



**Condensed Interim Financial Information  
for the nine months ended (Un-audited)  
September 30, 2020**





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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

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<b>Board of Directors</b>	<b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Shahab Anwar Khawaja</b> <b>Mr. Iftikhar Ahmad Rao</b> <b>Mr. Munir Hassan Taher</b> <b>Mr. Khusro Iqbal Mumtaz</b> <b>Mr. Abdul Hamid Mihrez</b> <b>Ms. Shireen Raza</b>	Chairman Chief Executive Officer Independent Director Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Audit Committee</b>	<b>Mr. Shahab Anwar Khawaja</b> <b>Mr. Munir Hassan Taher</b> <b>Mr. Khusro Iqbal Mumtaz</b> <b>Ms. Shireen Raza</b>	Chairman
<b>Risk Management Committee</b>	<b>Mr. Khusro Iqbal Mumtaz</b> <b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Abdul Hamid Mihrez</b>	Chairman
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Iftikhar Ahmed Rao</b> <b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Khusro Iqbal Mumtaz</b>	Chairman
<b>Chief Financial Officer</b>	<b>Mr. Fahad Muslim</b>	
<b>Company Secretary</b>	<b>Mr. Syed Sufyan Ahmed</b>	
<b>External Auditor</b>	<b>EY Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi 75530, Pakistan.	
<b>Internal Auditor</b>	<b>Deloitte Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.	

# Company Information

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**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.

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

**Share Registrar**

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

**Registered Office**

17th/18th Floor, The Center, Plot No. 28, S.B.5,  
Abdullah Haroon Road, Karachi, Pakistan  
[www.jsgcl.com](http://www.jsgcl.com) | [www.jsglobalonline.com](http://www.jsglobalonline.com)  
UAN: +92 21 111-574-111 | Fax: +92 21 3563 2578

# Directors' Report

We are pleased to present the unaudited, condensed interim financial information of JS Global Capital Limited ("the Company") for the nine months ended September 30, 2020.

The summarized results are set out below:

	<b>Nine months ended September 30, 2020</b>	Nine months ended September 30, 2019
-----Rupees-----		
Profit before tax	225,244,841	24,796,579
Profit after tax	136,471,200	6,034,035
Earnings per share	4.47	0.16

## THE ECONOMY

The nine-month period ended September 30, 2020 could possibly be considered one of the most challenging ones for the global economy, with Pakistan being no exception. The Coronavirus pandemic wreaked havoc on businesses everywhere, with few countries succeeding in effectively mitigating the associated risks. Though severe measures such as nationwide lockdowns were imposed in some countries, more than 38 million cases have been reported globally so far.

In the first few months of the outbreak (March to June), it seemed that Pakistan and its economy were in a disastrous situation, with cases rising exponentially. Large scale manufacturing (LSM) declined by as much as 25 percent and 42 percent in May and June, respectively, compared to the same months last year. Moreover, exports declined by 32 percent during the Apr-Jun quarter, causing further worry for policymakers when it seemed that earlier in the year the economy was back on track. In addition, the consumer price index continued to rise relentlessly, pushed upwards by the politically sensitive food inflation sub-index.

However, through the Grace of the Almighty and some prudent measures such as mini-lockdowns, a 625 basis points cut in interest rates, cheap financing for payments of salaries by corporates and a fiscal package, the country was successful in averting an unprecedented catastrophe. Moreover, relief was found on the external account from record high remittances in June and then July, which stayed above the USD 2 billion mark in the next two months as well, providing crucial support to the current account which stayed positive in the first two months of FY21. Additionally, lower imports were also responsible in the management of the trade deficit and the overall balance of payments situation.

## Equity Capital Markets

The KSE-100 index wiped off the negative returns for the current calendar year so far as the local bourse made exceptional returns during the third quarter of 2020. The benchmark index witnessed a return of 18% during 3QCY20, outperforming the MSCI EM and MCSI WorldIndex by 9% and 10%, respectively. The index gained support over economic indicators being reported better than earlier anticipated post the COVID-19 situation as the impact of the pandemic was tamer in Pakistan. This confidence was also clearly reflected with higher investor participation as average traded value in USD increased by 2x during the quarter under review when compared with 2QCY20.

Sectors reflecting economic recovery were among the key outperformers during the quarter where Steel (Engineering: +54% QoQ), Cement (+35% QoQ), Oil and Gas Marketing Companies (+24% QoQ) and Autos (+25% QoQ) were among the major leaders. Revival in trade, especially exports, led to Textile Composite (+23% QoQ) outperforming the KSE100 Index as well. Moving forward, in addition to economic indicators; we expect upcoming FATF review and development on the Political front to be among key events for the local equity market.

## FOREIGN EXCHANGE MARKET

The average swap in Jan-2020 for 1 month, 3 months & 6 months were at PKR 1.37, PKR 3.45, and PKR 6.30 respectively. Since the Covid-19 pandemic, the swap rates decreased significantly as investors preferred the relative safety of the spot market over the uncertainty of swaps in the given scenario. Swap rates had

# Directors' Report

declined to PKR 0.60, PKR 1.65 and PKR 3.10 by April. More pressure was added by the sharp cuts in the discount rate (from 13.25 percent to 7.00 percent).

However, as the relief measures gained traction and Pakistan recovered significantly from the pandemic as new cases decreased sharply, swap rates began to recover. Average swaps for the month of Sept 2020 stood at PKR 1.04, PKR 2.83, PKR 4.78 for 1 month, 3 months and 6 months, respectively.

