



**Condensed Interim Financial Information
Half Yearly Report (Un-audited)
June 30, 2019**





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Vision

To be the leader
in the Financial
Services Sector

Mission

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

Company Information

Board of Directors	Mr. Muhammad Yousuf Amanullah Mr. Muhammad Kamran Nasir Mr. Khurshid Hadi Mr. Munir Hassan Taher Mr. Junaid Imran Mr. Ammar Talib Hajeyah Mr. Abdul Hamid Mihrez Mr. Khurram Shaikh	Chairman Chief Executive Officer Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
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Audit Committee	Mr. Khurshid Hadi Mr. Khurram Shaikh Mr. Ammar Talib Hajeyah	Chairman
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Executive Committee	Mr. Muhammad Kamran Nasir Mr. Munir Hassan Taher Mr. Abdul Hamid Mihrez Mr. Muhammad Yousuf Amanullah Mr. Khurram Shaikh	Chairman
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Human Resource & Remuneration Committee	Mr. Khurshid Hadi Mr. Muhammad Kamran Nasir Mr. Abdul Hamid Mihrez	Chairman
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Chief Financial Officer	Mr. Fahad Muslim
Company Secretary	Syed Sufyan Ahmed

External Auditor	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, Karachi.
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Internal Auditor	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.
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Company Information

Bankers

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

Legal Advisors

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

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

Share Registrar

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

Registered Office

17th Floor, The Center, Plot No. 28, S.B.5,
Abdullah Haroon Road, Karachi, Pakistan
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UAN: +92-21-111-574-111 | Fax: +92-21-328-001-67

Directors' Report

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

The summarized results are set out below:

	Six months ended June 30, 2019	Six months ended June 30, 2018
	-----Rupees-----	
Profit before tax	25,178,476	86,201,339
Profit after tax	5,423,849	18,956,243
Earnings per share	0.14	0.50

THE ECONOMY

Economic growth has visibly slowed over the last quarter, primarily owing to persistent economic imbalances which caused a spill-over effect on our external account. While the painful process of monetary tightening and fiscal consolidation may have played its role in stalling economic activity, it has helped alleviate some pressure from the external account. Nevertheless, even after a 24.3% devaluation of the local currency during the fiscal year, the current account deficit (CAD) clocked in at USD 13.6 billion in FY19. Although CAD declined by 31.7% in FY19, last year's number had reached unsustainable levels, implying that the currency devaluation should ideally have resulted in an even more telling decrease in CAD this year than what was seen. Among the various setbacks of the reform measures has been high inflation where average headline inflation stood at 7.3% during FY19, compared to 3.9% in the previous year. Going forward, higher utility prices are expected to further push up inflation. This was one of the underlying factors for the Central Bank's hawkish stance whereby the policy rate has seen another 150bps rise to 12.25% during the latest quarter. Additionally, higher interest rates naturally led to higher debt servicing expenses fuelling the fiscal deficit. While the USD 6 billion Extended Fund Facility is being hailed as a saviour, its seamless continuance will depend upon Pakistan's ability to meet the targets set by the IMF. In our journey towards sustainable growth, we will undoubtedly face some short-term discomforts which will subside as results of the reforms gradually begin to materialize.

EQUITY MARKET REVIEW

The Pakistan Stock exchange experienced a bearish 1H2019 as the benchmark KSE-100 index lost 8.5% of its value (3,165 points), closing the period at 33,901.58 points. After a positive closing in January-2019, the index closed five consecutive months in the red zone over IMF deliberations and fiscal austerity expected in the FY20 budget. Unsurprisingly, investor participation remained dull as average daily volumes during 1H2019 sequentially dropped by 26% to 132 million shares while daily traded value averaged at USD 37 million, down 36%. During the period, Banks came out as highest net buyers with an investment of USD 48 million. Engineering (-39%), Refinery (-38%) and Oil & Gas Marketing (-28%) were among the weakest performers.

FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

The central bank might be on its way to tightening monetary policy further. By the end of June 2019, the cut-off yield of 3 months T-bill remained flat at 12.75%, whereas least to no participation in 6 & 12 months T-bill. However, the cut-off of fixed PIB for the tenure of 3, 5 & 10 years were 13.699%, 13.800% and 13.700% respectively. In the floating rate PIB the cut-off of the spread over benchmark set at 75bps which was 5bps higher than the previous cut-off. Resultantly, further expected 100 bps hike in the interest rate has been decided in the month of July 2019 by SBP.

At the start of the fiscal year, i.e. July-18, USD/PKR was trading at 121.55 as compared to 104.93 a year earlier in July-17. Highest USD/PKR parity was at 1:160.00 in June-19 and lowest parity was at 1:121.55 in July-18 and closed in June (FY19) at 1:160.00. During this period, USD appreciated more than 31%. The average SWAPs in July-18 for 1 Month, 3 Month & 6 Month were at 0.310, 0.889, and 2.395 paisa respectively. During this period, SWAPs witnessed an upward trend and increased significantly in the month of June 19. In June, the average SWAP's traded at 1.068, 3.053 and 5.863. The rise in SWAPs was mainly due to escalated discount rate.

Directors' Report

There was an overall increase in activity at the Pakistan Mercantile Exchange (PMEX) during the period under review, 1H CY19. Volumes and value traded increased by 30.4% and 66.4%, respectively, compared to the same period last year. However, excluding the NSDQ100 contract, which witnessed high activity during the period, there was actually a decline in both volumes and value traded (-11.9% and 5.5%, respectively). Major contracts that witnessed declining activity during the period mainly included gold and crude oil contracts, such as CRUDE1000, GO10OZ, GO1OZ, and GOLDUSDJPY. Global uncertainty pertaining to US-China standoff on trade and tensions with Iran were among the factors that caused some uneasiness in the market and compelled investors to remain on the cautious side. Due to the uncertainty in the global economic scenario, JSGCL's commodity activity also witnessed a setback during the period, with a 24% decline in value traded, which was mainly seen in gold contracts such as GO10OZ and GO100OZ. Another reason for the slowdown was investors shifting focus towards more speculative contracts such as NSDQ100 and DJ.

COMPANY PERFORMANCE REVIEW

The Company earned a net gain of PKR 5.42 million for the six months ended June 30, 2019 vis-à-vis net income of PKR 18.96 million in the comparative period last year. Operating revenue of the Company decreased by 45.17% over the same period last year due to very low volumes at the bourse.

