixed income commission	9,007,330	8,129,861
Commodity	81,976,088	74,777,094
	<b>537,842,731</b>	922,947,253
<b>Considered doubtful</b>	<b>403,317,987</b>	403,317,987
	<b>941,160,718</b>	1,326,265,240
Provision for doubtful debts	<b>(403,317,987)</b>	(403,317,987)
	<b>537,842,731</b>	922,947,253

**13.1** Trade debts are recognised initially at invoice amount less provision for doubtful debts, if any. The aging analysis for amount receivable from clients for more than five days is as follows;

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
------(Rupees)-----		
Amount due from clients for more than 5 days	677,882,348	699,283,889
Value of listed shares (collateral) after applying haircut on the basis of VAR	5,391,741,878	5,598,062,749
Amount receivable from clients exceeding the collateral held from such customers.	-	-

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
------(Rupees)-----		
<b>14 INTEREST AND MARK-UP ACCRUED</b>		
Accrued mark-up on margin financing	15,057,445	15,444,234
Accrued mark-up on term finance certificates	1,884,842	1,077,221
Profit receivable on bank deposits	293,661	762,740
	<b>17,235,948</b>	17,284,195
<b>15 CASH AND BANK BALANCES</b>		
Cash with banks:		
Current accounts	6,465,860	2,205,408
Profit and loss / deposit accounts	15.1 1,579,763,727	1,045,321,975
	15.2 1,586,229,587	1,047,527,383
Cash in hand	244,000	224,000
	<b>1,586,473,587</b>	1,047,751,383

**15.1** Profit and loss / deposit accounts carry profit ranging from 3.75% to 6.25% per annum (2016: 3.75% to 7% per annum).

**15.2** Detail of customer assets held in designated bank accounts and Central Depository Company (CDC) are as follows;

	March 31, 2017	December 31, 2016
	----- (Rupees) -----	
Customer assets held in the designated bank accounts	<u>968,485,848</u>	858,303,360
Customer assets held in the Central Depository Company	<u>40,531,657,620</u>	<u>29,017,611,656</u>

**15.3** Securities pledged with financial institution

	-	-
--	---	---

**16 OPERATING REVENUE**

	Note	March 31, 2017 (Un-audited)	March 31, 2016 (Un-audited)
		----- (Rupees) -----	
Brokerage and operating income	16.1	<u>155,032,606</u>	75,303,634
Advisory and consultancy fee		<u>627,639</u>	7,320,264
		<u>155,660,245</u>	<u>82,623,898</u>

**16.1** This includes Rs. 25.656 million (March 31, 2016: Rs. 11.931 million) brokerage income earned from institutional customers, Rs. 92.081 million (March 31, 2016: Rs. 27.688 million) brokerage income earned from retail customers and Rs. Nil (March 31, 2016: Rs. Nil) from proprietary trades.

**17 TAXATION**

**17.1** There were no changes in tax contingencies as disclosed in financial statements for the year ended December 31, 2016 except as follows;

**17.2** For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue - IV [DCIR]. Through said order, an income of Rs. 810.584 million was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24.318 million was raised. An appeal has been filed against the above order before Commissioner Inland Revenue Appeal (CIR-A) on December 1, 2016 identifying various errors / details not considered. The said appeal has been heard and reserved for the order. In addition to that, the Company has also filed petition before Sindh High Court (SHC), and has been granted stay against recovery of the aforesaid demand.

**17.3** During 2013, the Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of sales tax amounting to Rs. 19.65 million for the period from July 2011 to June 2012, under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently an order was passed reducing the demand to Rs. 9.86 million along with default surcharge. The Company filed an appeal against the said order which was decided against it. The Company has also filed an appeal before tribunal which has been partly heard and no order has been passed in this regard. During 2014, the Company paid an amount of Rs. 7.15 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of penalty and 75% of default surcharge.

During 2014, the Company also received another show cause notice from SRB demanding payment of sales tax amounting to Rs. 34.69 million for the period from July 2012 to December 2013 under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed reducing demand to Rs. 10.77 million. The Company has filed an appeal against the order with Commissioner Inland Revenue (Appeals) which is pending. Further, in respect of the same, rectification application has also been filed with the department. The Company and other stock brokers have also filed petition with the High Court and has been granted

interim stay against recovery of demand. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of penalty and 75% of default surcharge.

**17.4** 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 Federal Excise Duty (FED) for tax year 2010 to tax year 2013. The Company filed a rectification application before Deputy Commissioner Inland Revenue and Appeal before Commissioner Inland Revenue Appeal (CIR-A) amounting to Rs.55.3 million against the said order on account of certain computational errors and the remaining demand of Rs.22.526 million respectively on grounds of duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act on such services. The Appeal before CIR-A has been decided against the Company vide order dated January 31, 2017. The Company has filed a Appeal and stay application against the said order in Appellate Tribunal and has been granted stay order for the recovery of demand. The Company has also filed an appeal in the SHC, through 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 subsequently, disposed of the order in Company's favor. However, the relevant tax authorities have filed the petition in Honorable Supreme Court of Pakistan which is pending adjudication.