Recent estimates shared by IMF and World Bank for Pakistan's GDP growth for FY21 seem to incorporate slow recovery from the pandemic, in line with most other nations. These forecasts are perhaps a bit too conservative, particularly when compared to the government's estimates, given that Pakistan has been very fortunate when compared to other countries in dealing with the pandemic.

## MONEY MARKET

During 9MCY20, the SBP cut the policy rate by 625 bps, bringing it down to 7%. SBP maintained the policy rate at 7% in the last monetary policy announced in September 2020 to support economic recovery. However, inflation rose to 9.04% in September 2020 due to the hefty rise in prices of food items. The average inflation during 9MCY20 was recorded at 9.89% for CY20.

In the latest T-Bill auction, the cut-off yield remained at 7.1292%, 7.1800% & 7.3090% for 3, 6& 12 months respectively. In the fixed coupon PIB auction, the cut-off yields were 8.2000%, 8.4500%, 8.9900%, 9.9800% and 10.5498% for 3, 5, 10, 15 & 20 years respectively. In the floating rate PIBs auction the cut off prices were 100.3409, 100.3456 and 101.0365 for 3, 5 & 10 years respectively. Moreover, in auction for GOP Ijarah Sukuk (VRR) the cut-off yield was 6.37% whereas in auction for GOP Ijarah Sukuk (FRR) the cut-off yield was 8.42% for 5 years maturity.

## COMMODITIES MARKET

Commodities could not escape the tremors of the Coronavirus pandemic that jolted global business activity. Moreover, continued tensions between USA and China stayed a highly relevant factor for the market, causing serious jitters. The Pakistan Mercantile Exchange (PMEX) fared considerably well, given the circumstances, with total activity declining by a mere 6 percent during the nine month period under review, compared to the same period last year. However, total traded value plunged by 30 percent, due in particular to US equity based contracts, NSDQ100 and DJ. However, some relief was found in smaller gold contracts, i.e. GO1OZ and GO1OA, which helped stem the decline.

Considering the overall scenario for the commodities market, JSGCL's commodity department fared relatively well, with value traded declining by 24 percent during the nine month period compared to last year, whereas volumes dipped by 10 percent during the same period. The bulk of the pressure on value traded was from US equity based contracts NSDQ100 and DJ, crude oil contracts and larger gold contracts. However, smaller gold contracts and the PLATINUM5 contract provided some respite to value traded.

## THE BOARD

The Board has three subcommittees comprising of Audit Committee, Risk Management Committee and Human Resource & Remuneration Committee, which assist the Board in the performance of its functions during the period under consideration. The names of Board members and members of subcommittees are as follows;

## BOARD OF DIRECTORS

S. No	Name of Director
1	Mr. Muhammad Yousuf Amanullah
2	Mr. Muhammad Kamran Nasir (CEO)
3	Mr. Munir Hassan Taher
4	Mr. Abdul Hamid Mihrez
5	Mr. Khusro Iqbal Mumtaz
6	Ms. Shireen Raza
7	Mr. Iftikhar Ahmed Rao
8	Mr. Shahab Anwar Khawaja

# Directors' Report

## AUDIT COMMITTEE

S. No	Name of Director
1	Mr. Shahab Anwar Khawaja
2	Mr. Khusro Iqbal Mumtaz
3	Mr. Munir Hassan Taher
4	Ms. Shireen Raza

## HUMAN RESOURCE & REMUNERATION COMMITTEE

S. No	Name of Director
1	Mr. Iftikhar Ahmed Rao
2	Mr. Muhammad Kamran Nasir
3	Mr. Muhammad Yousuf Amanullah
4	Mr. Khusro Iqbal Mumtaz

## RISK MANAGEMENT COMMITTEE

S. No	Name of Director
1	Mr. Abdul Hamid Mihrez
2	Mr. Muhammad Kamran Nasir
3	Mr. Muhammad Yousuf Amanullah
4	Mr. Khusro Iqbal Mumtaz

## COMPANY PERFORMANCE REVIEW

The Company earned a net income of PKR 136.47 million for the nine months ended September 30, 2020, vis-à-vis net income of PKR 6.03 million in the comparative period last year. Operating revenue of the Company increased by 88.11% over the same period last year.

Despite challenges in equity markets, political tensions and the country's economic hardships, the Company is focused on long term growth. In this regard, the management is aiming to efficiently utilize 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 (SECP), Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) for their efforts to strengthen capital markets and measures to protect investor rights.

Chief Executive Officer

Director

Date: October 21, 2020

رسک میجنٹ کمیٹی

نمبر شار	ڈائریکٹر کا نام
1	جناب خسرو اقبال متاز
2	جناب محمد کامران ناصر
3	جناب محمد یوسف امان اللہ
4	جناب عبدالخالد مہریز

کمپنی کی کارکردگی کا جائزہ

30 ستمبر 2020 کو اختتام پذیر ہونے والے 9 ماہ کے دوران کمپنی نے 136.47 ملین روپے کی خالص آمدنی حاصل کی، جو کہ گزشتہ سال اسی عرصے میں 6.03 ملین روپے رہی تھی۔ گزشتہ سال کے اسی عرصے کے مقابلے میں کمپنی کی آپرینگ آمدنی میں 88.11 فیصد اضافہ ہوا۔ بازار حصہ میں چینیج، سیاسی چاقش اور ملک کو درپیش معاشی مشکلات کے باوجود، کمپنی کی توجہ طویل مدتی نمو پر مرکوز ہے۔ اس سلسلے میں، انتظامیاً پہنچ یافتگان کے لیے زیادہ سے زیادہ فوائد حاصل کرنے کے لیے وسائل کو موڑ طریقے سے استعمال کرنے پر توجہ دے رہی ہے۔ اس میں بنیادی کاموں یعنی بروکریج اور فنی بیسڈ آپریشنز اور ٹریڈرزی میجنٹ سے آمدنی میں اضافہ کرنا شامل ہے۔