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Chief Executive Officer

Director

Date: August 26, 2019

ڈائریکٹرز رپورٹ:

بازار سے متعلق مختلف چیلنجز اور ملک کی سیاسی معاشی صورتحال کے باوجود کمپنی کی توجہ طویل مدتی نمو کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ باریک بینی سے پراپرٹیز اور ٹریڈی بینجمنٹ شامل ہے۔

تسلیمات

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

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

منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 26 اگست 2019

ڈائریکٹر رپورٹ:

مدت کے دوران بینک بڑے خریدار رہے جنہوں نے 48 ملین یو ایس ڈالر کی سرمایہ کاری کی۔ انجینئرنگ (39- فیصد)، ریفرنسری (38- فیصد) اور تیل و گیس کی مارکیٹنگ (28- فیصد) کی کارکردگی کمزور رہی۔

مخصوص آمدن، کرنسیوں اور اشیائے صرف کا جائزہ

مرکزی بینک اپنی مالیاتی پالیسی کو مزید سخت کرنے کے راستے پر گامزن ہے۔ جون 2019 کے اختتام تک، 3 ماہی ٹریڈری بلز کی حتمی منفعت 12.75 فیصد رہی جبکہ 6 ماہی اور 12 ماہی ٹی بلز میں کوئی شرکت نہیں دیکھی گئی۔ تاہم مخصوص آمدن کی حامل 3، 5 اور 10 سالہ مدت کی PIB کی حتمی منفعت بالترتیب 13.699 فیصد، 13.800 فیصد اور 13.700 رہی۔ تغیر پذیر نرخ کی حامل PIB کی حتمی بیچ مارک 75 بی پی ایس طے کی گئی جو کہ سابقہ حتمی بیچ مارک سے 5 بی پی ایس زیادہ ہے۔ جس کے نتیجے میں توقع ہے کہ S B P جولائی 2019 میں شرح سود میں مزید 100 بی پی ایس کا اضافہ کرے گا۔

مالیاتی سال کے آغاز یعنی جولائی 2018 میں یو ایس ڈالر/ پاکستانی روپے کی مساواتی قدر 121.55 روپے رہی جو کہ جولائی 2017 میں 104.93 تھی۔ یو ایس ڈالر/ پاکستانی روپے کی مساواتی قدر کا تناسب جون 2019 میں 1:160 کی بلند ترین سطح پر رہا اور جولائی 2018 میں 1:121.55 کی کم ترین سطح پر رہا۔ جائزہ مدت کے دوران یو ایس ڈالر کی قیمت میں 31 فیصد اضافہ ہوا۔ جولائی 2018 میں 1 ماہی، 3 ماہی اور 6 ماہی مصنوعات زر کی اوسطاً SWAPs بالترتیب 0.889، 0.310 اور 2.395 پیسہ رہیں۔ جائزہ مدت کے دوران SWAPs میں اوپری رجحان دیکھا گیا اور جون 2019 میں قابل ذکر اضافہ ہوا۔ جون میں اوسطاً SWAPs کی خرید و فروخت 1.068، 3.053 اور 5.863 پیسہ رہی۔ SWAPs میں اضافہ کی بنیادی وجہ ڈسکاؤنٹ ریٹ میں بے پناہ اضافہ تھا۔

جائزہ مدت 1H CY19 کے دوران پاکستان مرکٹ فاکٹل ایکسچینج کی سرگرمیوں میں مجموعی طور پر اضافہ رہا۔ حجم اور خرید و فروخت کے حجم کے میں بالترتیب 30.4 فیصد اور 66.4 فیصد اضافہ ہوا۔ تاہم NSDQ 100 کنٹریکٹ کو ہٹا کر جس میں مدت کے دوران زیادہ سرگرمی دیکھی گئی، درحقیقت دونوں حجم اور تجارتی قدر تنزلی کا شکار رہیں (بالترتیب 11.9- فیصد اور 5.5- فیصد)۔ بڑے معاہدوں کی سرگرمیوں میں کمی کا مشاہدہ کیا گیا خاص طور پر سونے اور خام تیل کے معاہدوں، GO100OZ، GO10OZ، CRUDE1000 اور GOLDUSDJPY میں۔ یو ایس اور چائنہ کے درمیان تجارتی خلیج اور ایران کے ساتھ تناؤ کی وجہ سے عالمی سطح پر غیر یقینی صورتحال چند ایسے عناصر ہیں جن کی وجہ سے مارکیٹ میں بے چینی دیکھی گئی اور جس کے نتیجے میں سرمایہ کاروں کا محتاط رویہ اختیار کرنا پڑا۔ عالمی معاشی منظر نامہ میں غیر یقینی صورتحال کی وجہ سے JSGL's کی اشیائے صرف کی سرگرمی کو جائزہ مدت کے دوران دھچکا لگا ہے جس میں تجارتی قدر میں 24 فیصد کمی دیکھی گئی خاص طور پر گولڈ کے معاہدوں GO100OZ اور GO10OZ میں۔ سست روی کی دوسری وجہ سرمایہ کاروں کی دلچسپی دیگر قیاسی معاہدوں NSDQ 100 اور DJ کی جانب منتقل ہو گئی۔

کمپنی کی کارکردگی کا جائزہ

کمپنی کو ششماہی مدت ختمہ 30 جون 2019 میں 5.42 ملین پاکستانی روپے کی خالص آمدن ہوئی جبکہ گزشتہ سال اسی مدت میں 18.96 ملین روپے کی آمدنی ہوئی تھی۔ کمپنی کے آپریٹنگ ریونیو میں گزشتہ مدت کے مقابلے میں % 45.17 روپے کمی ہوئی جس کی بنیادی وجہ بازار حصص کے حجم میں بہت زیادہ کمی تھی۔

ڈائریکٹرز رپورٹ

ہم جے ایس گلوبل کپٹل لمیٹڈ (کمپنی) کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے مختتمہ ششماہی 30 جون 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

اقتصادی نتائج درج ذیل ہیں:

ششماہی مدت مختتمہ 30 جون 2019	ششماہی مدت مختتمہ 30 جون 2018	روپے
86,201,339	25,178,476	منافع قبل از ٹیکس
18,956,243	5,423,849	منافع بعد از ٹیکس
0.50	0.14	فی حصص منافع