	March 31, 2017 (Un-audited)	March 31, 2016 (Un-audited)
<b>18 EARNINGS PER SHARE - BASIC AND DILUTED</b>	------(Rupees)-----	
Profit after taxation	<u><b>73,848,443</b></u>	<u>37,082,892</u>
	------(Number)-----	
Weighted average number of shares	<u><b>38,007,000</b></u>	<u>50,000,000</u>
	------(Rupees)-----	
Earnings per share - basic and diluted	<u><b>1.94</b></u>	<u>0.74</u>

#### 19. 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 condensed interim financial information, are as follows:

	March 31, 2017 (Un-audited)		December 31, 2016 (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
<b>Trade debts</b>	----- (Rupees) -----			
Opening balance	-	1,156,355	248	1,108,420
Invoiced during the period / year	600	1,147,402,732	13,097,409	3,093,052,144
Received during the period / year	(600)	(1,146,952,517)	(13,097,657)	(3,093,004,209)
Closing balance	-	1,606,570	-	1,156,355
<b>Trade payable</b>				
Opening balance	267,986	141,150,723	220,817	1,026,130
Invoiced during the period / year	182,390,880	3,964,797,834	120,716,383	10,704,150,068
Paid during the period / year	(178,045,215)	(3,963,348,879)	(120,669,214)	(10,564,025,475)
Closing balance	4,613,651	142,599,678	267,986	141,150,723
<b>Loans and advances</b>				
Opening Balance	501,705	-	648,789	-
Disbursements during the period / year	-	-	-	-
Repayments during the period / year	(501,705)	-	(147,084)	-
Closing Balance	-	-	501,705	-

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
<b>Balances with parent company</b>	----- (Rupees) -----	
Trade debts	1,105,140	132,369
Balances with parent company	1,230,675,340	1,034,233,151
Other receivables	1,186,700	1,436,700
Other payables	6,960	11,960
<b>Balances with ultimate parent company</b>		
Trade debts	-	24,503,500
Trade payable	1,847,868	-
Other receivables	442,353	397,093
<b>Balances with associated entities of group companies</b>		
Other receivables	1,692,038	1,692,038



	<b>March 31, 2017 (Un-audited)</b>	March 31, 2016 (Un-audited)
<b>Transactions with associated companies</b>		
<b>Nature of transactions</b>		
	----- <b>(Rupees)</b> -----	
Payment on account of expenses to associated companies	<u>-</u>	<u>30,555</u>
<b>Transactions with associated entities of group companies</b>		
<b>Nature of transactions</b>		
Brokerage income	<u>4,736,376</u>	<u>3,213,805</u>
<b>Transactions with the parent company</b>		
<b>Nature of transactions</b>		
Purchase of Pakistan Investment Bonds-net	<u>-</u>	<u>6,084,660</u>
Brokerage income	<u>1,128,229</u>	<u>465,260</u>
Payment for rent and utilities and consultancy charges	<u>160,868</u>	<u>92,000</u>
Bank charges	<u>32,300</u>	<u>61,316</u>
Profit on PLS account	<u>9,347,823</u>	<u>30,169,185</u>
<b>Transactions with ultimate parent company</b>		
<b>Nature of transactions</b>		
Brokerage income	<u>926,295</u>	<u>760,339</u>
Reimbursement of expenses for rent and utilities	<u>13,246,803</u>	<u>12,554,813</u>
<b>Transactions with other related parties</b>		
<b>Nature of transactions</b>	<b>Relationship</b>	
Royalty expense	Key management personnel of the parent	<u>2,500,000</u> 2,500,000
Brokerage income	Key management personnel	<u>59,422</u> 9,038
Director's remuneration	Key management personnel	<u>500,000</u> 575,000
Contributions to staff provident fund	Post-employment benefit plan	<u>2,886,088</u> 2,144,235

20. OPERATING SEGMENTS	March 31, 2017 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	155,033,185	99,980,095	627,703	255,640,983
Administrative and operating expenses	(83,642,497)	(19,847,680)	(41,456,774)	(144,946,951)
Depreciation	(2,641,891)	(53,734)	(2,909,491)	(5,605,116)
Amortisation of intangible assets	-	-	(731,418)	(731,418)
Finance cost	-	(666,175)	-	(666,175)
	<b>68,748,797</b>	<b>79,412,506</b>	<b>(44,469,980)</b>	<b>103,691,323</b>
Provision for Workers' Welfare Fund				(2,101,791)
Taxation				(27,741,089)
Profit after tax				<u><u>73,848,443</u></u>
Segment assets	1,603,024,600	2,521,277,674	32,218,391	4,156,520,665
Segment liabilities	1,450,650,076	-	103,091,740	1,553,741,816