تسلیمات

ہم اعتراف کرتے ہیں کہ اس کائنٹس، کاروباری شرکت داروں اور حصہ یافتگان اور ملازمین کی انتہک محنت اور کوششوں اور حمایت سے بچائیں گلوبل کمپیوٹل لمیٹڈ کے تمام ملازم میں کاشکریہ ادا کرتے ہیں۔

ہم سکیورٹیز اینڈ ایکس چنج کمیشن آف پاکستان (ایس ایس ای پی)، سینئر ڈیپاٹمنٹی آف پاکستان لمیٹڈ (سی ڈی ای) نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ (این سی ای پی ایل) اور پاکستان اسٹاک ایکس چنج لمیٹڈ (پی ایس ایکس) کی انتظامیہ کو جس کمپیوٹل مارکیٹ میکٹ کرنے اور سرمایکاروں کے حقوق کے تحفظ کے لیے اقدامات کرنے پر سراہتے ہیں۔

ڈاائریکٹر

چیف ایگزیکٹو آفیسر

بتارنخ 21 اکتوبر 2020

## ڈائریکٹر زر پورٹ:

### بورڈ آف ڈائریکٹرز

نمبر شار	ڈائریکٹر کا نام
1	جناب محمد یوسف امان اللہ
2	جناب محمد کامران ناصر
3	منیر حسن طاہر
4	جناب عبدالحالمد مہریز
5	جناب خسرو اقبال متاز
6	محترمہ شیریں رضا
7	جناب فتحار احمد راؤ
8	جناب شہاب انور خواجہ

### آڈٹ کمیٹی

نمبر شار	ڈائریکٹر کا نام
1	جناب شہاب انور خواجہ
2	جناب خسرو اقبال متاز
3	جناب منیر حسن طاہر
4	محترمہ شیریں رضا

### جیو من ریسوس اور مشاہرہ کمیٹی

نمبر شار	ڈائریکٹر کا نام
1	جناب فتحار احمد راؤ
2	جناب محمد کامران ناصر
3	جناب محمد یوسف امان اللہ
4	جناب خسرو اقبال متاز

### بازار زر

کیلینڈر سال 2020 کے 9 ماہ کے دوران بینک دولت پاکستان نے پالسی ریٹ میں 625 یس پاؤٹس کی کرتے ہوئے اسے 7 فیصد کر دیا۔ معاشری بحالی کو معاونت فراہم کرنے کے لیے بینک دولت پاکستان نے ستمبر 2020 میں جاری کی جانے والے اپنی آخری زری پالسی میں پالسی ریٹ کو 7 فیصد پر برقرار رکھا۔ تاہم نہایت اشیا کی قیتوں میں بے تحاش اضافے کے باعث ستمبر 2020 میں افراط از کی شرح بڑھ کر 9.04 فیصد ہو گئی۔ کیلینڈر سال 20 کے 9 ماہ کے دوران افراط از کی اوسط شرح 9.89 فیصد رہی۔

ٹی بیز کی حالیہ نیلامی میں تین ماہ، چھ ماہ اور 12 ماہ پر حتمی منفعت بالترتیب 7.1292%， 7.1800%， 7.7 اور 7.3090%۔ تین، پانچ، 10، 15 اور 20 سال کے مخصوص آمدن کے حامل پی آئی بی پر حتمی منفعت بالترتیب 8.2000%， 8.4500%， 8.9900%， 8.9800%， 8.9900% اور 10.5498%۔ تین، پانچ اور 10 سال کے تغیر پذیر شرح کے حامل پی آئی بی میں حتمی منفعت بالترتیب 9.9800%， 10.0365 اور 100.3456، 100.0365 اور 101.0365 رہی۔ مزید برآں، جی اوپی اجارہ سکوک (دی آر آر) کی نیلامی میں کٹ آف شرح 6.37 فیصد، جبکہ جی اوپی اجارہ سکوک (ایف آر آر) کی نیلامی میں 5 سال کی میچورٹی کے لیے کٹ آف شرح 8.42 فیصد رہی۔

### بازار اجناس

عالمی سطح پر کاروباری سرگرمیوں کو جھوکا دینے والے کورونا وائرس وبا کی مرض کے زلزلے سے اجناں بھی محفوظ نہیں رہ سکی۔ مزید یہ کہ، امریکا اور چین کے مابین جاری کشیدگی مارکیٹ کے لیے ایک انتہائی اہم جزو رہی، جس کی وجہ سے سگین عدم استحکام پیدا ہوا۔ پاکستان مرکشاں ایکس چینج (پی ایم ای ایکس) نے ان حالات کے باوجود کافی بہتر کارکردگی کا مظاہرہ کیا، اور گزشتہ سال کے اسی عرصے کے مقابلے میں نو ماہ کے عرصے کے دوران مجموعی سرگرمی صرف 6 فیصد کم ہوئی۔ تاہم، خاص طور پر امریکی ایکوٹی پر مبنی معابدوں، عیسڈ ک 100 اور ڈاچونز کی وجہ سے، مجموعی تجارت کی مالیت 30 فیصد تک گئی۔ تاہم، سونے کے چھوٹے معابدوں، یعنی GO100A اور GO100Z میں کچھ سرگرمی دیکھی گئی، جس نے اس کی کورونے میں مدد فراہم کی۔