معیشت

گزشتہ سہ ماہی میں معاشی نموست رہی جس کی بنیادی وجہ مسلسل معاشی عدم توازن کے نتیجے میں بیرونی کھاتے پر برے اثرات تھے۔ مالیاتی سختی اور مالیاتی انجماد کا تکلیف دہ عمل معاشی سرگرمی میں رکاوٹ بنا رہا تاہم اس کے ساتھ ساتھ بیرونی کھاتے پر دباؤ کم کرنے میں مددگار بھی ثابت ہوا۔ مالیاتی سال کے دوران مقامی کرنسی میں 24.3 فیصد کمی کے باوجود FY 2019 میں رواں کھاتے کا خسارہ (CAD) یو ایس ڈالر 13.6 بلین ڈالر پر بند ہوا۔ اگرچہ کہ FY 19 میں CAD میں 31.7 فیصد کمی ہوئی، گزشتہ سال کے اعداد غیر پائیدار سطح تک پہنچ گئے، جس کی وجہ سے کرنسی کی قدر کے نتیجے میں CAD میں توقع سے زیادہ کمی ہوئی۔ اصلاحاتی اقدامات کے مختلف جھٹکوں میں افراط زر بلند رہا جس میں ہیڈ لائن افراط زر FY 19 میں 7.3 فیصد رہا جو کہ گزشتہ سال 3.9 فیصد تھا۔ آگے کی جانب دیکھیں تو توقع ہے کہ بجلی گیس کی قیمتوں میں اضافہ کی وجہ سے افراط زر میں مزید اضافہ ہوگا۔ انہی بنیادی عناصر کی وجہ سے سینٹرل بینک نے گزشتہ سہ ماہی کے دوران تیز ترین اقدام کرتے ہوئے پالیسی نرخ میں مزید 150 پیس پوائنٹس اضافہ کے ساتھ اسے 12.25 فیصد کر دیا۔ مزید یہ کہ بلند شرح سود سے قدرتی طور پر قرضہ جاتی اخراجات اضافے کے نتیجے میں مالیاتی خسارہ میں اضافہ ہو گیا۔ جبکہ 6 بلین یو ایس ڈالر کی توسیعی سرمایہ کاری سہولت کو ایک نجات دہندہ کے طور پر لیا جا رہا ہے، تاہم اس میں تسلسل کا انحصار پاکستان کی IMF کے طے کردہ اہداف کو حاصل کرنے کی صلاحیت پر ہے۔ پائیدار ترقی کے سفر میں ہمیں بلاشبہ قلیل مدتی تکالیف کا سامنا ہوگا تاہم اصلاحات کے بتدریج نتائج سامنے آنے کی صورت میں یہ تکالیف ختم ہو جائیں گی۔

بازار حصص کا جائزہ

پاکستان اسٹاک ایکسچینج میں بیچ مارک KSE-100 انڈیکس کی قدر میں 8.5 فیصد (3165) تنزلی ہوئی جو کہ 33,901.58 پوائنٹس پر بند ہوا۔ جنوری 2019 میں مثبت بندش کے بعد مسلسل پانچ ماہ میں IMF کی سفارشات کے ریڈ زون پر بند ہوا اور مالیاتی کفایت شعاری FY 20 کے بجٹ میں متوقع ہے۔ نتیجتاً اس میں حیران ہونے کی کوئی بات نہیں کہ سرمایہ کاروں کی شرکت کم رہی جس کی وجہ سے یومیہ اوسطاً حجم 1H 2019 میں تسلسل کے ساتھ 26 فیصد کمی کے ساتھ 132 ملین حصص رہ گیا جبکہ یومیہ اوسطاً خرید و فروخت کا حجم 36 فیصد کمی کے ساتھ یو ایس ڈالر 37 بلین ملین رہ گیا۔ جائزہ

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

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **JS Global Capital Limited** as at **30 June 2019**, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended 30 June 2019 and 30 June 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2019.

Scope of review

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

Conclusion

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

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

EY Ford Rhodes
Chartered Accountants
Place: Karachi
Date: August 26, 2019



Financial Statements

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

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note		(Rupees)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital:			
150,000,000			
(December 31, 2018:			
150,000,000) ordinary			
shares of Rs.10 each			
		1,500,000,000	1,500,000,000
Issued, subscribed and			
paid-up share capital	5	380,070,000	380,070,000
Share premium		1,810,104,900	1,810,104,900
Unrealised gain			
on revaluation of			
available-for-sale			
investments - net		-	8,158,847
Unrealised gain			
on revaluation of			
investments at fair value		6,618,711	-
through OCI			
Unappropriated profit		413,169,260	410,067,028
		2,609,962,871	2,608,400,775
LIABILITIES			
Non-current liabilities			
Liability against assets			
subject to finance lease	3.1.1	258,786,081	-
Current liabilities			
Creditors, accrued expenses			
and other liabilities	6	2,134,738,395	2,228,284,374
Unclaimed dividend		3,361,843	3,361,843
Current maturity of liability against			
assets subject to finance lease	3.1.1	22,514,883	-
		2,160,615,121	2,231,646,217
		5,029,364,073	4,840,046,992
Contingencies and	7		
commitments			

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

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Financial Position

(Un-audited) As at June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	8	558,843,638	216,757,123
Intangible assets	9	17,753,887	17,789,847
Long term investments	10	128,815,296	141,999,318
Long term loans and deposits		29,234,561	26,496,577
Deferred taxation - net	11	122,099,652	122,096,696
		856,747,034	525,139,561
Current assets			
Short term investments	12	228,562,848	1,019,068,046
Trade debts	13	818,852,624	1,085,989,859
Receivable against margin finance		232,710,586	297,726,631
Loans and advances - considered good		17,567,038	13,519,245
Short term deposits and prepayments		55,437,256	136,239,312
Interest and mark-up accrued	14	13,107,232	12,684,564
Other receivables		20,480,530	56,944,676
Advance tax		135,277,039	121,133,650
Cash and bank balances	15	2,650,621,886	1,571,601,448
		4,172,617,039	4,314,907,431
		5,029,364,073	4,840,046,992

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

Director

Chief Executive Officer

Chief Financial Officer

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

For the six months ended June 30, 2019

		Six months ended		Three months ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Note		(Rupees)		Rupees	
Operating revenue	16	154,696,056	282,126,625	74,487,199	104,326,323
Capital gain on sale of investments - net		10,946,006	23,047,584	3,539,161	10,320,939
Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss - net		(4,782,466)	9,217,577	(11,570,856)	3,913,895
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net		5,277,481	(9,489,710)	9,148,210	(5,151,273)
Dividend income		56,650,085	31,344,399	31,687,876	22,556,018
Margin finance income		23,647,082	28,260,917	10,786,816	15,066,903
		246,434,244	364,507,392	118,078,406	151,032,805
Administrative and operating expenses		(281,648,608)	(335,430,540)	(141,245,336)	(153,307,214)
		(35,214,364)	29,076,852	(23,166,930)	(2,274,409)
Other operating income - net		81,151,257	61,492,650	47,309,785	34,327,663
		45,936,893	90,569,502	24,142,854	32,053,254
Provision for Sindh Workers' Welfare Fund		(513,846)	(1,759,211)	(245,048)	(614,429)
Finance cost	17	(20,244,571)	(2,608,952)	(11,890,432)	(1,331,795)
Profit before taxation		25,178,476	86,201,339	12,007,375	30,107,030
Taxation - current		(14,706,001)	(48,911,843)	(8,321,570)	(19,018,997)
- prior		(4,941,818)	(14,883,313)	(2,470,909)	(3,422,856)
- deferred		(106,808)	(3,449,940)	1,439,614	(7,441,656)
	18	(19,754,627)	(67,245,096)	(9,352,865)	(29,883,509)
Profit after taxation		5,423,849	18,956,243	2,654,510	223,521
Earnings per share - basic and diluted	19	0.14	0.50	0.07	0.01