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

	March 31, 2016 (Un-audited)		
	Brokerage	Investment and treasury	Other operations
	----- (Rupees) -----		
Segment revenues	75,303,634	68,022,283	7,320,264
Administrative and operating expenses	(54,568,120)	(5,222,464)	(30,618,801)
Depreciation	(2,329,316)	(39,751)	(2,314,372)
Amortisation of intangible assets	-	-	(1,029,594)
Finance cost	-	(86,955)	-
Provision for Workers' Welfare Fund	18,406,198	62,673,113	(26,642,503)
Taxation			(1,088,736)
Profit after tax			(16,265,180)
			<u>37,082,892</u>
Segment assets	644,189,079	2,815,528,020	37,502,999
Segment liabilities	463,484,415	109,241,579	6,015,350

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

3,497,220,098

578,741,344

## 21 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in these interim financial information 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 price or dealer price quotations.

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

	March 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	----- (Rupees) -----			
Listed securities	191,481,212	32,239,157	-	223,720,369
<b>Available-for-sale</b>				
Listed securities	-	-	-	-
Unlisted securities	-	-	60,591,631	60,591,631
	<u>191,481,212</u>	<u>32,239,157</u>	<u>60,591,631</u>	<u>284,312,000</u>

	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	----- (Rupees) -----			
Listed securities	746,234,904	33,090,538	-	779,325,442
<b>Available-for-sale</b>				
Unlisted securities	-	-	100,986,052	100,986,052
	<u>746,234,904</u>	<u>33,090,538</u>	<u>100,986,052</u>	<u>880,311,494</u>

**22 DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015**

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

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

During the period ended March 31, 2017, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.5,352,903 which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

**23 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors of the Company have approved cash dividend of Nil (December 31, 2016: Nil) amounting to Nil (December 31, 2016: Nil) and bonus of Nil (December 31, 2016: Nil) for the three months ended March 31, 2017 in their meeting held on April 24, 2017.

**24 DATE OF AUTHORIZATION**

This condensed interim financial information was authorized for issue in the Board of Directors' meeting held on April 24, 2017.



**JS Global Capital Limited**  
**Head Office**

6<sup>th</sup> Floor, Faysal House, Main Shahra-e-Faisal  
Karachi, Pakistan.  
[www.jsjgcl.com](http://www.jsjgcl.com)  
[www.jsjglobalonline.com](http://www.jsjglobalonline.com)

**UAN:** +92 21 111-574-111

**Fax:** +92 21 328 001 67

<b>Stock Exchange Branch:</b> Room # 634, 6th floor, Stock Exchange Building, Stock Exchange Road Karachi, Pakistan. Tel: +92-21 32427461 Fax: +92 21 32462640, 32415136	<b>Gulshan-e-Iqbal Branch:</b> Suite no. 607-A, 6th Floor Al Ameen Towers, Plot # E-2, Block-10, Gulshan-e-Iqbal Main NIPA, Karachi. Tel: +92-21 34835701-10	<b>Hyderabad Branch:</b> Ground Floor, State Life Building # 3, Thandi Sarak, Hyderabad, Pakistan. Tel: +92 22 273 0307-08 Fax: +92 22 273 0327	<b>Islamabad Branch:</b> Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad, Pakistan. UAN: +92 51 111 574 111 FAX: +92 51 289 4417	<b>Lahore Branch:</b> Office No. 135-Y, 1st Floor, Street # 11, Phase-III D.H.A, Lahore Cantt, Lahore, Pakistan. Tel: +92 42 3569 4687-89 Fax: +92 42 3569 4617
<b>Faisalabad Branches:</b> 1) Ground Floor, Mezan Executive Tower, Plot # 4, Liaquat Road, Faisalabad, Pakistan. Tel: +92 41 2541 900-8 Fax: +92 41 2541 909 2) Office # 509-510, 5th Floor, State Life Building # 2, Liaquat Road, Faisalabad. Tel: +92 41 2626 601-5	<b>Multan Branch:</b> Office # 608 - A, 6th Floor, The United Mall, Plot # 74, Abdali Road, Multan, Pakistan. Tel: +92 61 4570260 - 66,68,69 Fax: +92 61 4570267	<b>Peshawar Branch:</b> 1st Floor, SLIC Building # 34, The Mall Road, Peshawar Cantt, Peshawar, Pakistan. Tel: +92 91-5285221-5	<b>Abbottabad Branch:</b> 1st Floor, Al-Fateh Shopping Centre, Opposite Radio Station, Abbottabad, Pakistan. Tel: +92 92 408 193-97	