اجناں کی مددی کے مجموعی مظہرانے پر غور کرتے ہوئے، جے ایس جی اسی ایل کے کمودیٹی ڈپارٹمنٹ نے نسبتاً بہتر کا کارکردگی کا مظاہرہ کیا اور گزشتہ سال کے مقابلہ میں نو ماہ کے عرصے کے دوران تجارت کی قدر میں 24 فیصد کی واقع ہوئی، جبکہ اسی مدت کے دوران جم میں 10 فیصد کی ریکارڈ کی گئی۔ تجارت کی قدر پر زیادہ تر دباؤ امریکی ایکوٹی پر مبنی معابدوں، عیسڈ ک 100 اور ڈاچونز، خام تیل کے معابدوں اور سونے کے بڑے معابدوں سے تھا۔ تاہم، سونے کے چھوٹے معابدوں اور پلاٹنیم 5 معابدوں نے تجارت کی قدر میں فائدہ پہنچایا۔

### بورڈ

بورڈ تین ذیلی کمیٹیوں، آٹوٹ کمیٹی، رسک مینجمنٹ کمیٹی اور ہیون ریوس اینڈ ریمیونیشن کمیٹی پر مشتمل ہے، جنہوں نے زیر جائزہ عرصے کے دوران بورڈ کو امور کی انجام دہی میں معاونت فراہم کی۔ بورڈ ارکین اور ذیلی کمیٹیوں کے اراکین کے نام درج ذیل ہیں:

خسارے کو قابو میں رکھنے اور ادا بیگنوں کی صورتحال کے مجموعی توازن کا سہرا بھی کم در آمدات کو جاتا ہے۔

### بازار حصص

مکی اسٹاک ایکس چینچ کی 2020 کی تیسری سہ ماہی کے دوران غیر معمولی کارکردگی نے، موجودہ سال کے دوران کے ایس ای 100 ائٹیکس کی منفی کارکردگی کو بدل کر رکھ دیا۔ پنج ماہ کا انٹیکس نے سال 2020 کی تیسری سہ ماہی کے دوران 18 فیصد منافع دیا، جو ایم ایس کی آئی EM اور ایم ایس سی آئی ورلڈ انٹیکس کے مقابلے میں بالترتیب 9 فیصد اور 10 فیصد زیادہ ہے۔ کوویڈ-19 کے بعد معاشی اشاریوں میں جن بدترین خدشات کا اظہار کیا جا رہا تھا، تاہم پاکستان میں وباًی مرض کے اثرات نے انٹیکس کی بہتری میں معاونت کا کردار ادا کیا۔ اس اعتماد کسر مایہ کاروں کی زیادہ شرکت کے ذریعے بھی واضح طور پر دیکھا گیا کیونکہ زیر جائزہ سہ ماہ کے دوران، کلینڈر سال کی دوسری سہ ماہی کے مقابلے میں امریکی ڈالر میں حصص کی اوسط لین 10 دین میں دو گنا اضافہ ہوا۔

وہ سیکڑ جن میں معاشی بجالی دیکھی گئی انھوں نے زیر جائزہ سہ ماہی کے دوران انٹیکس میں باقی سب کو پیچھے چھوڑ دیا، جن میں اسٹیل (نجینر نگ +54% سہ ماہی بنیاد پر)، سینٹ (35% سہ ماہی بنیاد پر)، آئل اینڈ گیس مارکیٹنگ پینیز (24% سہ ماہی بنیاد پر) اور آٹو (25% سہ ماہی بنیاد پر) سب سے نمایاں رہے۔ تجارت خصوصاً برآمدات بجالی ہونے سے نیکنائیں کپوزٹ (23% سہ ماہی بنیاد پر) نے بھی کے ایس ای 100 انٹیکس کو کارکردگی میں پیچھے چھوڑ دیا۔ آگے جاتے ہوئے، معاشی اشاریوں کے علاوہ، ہم سمجھتے ہیں کہ ایف اے ٹی ایف کے آنے والے واقعات اور سیاسی محاڑ پر پیشہ فرت مقامی اسٹاک مارکیٹ کا رُخ متعین کرنے کے اہم محکمات ثابت ہوں گے۔

### زر مبادله مارکیٹ

جنوری 2020 میں 1 ماہ اور 6 ماہ کا اوسط SWAP بالترتیب 1.37 روپے، 3.45 روپے، 6.30 روپے تھا۔ کوویڈ-19 وباًی مرض کے بعد سے، SWAP کی شروعوں میں نمایاں کی واقع ہوئی کیونکہ سرمایہ کاروں نے اس صورت حال میں SWAP کی غیر تینی صورتحال پر نسبتاً محفوظ اسپاٹ مارکیٹ کو ترجیح دی۔ اپریل تک SWAP کی شریعیں 0.60 روپے اور 1.65 روپے تک کم گر چکی تھیں۔ مزید باؤنڈیڈ شرح سود میں تیزی سے آنے والی کی (13.25 فیصد سے 7.00 فیصد) کا دیکھا گیا۔