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

Director

Chief Executive Officer

Chief Financial Officer

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

	Six months ended		Three months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Rupees) -----		----- Rupees -----	
Profit for the period	5,423,849	18,956,243	2,654,510	223,521
Other comprehensive income				
Items that will not be reclassified to profit or loss account subsequently				
Unrealised loss on revaluation of investments at fair value through OCI during the period	(1,255,683)	-	(7,512,070)	-
Less: Related tax	51,300	-	306,900	-
	(1,204,383)	-	(7,205,170)	-
Items that may be reclassified to profit or loss account subsequently				
Unrealised (loss) / gain on revaluation of investments at fair value through OCI during the period	(395,004)	-	367,682	-
Less: Related tax	59,251	-	(55,152)	-
	(335,753)	-	312,530	-
Unrealised loss on revaluation of available- for-sale investments during the period	-	(5,837,825)	-	(13,570,185)
Less: Related tax	-	238,500	-	554,400
	-	(5,599,325)	-	(13,015,785)
Total comprehensive income / (loss) for the period	3,883,713	13,356,918	(4,238,130)	(12,792,264)

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

Director

Chief Executive Officer

Chief Financial Officer

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

	Reserves					
	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain / (loss) on revaluation of investments at fair value through OCI	Revenue reserve		
				Unappropriated profit	Sub-total	Total
	(Rupees)					
Balance as at January 01, 2018	380,070,000	1,810,104,900	26,811,763	384,429,891	2,221,346,554	2,601,416,554
Profit for the six months ended June 30, 2018	-	-	-	18,956,243	18,956,243	18,956,243
Other comprehensive loss - net of tax	-	-	(5,599,325)	-	(5,599,325)	(5,599,325)
Total comprehensive income for the period	-	-	(5,599,325)	18,956,243	13,356,918	13,356,918
Balance as at June 30, 2018	380,070,000	1,810,104,900	21,212,438	403,386,134	2,234,703,472	2,614,773,472
Balance as at December 31, 2018, as previously reported	380,070,000	1,810,104,900	8,158,847	410,067,028	2,228,330,775	2,608,400,775
Impact of initial application of IFRS 9 (note 3.1.2)	-	-	-	(2,321,617)	(2,321,617)	(2,321,617)
Adjusted balance as at January 01, 2019	380,070,000	1,810,104,900	8,158,847	407,745,411	2,226,009,158	2,606,079,158
Profit for the six months ended June 30, 2019	-	-	-	5,423,849	5,423,849	5,423,849
Other comprehensive loss - net of tax	-	-	(1,540,136)	-	(1,540,136)	(1,540,136)
Total comprehensive income for the period	-	-	(1,540,136)	5,423,849	3,883,713	3,883,713
Balance as at June 30, 2019	380,070,000	1,810,104,900	6,618,711	413,169,260	2,229,892,871	2,609,962,871

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

Director

Chief Executive Officer

Chief Financial Officer

Condensed Interim Statement of Cash Flow (Un-audited)

For the six months ended June 30, 2019

	Six months ended	
	June 30, 2019	June 30, 2018
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,178,476	86,201,339
Adjustments for:		
Depreciation	17,993,327	13,680,795
Depreciation of right-of-use assets	20,559,670	-
Amortisation of intangible assets	35,961	253,601
Gain on sale of property and equipment	(4,419,221)	(5,704,640)
Unrealised loss / (gain) on remeasurement of investments at fair value through profit or loss - net	4,782,466	(9,217,577)
Unrealised (gain) / loss on remeasurement of derivatives at fair value through profit or loss - net	(5,277,481)	9,489,710
Provision for Sindh Workers' Welfare Fund	513,846	1,759,211
Finance cost	20,244,571	2,608,952
	54,433,139	12,870,052
Cash generated from operating activities before working capital changes	79,611,615	99,071,391
Decrease / (increase) in current assets		
Trade debts	264,488,692	(427,574,683)
Receivable against margin finance	65,016,045	68,124,871
Loans and advances	(4,047,793)	(73,478,267)
Short term deposits and prepayments	80,802,056	(82,401,030)
Interest and mark-up accrued	(422,668)	1,341,444
Other receivables	41,741,627	(42,840,594)
	447,577,959	(556,828,259)
(Decrease) / increase in current liabilities		
Creditors, accrued expenses and other liabilities	(109,828,608)	487,608,981
Cash generated from operations	417,360,966	29,852,113
Finance cost paid	(5,351,844)	(2,608,952)
Taxes paid	(33,790,420)	(68,184,991)
Net cash generated from / (used in) operating activities	378,218,702	(40,941,830)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(68,935,003)	(2,739,207)
Proceeds from disposal of property and equipment	5,875,786	7,560,186
Long term loans, advances and deposits	(2,737,985)	(1,452,751)
Long term investments - net	5,366,667	-
Short term investments - net	791,889,399	(616,383,115)
Net cash generated from / (used in) investing activities	731,458,864	(613,014,887)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(30,657,128)	-
Net cash used in financing activities	(30,657,128)	-
Increase / (decrease) in cash and cash equivalents during the period	1,079,020,438	(653,956,717)
Cash and cash equivalents at the beginning of the period	1,571,601,448	1,678,529,935
Cash and cash equivalents at the end of the period	2,650,621,886	1,024,573,218

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

Director

Chief Executive Officer

Chief Financial Officer

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 2005. During 2006-07, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

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

The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The Company has ten branches (2018: eleven) in eight cities of Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Use of estimates and judgments

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Standard or Interpretation

IFRS 9 - Financial Instruments

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

IFRS 16 - Leases

IFRS 15 - Revenue from Contracts with Customers

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

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

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRS 15 - Revenue from Contracts with Customers

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

3.1.1 IFRS 16 Leases

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

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

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

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

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

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

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

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

The Company also applied the available practical expedients wherein it:

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

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

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

• Right-of-use assets

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

• Lease liabilities

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

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

• Short term leases and leases of low-value assets

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

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

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

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

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

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

	June 30, 2019		
	RoU asset	Lease liability	Interest liability
	----- Rupees -----		
As at January 01, 2019	313,161,074	311,958,092	105,143
Additions	-	-	-
Depreciation expense	(20,559,670)	-	-
Interest expense	-	-	17,669,148
Payments	-	(30,657,128)	(2,776,421)
As at June 30, 2019	292,601,404	281,300,964	14,997,870

3.1.2 IFRS 9 "Financial Instruments"

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

(a) Classification and measurement

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

Financial assets

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

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

Financial liabilities

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

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

(b) Impairment

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

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

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

Financial instruments - Policy applicable from January 01, 2019

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

Initial recognition and measurement

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

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

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

Classification

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

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

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

3.1.2.1.1 Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

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

a) Debt instruments at FVOCI

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

b) Equity instruments at FVOCI

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

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

Financial assets measured at amortised cost

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

Financial assets measured at fair value through profit or loss

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

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;

or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell;

or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

De-recognition

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

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

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

Impairment of financial assets

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

The ECL allowance on financial assets (other than trade debts, receivable against margin finance, loans and advances and other receivables) is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. In order to determine appropriate staging for financial assets (other than trade debts, receivable against margin financing, loans and advances and other receivables) under IFRS 9, the Company applies the Low Credit Risk (LCR) expedient. The Company considers only those balances as LCR that have investment grade rating from an External Rating Agency (BBB- or equivalent or higher) at the reporting date. The LCR balances are considered as stage 1. The Company considers a financial instrument defaulted and therefore, Stage 3 (credit-impaired) for ECL calculations in all cases when there is an objective evidence of impairment of financial assets and Company believes that the counter party will not be able to make its contractual payments. All other balances are considered as stage 2 as at reporting date. For measurement of ECL, PD, EAD and LGD are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective interest rate or an approximation thereof. Forward looking economic information is also included in determining the 12 month and lifetime ECL and economic variables (the "base economic scenario") are obtained from external sources. For ECL estimation, the PDs associated with each rating grade are determined based on realized default rates as published by the rating agency.

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

Offsetting of financial assets and financial liabilities

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

4. FINANCIAL RISK MANAGEMENT

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

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

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

5.1 Pattern of shareholding

June 30, 2019 ---- Number of shares ----	December 31, 2018	Particulars / name of the shareholders	June 30, 2019 ----- Percentage of holding -----	December 31, 2018
25,525,169	25,525,169	JS Bank Limited	67.15%	67.15%
10,166,832	10,166,832	Global Investment House, Kuwait	26.75%	26.75%
1,721,826	1,949,037	Individuals	4.53%	5.13%
340,323	340,323	Insurance Company	0.90%	0.90%
252,850	25,639	Joint Stock Companies	0.67%	0.07%
<u>38,007,000</u>	<u>38,007,000</u>		<u>100%</u>	<u>100%</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees)	
6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	Note		
Trade creditors	6.1	1,939,212,529	2,044,999,990
Accrued expenses		39,512,219	53,810,393
Provision for staff bonus		5,883,718	20,780,276
Provision for Workers' Welfare Fund		39,232,248	38,718,402
Interest liability		14,997,870	-
Others		95,899,811	69,975,313
	6.2	<u>2,134,738,395</u>	<u>2,228,284,374</u>

6.1 This includes payables to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.221 million (2018: Rs.0.969 million) and Rs.325.180 million (2018: Rs.342.511 million) respectively in respect of trading in securities, settled subsequent to the period end.

6.2 Included herein is a sum of Rs.1.515 million (2018: Rs.32.234 million) payable to related parties.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees)	
7.2 Commitments			
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		<u>202,881,935</u>	<u>1,003,368,025</u>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2020		<u>400,000,000</u>	<u>400,000,000</u>
Outstanding settlements against margin financing contracts - net		<u>22,445,092</u>	<u>12,348,192</u>
Outstanding against capital expenditure		<u>52,051,710</u>	<u>112,021,268</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Note		(Rupees)	(Rupees)
8. PROPERTY AND EQUIPMENT			
Operating assets - owned	8.1	266,242,234	60,518,917
Capital work-in-progress		-	156,238,206
Right-of-use assets	8.2	292,601,404	-
		<u>558,843,638</u>	<u>216,757,123</u>
8.1 Movement in operating assets - owned			
Book value at beginning of the period / year		60,518,917	72,418,722
Cost of additions / transfers from			
CWIP during the period / year	8.1.1	225,173,209	17,295,479
Book value of deletions during the period / year	8.1.2	(1,456,565)	(3,660,136)
Depreciation charge for the period / year		(17,993,327)	(25,535,148)
Book value at end of the period / year		<u>266,242,234</u>	<u>60,518,917</u>
8.1.1 Details of additions during the period / year:			
Capital work-in-progress - net transfers		(156,238,206)	154,853,396
Office equipment		26,196,436	1,882,451
Leasehold improvements	8.1.1.1	175,676,732	-
Office furniture		23,300,041	880,380
Motor vehicle		-	14,532,648
		<u>225,173,209</u>	<u>17,295,479</u>
8.1.1.1 This represents leasehold improvements incurred by the Company upon transfer to new office location. These are to be depreciated at the rate to 10% per annum on straight line basis. This includes Rs.156.238 million being transferred from capital work-in-progress during the period.			
		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
8.1.2 Book value of deletions during the period / year:	Note	(Rupees)	
Office equipment		-	(16,085)
Office furniture		-	(1)
Motor vehicle		(1,456,565)	(3,644,050)
		<u>(1,456,565)</u>	<u>(3,660,136)</u>
8.2 Right-of-use assets			
Head office and branches	3.1.1	292,601,404	-

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
9. INTANGIBLE ASSETS	Note	(Rupees)	(Rupees)
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	9.1	5,727,330	5,727,330
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		8,227,330	8,227,330
Softwares		16,050	52,010
Advance against acquisition of software		9,510,507	9,510,507
		17,753,887	17,789,847

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

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
10. LONG TERM INVESTMENTS	Note	(Rupees)	(Rupees)
Classified as 'at fair value through OCI'			
Shares in PSX - at cost			
[2,202,953 (2018: 2,202,953) shares]		23,060,884	-
Term finance / sukuk certificates - secured	10.2	123,633,333	-
Surplus on revaluation of investments			
at fair value through OCI		5,187,746	-
Current maturity	12	(23,066,667)	-
		128,815,296	-

Classified as 'available-for-sale'

Shares in PSX - at cost			
[2,202,953 (2018: 2,202,953) shares]		-	23,060,884
Term finance / sukuk certificates - secured	10.2	-	129,000,000
Surplus on revaluation of available-			
for-sale investments		-	6,838,434
Current maturity	12	-	(16,900,000)
		-	141,999,318