تاہم، جیسے ہی امدادی اقدامات کا اثر آنا شروع ہوا، نئے کیسروں میں تیزی سے کمی آئی اور پاکستان وباًی مرض سے نمایاں طور پر چھکارا حاصل کرنے لگا تو SWAPs کی شرح بھی پھر سے بڑھنے لگی۔ ستمبر 2020 کے لیے ایک ماہ، تین ماہ اور چھ ماہ کے لیے SWAP کی اوسط شرح 1.04 روپے اور 2.83 روپے اور 4.78 روپے رہی۔

مالی سال 21 کے لیے پاکستان کے معاشی نمو کے تجیہوں میں، دیگر اکثر ممالک کی طرح، عالمی مالیاتی ادارے اور عالمی بینک کی جانب سے عالمی وبا کے اثرات سے نکلنے میں سست روی کو مد نظر رکھا گیا ہے۔ یہ پیش گویاں شاید تھوڑی بہت قدامت پسند بھی ہوں، خاص طور پر حکومت کے تجیہ کے مقابلے میں، جب کہ وباًی مرض سے نٹنے میں دوسرے ممالک کے مقابلے میں پاکستان بہت خوش قسمت رہا ہے۔

ہم جے ایں گلوبل کپیٹل لمیٹڈ (کمپنی) کے 30 ستمبر 2020 کو ختم ہونے والے 9 ماہ کے عرصے کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے پیش کرتے ہوئے اظہار صرفت کرتے ہیں۔

اقتصادی متاثر درج ذیل ہیں:

9 ماہ کی مدت مختصرہ 30 ستمبر 2019	9 ماہ کی مدت مختصرہ 30 ستمبر 2020	
روپے -----		
24,796,579	225,244,841	منافع قبل از ٹکس
6,034,035	136,471,200	منافع بعد از ٹکس
0.16	4.47	نی تھص منافع

### معیشت

30 ستمبر 2020 کو ختم ہونے والا نو ماہ کے عرصہ کو مکمل طور پر عالمی معیشت کے لیے سب سے چیلنجنگ سمجھا جاسکتا ہے، جس سے پاکستان بھی مستقیم نہیں ہے۔ کورونا وائرس کے باعث امراض نے ہر جگہ کاروباروں کو تباہ کیا اور صرف چند مالک ہی اس سے مشکل خطرات کو موثر طریقے سے کم کرنے میں کامیاب ہو سکے۔ اگرچہ کچھ مالک میں ملک گیر لاک ڈاؤن جیسے سخت اتدامات نافذ کیے گئے تھے، لیکن عالمی سطح پر اب تک 38 ملین سے زیادہ کیسر رپورٹ ہو چکے ہیں۔

اس وباء کے ابتدائی چند مہینوں (مارچ تا جون) میں ایسا لگتا تھا کہ نیزی سے بڑھتے کیسز کے ساتھ پاکستان اور اس کی معیشت تباہ کن صورتحال میں ہے۔ متنی اور جون میں پچھلے سال کے انہی مہینوں کے مقابلہ میں بڑے پیمانے پر پیداوار (ایل ایس ایم) بالترتیب 25 فیصد اور 42 فیصد کم ہوئی۔ مزید برآں، اپریل۔ جون سماں ہی کے دوران برآمدات میں 32 فیصد کی واقع ہوئی، جس سے پالیسی سازوں کو مزید پریشانی کا سامنا کرنا پڑا۔ جبکہ سال کے اوائل میں ایسا لگتا تھا کہ معیشت دوبارہ درست راہ پر گامزن تھی۔ اس کے علاوہ، صارفین کی قیتوں کا اشارہ میں مسلسل بڑھتا ہی جا رہا تھا، جس میں سیاسی طور پر حساس خذاہی افراد از رکے ذیلی انڈیکس کا بڑا عمل خل رہا۔

تاہم، فضل الہی اور پرمغز حکمت عملیوں جیسے منی لاک ڈاؤن، بنیادی سود کی شرح میں 625 یس پاؤنس کی، اداروں کو تنو ہوں کی ادا بیگی کے لیے سنتی مالی اعانت اور ایک مالی پیکچ کی مدد سے، ملک ایک شدید تباہی کو روکنے میں کامیاب رہا۔

اس کے علاوہ، بیرونی کھاتے میں جوں اور اس کے بعد جو لائی میں زبردست ترسیلات زر سے بڑی مدد ملی، جو اگلے دو ماہ کے دوران ہی 2 ارب امریکی ڈالر سے زیادہ رہیں، جس نے کرنٹ اکاؤنٹ کو اہم مدفر اہم کی اور مالی سال 2021 پہلے دو ماہ میں ثابت رہا۔ مزید برآں، تجارتی



# **Financial Statements**

# **Condensed Interim Statement of Financial Position (Un-audited) As at September 30, 2020**

	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
<b>EQUITY AND LIABILITIES</b>		<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Share capital and reserves</b>			
Authorised capital:			
150,000,000			
(December 31, 2019: 150,000,000) ordinary shares of Rs.10 each		<b>1,500,000,000</b>	<b>1,500,000,000</b>
Issued, subscribed and paid-up share capital	6	<b>305,570,000</b>	305,570,000
Share premium		<b>1,810,104,900</b>	1,810,104,900
Unrealised gain on revaluation of investments at fair value through other comprehensive income		<b>15,849,892</b>	5,510,021
Unappropriated profit		<b>248,838,791</b>	112,367,591
		<b>2,380,363,583</b>	2,233,552,512
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liability against assets subject to finance lease	7	<b>20,153,643</b>	227,454,320
<b>Current liabilities</b>			
Creditors, accrued expenses and other liabilities	8	<b>2,128,904,749</b>	1,602,615,025
Unclaimed dividend		<b>3,361,843</b>	3,361,843
Current maturity of liability against assets subject to finance lease		<b>9,360,282</b>	24,870,804
		<b>2,141,626,874</b>	1,630,847,672
<b>Contingencies and commitments</b>	9	<b>4,542,144,100</b>	4,091,854,504

The annexed notes 1 to 26 form an integral part of these financial statements.

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Director

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Chief Executive Officer

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Chief Financial Officer

# **Condensed Interim Statement of Financial Position (Un-audited) As at September 30, 2020**

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
Note	----- (Rupees) -----	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	10	870,341,506
Intangible assets	11	14,510,522
Long term investments	12	121,258,991
Long term loans and deposits		41,155,549
Deferred taxation - net	13	119,833,370
		1,167,099,938
		816,912,294
<b>Current assets</b>		
Short term investments	14	113,430,662
Trade debts	15	661,398,027
Receivable against margin finance		362,320,296
Loans and advances - considered good		28,699,635
Short-term deposits and prepayments		118,583,846
Interest and mark-up accrued	16	4,955,441
Other receivables		11,609,472
Advance tax		94,204,888
Cash and bank balances	17	1,979,841,896
		3,375,044,163
		4,542,144,100
		4,091,854,504

The annexed notes 1 to 26 form an integral part of these financial statements.

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Director

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Chief Executive Officer

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Chief Financial Officer

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

For the nine months ended September 30, 2020

	Note	Nine months ended		Three months ended	
		September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
		----- (Rupees) -----		----- (Rupees) -----	
		18	430,152,662	228,666,085	196,443,965
Operating revenue					73,970,029
Capital gain on sale of investments - net			44,254,557	14,628,901	28,850,812
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		(6,165,147)		10,962,282	(7,761,559)
Unrealised (loss) / gain on remeasurement of derivatives at fair value through profit or loss - net		6,977,541		(8,699,814)	8,508,701
Dividend income		10,774,902		60,509,609	1,365,386
Margin finance income		33,698,337		34,757,395	12,628,992
		519,692,852		340,824,458	240,036,297
Administrative and operating expenses		(394,554,697)		(422,084,645)	(130,551,328)
		125,138,155		(81,260,187)	109,484,969
Other operating income - net		119,223,570		137,185,399	24,942,772
		244,361,725		55,925,212	134,427,741
Provision for Sindh Workers' Welfare Fund		(4,596,833)		(506,052)	(2,640,068)
Finance cost	19	(14,520,051)		(30,622,581)	(2,424,311)
Profit before taxation		225,244,841		24,796,579	129,363,362
Taxation - current - prior - deferred		(87,339,133) - (1,434,508)		(17,482,828) (4,941,818) 3,662,102	(56,150,853) - 1,877,489
	20	(88,773,641)		(18,762,544)	(54,273,364)
Profit after taxation		136,471,200		6,034,035	75,089,998
Earnings per share - basic and diluted	21	4.47		0.16	2.46
					0.02

The annexed notes 1 to 26 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

# **Condensed Interim Statement of Comprehensive Income (Un-audited)** For the nine months ended September 30, 2020

	Nine months ended		Three months ended	
	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
	----- (Rupees) -----		----- Rupees -----	
Profit for the period	136,471,200	6,034,035	104,487,735	610,185
<b>Other comprehensive income / (loss)</b>				
<b>Items that will not be reclassified</b>				
<b>to statement of profit or loss subsequently</b>				
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period	8,855,871	(11,323,178)	18,945,396	(17,579,565)
Less: Related tax	350,734	297,856	(350,040)	553,456
	<b>9,206,605</b>	<b>(11,025,322)</b>	<b>18,595,356</b>	<b>(17,026,109)</b>
<b>Items that may be reclassified</b>				
<b>to statement of profit or loss subsequently</b>				
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period	1,333,254	(464,244)	593,210	298,442
Less: Related tax	(199,988)	69,637	(88,981)	(44,766)
	<b>1,133,266</b>	<b>(394,607)</b>	<b>504,229</b>	<b>253,676</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>146,811,071</b>	<b>(5,385,894)</b>	<b>123,587,320</b>	<b>(16,162,248)</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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Director