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

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

10.2 Term Finance / Sukuk Certificates - secured

Number of Certificates		Name of term finance / sukuk certificates	Carrying value	
June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
----- (Rupees) -----				
Listed				
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	15,000,000	15,000,000
520	520	Dawood Hercules Corporation Limited - Sukuk - I	46,800,000	52,000,000
600	600	Dawood Hercules Corporation Limited - Sukuk - II	60,000,000	60,000,000
20	20	BYCO Petroleum Pakistan Limited - Sukuk - I	1,833,333	2,000,000
			123,633,333	129,000,000

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
11. DEFFERED TAXATION - NET	----- (Rupees) -----	

Deductible temporary differences

Accelerated depreciation for tax purposes	1,170,327	4,517,397
Difference in accounting and tax base of intangible assets	522	(3,101)
Revaluation of investments	1,357,499	1,297,447
Unused tax losses	724,639	3,355,917
Liability against assets subject to finance lease - net	1,116,371	-
Provision for doubtful debts	117,730,294	112,929,036
	122,099,652	122,096,696
	122,099,652	122,096,696

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
12. SHORT TERM INVESTMENTS	Note	----- (Rupees) -----	
Financial assets at 'fair value through profit or loss'			
Quoted equity securities	12.2	201,491,627	-
Term finance / sukuk certificates - secured	12.3	4,004,554	-
		205,496,181	-
Financial assets at 'at fair value through OCI'			
Privately placed term finance certificates - unsecured	12.4	-	-
Current maturity of long term investments - secured	10	23,066,667	-
		228,562,848	-
Financial assets at fair value through profit or loss - held-for-trading			
Quoted equity securities	12.2	-	993,811,509
Term finance / sukuk certificates - secured	12.3	-	8,356,537
		-	1,002,168,046
Available-for-sale			
Privately placed term finance certificates - unsecured	12.4	-	-
Current maturity of long term investments - secured	10	-	16,900,000
		-	1,019,068,046

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

12.2 Quoted Equity Securities

Number of Shares		Name of company				
June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
			Average cost	Fair value		
			(Rupees)			
818,000	3,988,500	The Bank of Punjab	7,399,865	7,484,700	47,742,345	
112,500	-	Amreli Steels Limited	2,745,001	2,774,250		
-	85,000	Askari Bank Limited	-	-	2,033,200	
144,500	745,000	Habib Bank Limited	16,778,473	16,366,070	89,735,250	
		Cherat Cement				
3,500	86,000	Company Limited	107,600	108,360	5,989,900	
		Fauji Fertilizer				
157,000	-	Company Limited	14,297,501	13,690,400	-	
1,875,500	1,401,000	National Bank of Pakistan	68,100,406	63,129,330	58,884,030	

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

Number of Shares		Name of company			
June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)	
			Average cost	Fair value	
			(Rupees)		
73,500	1,162,000	Nishat Chunian Limited	2,532,051	2,573,970	56,449,960
-		Oil & Gas Development			
59,000	324,000	Company Limited	7,925,989	7,757,910	41,472,000
		Pakistan State Oil			
9,500	27,000	Company Limited	1,587,081	1,611,485	6,086,610
		The Searle			
-	37,000	Company Limited	-	-	9,086,830
27,500	375,500	United Bank Limited	4,129,773	4,052,950	46,051,320
90,000	210,000	Attock Refinery Limited	6,842,889	6,954,300	30,979,200
		D. G. Khan Cement			
27,000	1,033,000	Company Limited	1,509,044	1,526,580	82,794,950
74,000	9,000	Descon Oxychem Limited	1,216,757	1,187,700	259,290
88,000	1,187,000	Engro Fertilizers Limited	5,785,790	5,629,360	81,962,350
-	22,500	Engro Foods Limited	-	-	1,793,700
21,500	64,500	Engro Corporation Limited	5,686,744	5,710,400	18,774,660
		Engro Polymer &			
54,000	62,000	Chemicals Limited	1,412,419	1,455,840	2,302,680
		Fatima Fertilizer			
-	3,019,500	Company Limited	-	-	110,121,165
		Fauji Cement			
-	92,000	Company Limited	-	-	1,925,560
10,000	197,000	Fauji Foods Limited	124,100	131,900	5,965,160
		Fauji Fertilizer Bin			
2,500		Qasim Limited	44,821	45,575	-
		Gul Ahmed Textile			
98,000	5,000	Mills Limited	4,606,000	4,617,760	230,850
-	638,000	International Steels Limited	-	-	41,961,260
		Lotte Chemical			
44,500	111,000	Pakistan Limited	674,205	678,625	1,874,790
4,500	8,500	Lucky Cement Limited	1,691,810	1,712,115	3,694,695
		Maple Leaf Cement			
442,000	138,500	Factory Limited	10,350,320	10,559,380	5,630,025
1,000	1,000	Nishat Mills Limited	98,500	93,340	126,530
2,722,000	-	K-Electric Limited	11,459,475	11,949,580	-
224,500	2,849,500	Pak Elektron Limited	4,470,544	4,494,490	70,952,550
61,500	72,000	Pioneer Cement Limited	1,405,014	1,392,975	3,017,520
-	3,000	Pakistan Oilfields Limited	-	-	1,274,460
173,000	1,069,000	Power Cement Limited	1,093,360	1,112,390	8,370,270
2,500	-	Pakistan Petroleum Limited	380,040	361,075	-

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For the six months ended June 30, 2019

June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Number of Shares	Name of company			
		Average cost	Fair value	
		(Rupees)		
-	1,453,000	Sui Northern Gas Pipelines Limited	-	111,982,710
638,000	962,000	Sui Southern Gas Company Limited	12,619,110	22,222,200
76,500	-	The Hub Power Company Limited	6,027,993	-
302,000	857,500	Unity Foods Limited	3,099,080	22,063,489
			206,201,753	993,811,509
		Unrealised loss on remeasurement at fair value through profit or loss - net	(4,710,126)	-
			201,491,627	993,811,509

12.3 Term Finance / Sukuk Certificates - secured

June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Number of Certificates	Name of term finance / sukuks certificates			
		Carrying value	Fair value	
		(Rupees)		
	Listed			
-	6,000	Jahangir Siddiqui & Co. Limited VIII - related party	-	5,262,143
797	597	Engro Corporation Limited Islamic - Rupiya Sukuk - II	4,076,894	3,094,394
			4,076,894	8,356,537
		Unrealised loss on remeasurement at fair value through profit or loss	(72,340)	-
			4,004,554	8,356,537