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Chief Executive Officer

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Chief Financial Officer

# Condensed Interim Statement of Changes In Equity (Un-audited) For the nine months ended September 30, 2020

	Issued, subscribed and paid-up share capital	Share premium	Reserves				Total
			Unrealised gain / (loss) on revaluation of available-for-sale / fair value through other comprehensive income investments - net	Revenue reserve Unappropriated profit	Sub-total		
			(Rupees)				
Balance as at 31 December 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				(13,658,916)	(13,658,916)	(13,658,916)	
Impact of deferred tax				3,961,086	3,961,086	3,961,086	
<b>Adjusted Balance as at January 01, 2019</b>	<b>380,070,000</b>	<b>1,810,104,900</b>	<b>8,158,847</b>	<b>400,369,198</b>	<b>2,218,632,945</b>	<b>2,598,702,945</b>	
<b>Total comprehensive income for the period</b>							
Profit for the nine months ended September 30, 2019	-	-	-	6,034,035	6,034,035	6,034,035	
Other comprehensive loss - net of tax	-	-	(11,419,929)	-	(11,419,929)	(11,419,929)	
Total comprehensive income for the period	-	-	(11,419,929)	6,034,035	(5,385,894)	(5,385,894)	
<b>Balance as at September 30, 2019</b>	<b>380,070,000</b>	<b>1,810,104,900</b>	<b>(3,261,082)</b>	<b>406,403,233</b>	<b>2,213,247,051</b>	<b>2,593,317,051</b>	
<b>Total comprehensive income for the period</b>							
Profit for the three months ended December 31, 2019	-	-	-	41,214,358	41,214,358	41,214,358	
Other comprehensive loss - net of tax	-	-	8,771,103	-	8,771,103	8,771,103	
Total comprehensive income for the period	-	-	8,771,103	41,214,358	49,985,461	49,985,461	
<b>Transactions with owners recognised directly in equity</b>							
Buy back of 7,450,000 shares having face value of Rs.10 each at a price of Rs.55 each	(74,500,000)	-	-	-	-	(74,500,000)	
Amount paid in excess of face value of 7,450,000 shares	-	-	-	(335,250,000)	(335,250,000)	(335,250,000)	
<b>Balance as at December 31, 2019</b>	<b>305,570,000</b>	<b>1,810,104,900</b>	<b>5,510,021</b>	<b>112,367,591</b>	<b>1,927,982,512</b>	<b>2,233,552,512</b>	
<b>Total comprehensive income for the period</b>							
Profit for the nine months ended September 30, 2020	-	-	-	136,471,200	136,471,200	136,471,200	
Other comprehensive loss - net of tax	-	-	10,339,871	-	10,339,871	10,339,871	
Total comprehensive income for the period	-	-	10,339,871	136,471,200	146,811,071	146,811,071	
<b>Balance as at September 30, 2020</b>	<b>305,570,000</b>	<b>1,810,104,900</b>	<b>15,849,892</b>	<b>248,838,791</b>	<b>2,074,793,583</b>	<b>2,380,363,583</b>	

The annexed notes 1 to 26 form an integral part of these financial statements.

Director

Chief Executive Officer

Chief Financial Officer

# Condensed Interim Statement of Cash Flow (Un-audited)

## For the nine months ended September 30, 2020

	Note	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
		----- (Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		225,244,841	24,796,579
<b>Adjustments for:</b>			
Depreciation		34,606,203	29,972,591
Depreciation of right-of-use assets		25,647,611	30,839,505
Amortisation of intangible assets		2,288	42,834
Gain on sale of property and equipment		(3,526,667)	(4,666,371)
Gain on modification of lease		-	-
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		6,165,147	(10,962,282)
Unrealised (loss) / gain on remeasurement of derivatives at fair value through profit or loss - net		(6,977,541)	8,699,814
Provision for Sindh Workers' Welfare Fund		4,596,833	506,052
Finance cost		14,520,051	30,622,581
<b>Cash generated from operating activities</b>		<b>75,033,925</b>	<b>85,054,724</b>
<b>before working capital changes</b>		<b>300,278,766</b>	<b>109,851,303</b>
<b>Decrease in current assets</b>			
Trade debts		(145,688,269)	619,137,326
Receivable against margin finance		(46,845,535)	99,722,175
Loans and advances		(10,731,639)	(94,144)
Short-term deposits and prepayments		434,292,235	60,665,265
Interest and mark-up accrued		9,997,682	(3,767,990)
Other receivables		(323,535)	40,665,179
		240,700,939	816,327,811
<b>Increase / (decrease) in current liabilities</b>			
Creditors, accrued expenses and other liabilities		544,921,386	(719,350,293)
Cash generated from operations		1,085,901,091	206,828,821
Finance cost paid		(3,793,825)	(7,146,428)
Taxes paid		(49,232,620)	(47,869,050)
<b>Net cash generated from operating activities</b>		<b>1,032,874,646</b>	<b>151,813,343</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(19,239,738)	(68,269,003)
Advance against purchase of property		(599,076,000)	-
Proceeds from disposal of property and equipment		3,537,716	5,875,786
Long term loans, advances and deposits		(8,676,947)	(5,227,738)
Addition to intangible assets		-	-
Long term investments - net		15,175,096	11,533,333
Short term investments - net		398,936,145	625,190,203
<b>Net cash (used in) / generated from investing activities</b>		<b>(209,343,728)</b>	<b>569,102,581</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid		(46,746,758)	(33,980,993)
<b>Net cash used in financing activities</b>		<b>(46,746,758)</b>	<b>(33,980,993)</b>
<b>Increase in cash and cash equivalents during the period</b>		<b>776,784,160</b>	<b>686,934,931</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,203,057,736</b>	<b>1,571,601,447</b>
<b>Cash and cash equivalents at the end of the period</b>	17	<b>1,979,841,896</b>	<b>2,258,536,378</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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Director

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Chief Executive Officer

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Chief Financial Officer

# **Notes To The Condensed Interim Financial Statements**

For the nine months ended September 30, 2020

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## **1. STATUS AND NATURE OF BUSINESS**