12.4 Privately Placed Term Finance Certificates - Unsecured

June 30, 2019 (Un-audited)					
Number of certificates	Mark-up rate (%)	Name of company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)	12.4.1	October 19, 2020	326,456,184
		Provision for impairment			(326,456,184)
					-
		2018 (Audited)			-

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

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

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees) -----	
13. TRADE DEBTS		
Purchase of shares on behalf of clients	746,521,649	1,031,487,282
Advisory services	11,539,817	6,889,484
Forex and fixed income commission	5,269,015	5,687,848
Commodity	58,170,686	41,925,245
	821,501,167	1,085,989,859
Considered doubtful	403,317,987	403,317,987
	1,224,819,154	1,489,307,846
Allowance for expected credit losses	(405,966,530)	(403,317,987)
	<u>818,852,624</u>	<u>1,085,989,859</u>

13.1 Included herein is a sum of Rs.2.57 million (2018: Rs.326.567 million) receivable from related party.

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees) -----	
14. INTEREST AND MARK-UP ACCRUED		
Accrued mark-up on margin finance	10,783,106	9,352,285
Accrued mark-up on term finance / sukuk certificates	2,275,240	3,285,304
Profit receivable on bank deposits	48,886	46,975
	<u>13,107,232</u>	<u>12,684,564</u>

15. CASH AND BANK BALANCES

Cash with banks:

- Current accounts		4,590,015	3,008,585
- PLS accounts	15.1	1,945,782,871	1,368,343,863
- Deposits maturing within 12 months	15.2	700,000,000	200,000,000

2,650,372,886 1,571,352,448

Cash in hand

	249,000	249,000
15.3	<u>2,650,621,886</u>	<u>1,571,601,448</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

- 15.1** Profit and loss / deposit accounts carry profit rates ranging from 3% to 11.50% (2018: 3% to 9.50%) per annum.
- 15.2** These term deposit certificates carry profit rate of 9.6% to 12.75% (2018: 9.6%). These term deposit certificates have maturities upto July 2019.
- 15.3** These include balances with the Parent Company amounting to Rs.2,445.173 million (2018: Rs.1,564.143 million).
- 15.4** Detail of customer assets held in designated bank accounts and CDC are as follows:

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees) -----	
Customer assets held in the designated bank accounts	<u>1,389,514,272</u>	<u>1,352,363,828</u>
Customer assets held in the CDC	<u>26,545,230,137</u>	<u>29,935,147,057</u>
Securities pledged with financial institutions	<u>2,756,237,491</u>	<u>3,001,505,809</u>

		(Un-Audited)			
		Half year ended		Three months ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
16. OPERATING REVENUE	Note	----- Rupees -----			
Brokerage and operating income		<u>133,943,955</u>	199,200,586	<u>62,595,083</u>	94,024,927
Advisory and consultancy fee		<u>20,752,101</u>	82,926,039	<u>11,892,116</u>	10,301,396
		<u>154,696,056</u>	<u>282,126,625</u>	<u>74,487,199</u>	<u>104,326,323</u>
17. FINANCE COST					
Commission expense on bank guarantee		<u>2,416,126</u>	2,366,434	1,306,206	1,235,294
Bank and other charges		<u>159,297</u>	242,518	94,352	96,501
Interest expense on assets subject to finance lease	3.1.1	<u>17,669,148</u>	-	10,489,874	-
		<u>20,244,571</u>	<u>2,608,952</u>	<u>11,890,432</u>	<u>1,331,795</u>

18. TAXATION

- 18.1** There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2018.
- 18.2** The Company has recognised current tax on minimum tax regime as at December 31, 2018 and has continued to recognise tax on a similar basis as at the period end.

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

19. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-Audited)			
	Half year ended		Three months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- Rupees -----			
Profit after taxation	<u>5,423,849</u>	<u>18,956,243</u>	<u>2,645,510</u>	<u>223,521</u>
	----- (Number) -----			
Weighted average number of shares	<u>38,007,000</u>	<u>38,007,000</u>	<u>38,007,000</u>	<u>38,007,000</u>
	----- Rupees -----			
(Loss) / earnings per share - basic and diluted	<u>0.14</u>	<u>0.50</u>	<u>0.07</u>	<u>0.01</u>

20. RELATED PARTY TRANSACTIONS

- 20.1** Related parties comprise of parent company, major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

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

	June 30, 2019		December 31, 2018	
	(Un-audited)		(Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	----- (Rupees) -----			
Trade debts				
Opening balance	751,152	126,548,025	167,470	2,230,737
Invoiced during the period / year	102,303,585	373,529,145	29,571,166	18,966,515,485
Received during the period / year	(102,250,255)	(498,935,865)	(28,987,484)	(18,842,198,197)
Closing balance	<u>804,482</u>	<u>1,141,305</u>	<u>751,152</u>	<u>126,548,025</u>
Trade payable				
Opening balance	908,271	20,887,955	43,838	14,323,967
Invoiced during the period / year	23,251,429	6,452,682,388	23,560,575	3,533,520,498
Paid during the period / year	(23,591,529)	(6,472,623,439)	(22,696,142)	(3,526,956,510)
Closing balance	<u>568,171</u>	<u>946,904</u>	<u>908,271</u>	<u>20,887,955</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

	June 30, 2019		December 31, 2018	
	(Un-audited)		(Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated entities other than parent company
	(Rupees)			
Loans and advances				
Opening balance	4,068,315	-	4,833,988	-
Disbursements during the period / year	5,875,000	-	3,085,000	-
Repayments during the period / year	(2,850,126)	-	(3,850,673)	-
Closing balance	7,093,189	-	4,068,315	-

	June 30, 2019	December 31, 2018
	(Un-audited)	(Audited)
	(Rupees)	
Balances with parent company		
Trade debts	621,169	179,797
Other receivables	1,188,651	1,188,651
Bank balances with parent company	2,445,173,197	1,564,143,145
Other payable	6,960	4,206,960
Balances with ultimate parent company		
Trade debts	-	199,087,961
Other receivables	291,005	223,465
Mark-up receivable on term finance certificates	583,496	617,937
Principal outstanding on term finance certificates	15,000,000	20,250,000
Rent payable	-	160,000
Balances with associated entities of group companies		
Other receivables	1,692,038	1,692,038
Rent Payable	-	6,070,400
Liability against assets subject to finance lease	225,638,163	-
Interest liability	14,271,914	-
Security Deposit	3,035,200	3,035,200

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

	June 30, 2019 (Un-audited)	June 30, 2018 (Un-audited)
	----- (Rupees) -----	
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	<u>9,893,367</u>	<u>11,354,265</u>
Lease rentals paid	<u>30,657,128</u>	<u>-</u>
Interest expense on lease obligation	<u>17,669,148</u>	<u>-</u>
Transactions with the parent company		
Nature of transactions		
Purchase of Pakistan investment bonds	<u>83,215,938</u>	<u>21,621,204</u>
Purchase of Term Deposit	<u>1,100,000,000</u>	<u>-</u>
Sale of Term Deposit	<u>800,662,795</u>	<u>-</u>
Advisory expense	<u>-</u>	<u>21,000,000</u>
Mark-up Income on Term Deposit	<u>736,438</u>	<u>-</u>
Brokerage income	<u>1,286,749</u>	<u>890,232</u>
Utilities and consultancy charges	<u>4,500,000</u>	<u>2,245,000</u>
Bank charges and mark up on running finance	<u>85,767</u>	<u>242,518</u>
Gain on Sukuk Certificate	<u>25,000</u>	<u>-</u>
Sale of Sukuk Certificate	<u>25,044,918</u>	<u>-</u>
Profit on PLS accounts	<u>52,236,364</u>	<u>32,893,380</u>
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	<u>801,995</u>	<u>497,058</u>
Reimbursement of expenses by the ultimate parent company	<u>69,528</u>	<u>-</u>
Reimbursement of expenses to the ultimate parent company	<u>16,802,489</u>	<u>26,616,749</u>
Market maker fee received	<u>-</u>	<u>200,000</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

	June 30, 2019 (Un-audited) ----- (Rupees) -----	June 30, 2018 (Un-audited) -----
Mark-up received on term finance certificates	<u>985,796</u>	<u>562,754</u>
Principal received on term finance certificates	<u>5,250,000</u>	<u>3,750,000</u>

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

Nature of transactions

Brokerage income	<u>78,209</u>	<u>134,812</u>
Director's Remuneration	<u>1,300,000</u>	<u>1,000,000</u>
Remuneration paid to Chief Executive Officer	<u>18,974,163</u>	<u>19,978,351</u>
Remuneration paid to key management personnel	<u>50,090,036</u>	<u>52,408,482</u>

Transactions with other related parties

Nature of transactions

Relationship

Royalty expense	Key management personnel of the parent	<u>7,500,000</u>	<u>6,250,000</u>
Brokerage Expense	Related Parties	<u>454,535</u>	<u>-</u>
Insurance expense	Related Parties	<u>10,247,849</u>	<u>6,462,296</u>
Sale of term finance certificates	Related party	<u>1,313,762,758</u>	<u>-</u>
Purchase of term finance certificates	Related party	<u>-</u>	<u>15,000,000</u>
Mark-up on Sukuk certificates	Related party	<u>10,864</u>	<u>-</u>
Capital gain on sale of sukuk certificates	Related party	<u>1,940,353</u>	<u>-</u>

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

Nature of transactions	Relationship	June 30, 2019 (Un-audited)	June 30, 2018 (Un-audited)
		----- (Rupees) -----	
Contributions to staff provident fund	Post - employment benefit plan	<u>6,943,014</u>	<u>7,266,581</u>
Sale of sukuk certificates	Related Party	<u>2,857,841,285</u>	<u>-</u>
Security Deposit	Related Party	<u>-</u>	<u>-</u>

June 30, 2019 (Un-audited)

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

21. OPERATING SEGMENTS

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

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

	June 30, 2018 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	199,200,586	126,785,387	90,796,492	416,782,465
Gain on remeasurement of investments	-	9,217,577	-	9,217,577
Administrative and operating expenses	(130,143,455)	(30,010,260)	(161,342,429)	(321,496,144)
Depreciation	(8,158,665)	(300,296)	(5,221,834)	(13,680,795)
Amortisation of intangible assets	-	-	(253,601)	(253,601)
Finance cost	(2,608,952)	-	-	(2,608,952)
	58,289,514	105,692,408	(76,021,372)	87,960,550
Gain on sale of property and equipment				-
Provision for Sindh Workers' Welfare Fund				(1,759,211)
Taxation				(67,245,096)
Profit after tax				18,956,243
Segment assets	2,208,238,460	1,865,581,738	191,359,169	4,265,179,367
Segment liabilities	1,516,728,227	-	133,677,668	1,650,405,895

22. Fair value of financial instruments

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

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

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

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

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

	June 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted equity securities	201,491,627	-	-	201,491,627
Term finance / sukuk certificates - secured	-	4,004,554	-	4,004,554
	<u>201,491,627</u>	<u>4,004,554</u>	<u>-</u>	<u>205,496,181</u>
Financial assets at fair value through OCI				
Listed securities	28,638,388	-	-	28,638,388
Term finance / sukuk certificates - secured	-	123,243,575	-	123,243,575
	<u>28,638,388</u>	<u>123,243,575</u>	<u>-</u>	<u>151,881,963</u>
December 31, 2018 (Audited)				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted equity securities	993,811,509	-	-	993,811,509
Term finance / sukuk certificates - secured	-	8,356,537	-	8,356,537
	<u>993,811,509</u>	<u>8,356,537</u>	<u>-</u>	<u>1,002,168,046</u>
Available-for-sale				
Listed securities	29,894,072	-	-	29,894,072
Term finance / sukuk certificates - secured	-	129,005,246	-	129,005,246
	<u>29,894,072</u>	<u>129,005,246</u>	<u>-</u>	<u>158,899,318</u>

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

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

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

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

During the period ended June 30, 2019, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.9.328 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

24. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to period ended June 30, 2019, the Company, with the approval of the Company's shareholders in extraordinary general meeting held on August 20, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back upto to a maximum of its 7,450,000 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs.55 per share.

25. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation, in the current period. However, there are no material reclassification / re-arrangement to report, except as below:

Notes To The Condensed Interim Financial Statements

For the six months ended June 30, 2019

		June 30, 2018
		--- (Rupees) ---
Reclassified from component	Reclassified to component	
Other operating income	Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net (Disclosed on the face of profit and loss account)	(9,489,710)

26. GENERAL

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended June 30, 2019 and June 30, 2018 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

27. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 26, 2019.

Director

Chief Executive Officer








Chief Financial Officer



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Stock Exchange Road, Karachi

Rawalpindi Branch
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Civic Center, Phase - IV, Bahria Town, Islamabad

Gulshan-e-Iqbal Branch
Suite No. 607/A, 6th Floor, Al Ameen Towers, Plot No. E-2,
Block-10, Gulshan-e-Iqbal, Main NIPA, Karachi

Lahore Branch I
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D.H.A., Lahore

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

Hyderabad Branch
Ground Floor, State Life Building No. 3,
Thandi Sarak, Hyderabad

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

Peshawar Branch
1st Floor, SLIC Building No. 34, The Mall Road,
Peshawar Cantt, Peshawar

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

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



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