- 1.1** JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company, Jahangir Siddiqui & Co. Ltd. (JSCL), offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 07, 2005. During 2006-07, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, ('Global'). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter no. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.
- 1.2** During the year 2012, JS Bank Limited (the 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.
- 1.3** The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The Company has eight branches (2019: eight) in seven cities of Pakistan.
- 1.4** During the period, the board of directors of the Company in their meeting held on Febaruary 20, 2020 authorized the management of the Company to conduct detailed due diligence, work out share value and appoint an advisor / consultant for the purpose to participate in the process of acquisition of upto 77.12% of the total issued paid up share capital of BIPL Securities Limited

## **2. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

The emergence of the Coronavirus pandemic took an intense toll on the economic performance during the initial months of this financial year (from April 2020 to June 2020). In order to flatten the curve, the government had to impose lockdowns in many parts of the country, leading to paralyzed economic activity and plant closures in the industrial sector. Naturally, Covid-19 and the economic repercussions took a toll on the capital markets, with the KSE-100 plunging to below 27,500 levels in March, at the time of commencement of the lockdown phase. Activity also remained subdued for a large part of the June 2020 quarter as seen by shrinking volumes.

After an intense June 2020 quarter, thankfully, the situation in Pakistan improved dramatically with a drastic reduction in the number of reported cases. This led to the gradual reopening of businesses and resumption of normal operations. The market exhibited a robust performance during the September 2020 quarter as a result, shedding the Covid-19 hangover, and crossing the 42,500 mark in the process, compared to below 27,500 during the previous quarter. Furthermore, significantly higher volumes were also visible during the quarter. On the other hand, some lethargy was witnessed in the final weeks of September owing to fears of a second wave in the country.

The significant higher volumes during third quarter of FY2020 lead to increased brokerage revenue during the said quarter which was translated into higher profit after tax during third quarter of FY2020 as evident from financial results for third quarter of FY2020. Furthermore, to manage the liquidity during this global pandemic, the Company has also availed the SBP's Rozgar Refinance Scheme for payment of wages and salaries to prevent layoff of employees of Company at concessional mark up rate.

# **Notes To The Condensed Interim Financial Statements**

For the nine months ended September 30, 2020

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## **3. BASIS OF PREPARATION**

### **3.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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.

The disclosures in these 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, 2019.

### **3.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value.

### **3.3 Functional and presentation currency**

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

### **3.4 Use of estimates and judgments**

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2019.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this 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, 2019.

### **4.1 New / Revised Standards, Interpretations and Amendments**

There are certain interpretations and amendments that are mandatory for the company's accounting periods beginning on or after January 01, 2020 but are considered not to be relevant or do not have any significant effect on the company's operations and therefore not detailed in these condensed interim financial statements.

### **4.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period**

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

Standard or Interpretation	Effective date (annual periods beginning on or after)
- Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
- Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

Standards	IASB Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2014
- IFRS 17 – Insurance Contracts	January 01, 2023

## 5. 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, 2019.

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

### 6.1 Pattern of shareholding

September 30, 2020		December 31, 2019		September 30, 2020		December 31, 2019	
Number of shares		Particulars / name of the shareholders		Percentage of holding			
25,525,169	25,525,169	JS Bank Limited		83.53%	83.53%		
		Kamco Investment Company K.S.C.P (formerly Global Investment House, Kuwait)					
1,858,551	2,358,551	(formerly Global Investment House, Kuwait)		6.08%	7.72%		
2,791,416	2,300,916	Others		9.14%	7.53%		
340,323	340,323	Insurance company		1.11%	1.11%		
41,541	32,041	Joint stock companies		0.14%	0.11%		
<b>30,557,000</b>	<b>30,557,000</b>			<b>100%</b>	<b>100%</b>		

**6.1.1** Kamco Investment Company K.S.C.P is a major foreign shareholder holding 6.08% (2019: 7.72%) of paid up capital in the company. The Chief Executive Officer of the company is Mr. Faisal Mansoor Ebrahim Hassan Muhammad Sorkhou.

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
7. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE	<b>20,153,643</b>	<b>227,454,320</b>
8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees) -----
Trade creditors	8.1	1,706,411,288
Accrued expenses		44,349,957
Staff Provident Fund		2,252,436
Provision for staff bonus		18,117,950
Provision for Workers' Welfare Fund		33,774,587
Others		323,998,531
	8.2	<b>2,128,904,749</b>
		<b>1,602,615,025</b>

8.1 This includes payables to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.126 (2019: Rs.0.131) million and Rs.338.984 (2019: Rs.327.858) million respectively in respect of trading in securities, settled subsequent to the period end.

8.2 Included herein is a sum of Rs. 36.901 (2019: Rs.5.604) million payable to related parties.

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There are no outstanding contingencies as at September 30, 2020 (2019: Nil) other than tax contingencies disclosed in note 20 of these condensed interim financial statements.

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees) -----	
9.2 Commitments		
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	<b>83,108,445</b>	<b>493,102,995</b>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 25, 2021	<b>400,000,000</b>	<b>400,000,000</b>
Outstanding settlements against margin financing contracts - net	<b>5,641,830</b>	<b>5,304,801</b>
Outstanding against purchase of property	<b>149,769,000</b>	<b>-</b>
Outstanding against capital expenditure	<b>82,089,185</b>	<b>89,678,479</b>

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees)	
<b>10. PROPERTY AND EQUIPMENT</b>			
Operating assets	10.1	<b>246,687,753</b>	262,065,268
Capital work in progress	10.2.1	<b>599,076,000</b>	-
Right-of-use assets	10.2	<b>24,577,753</b>	<b>256,391,283</b>
		<b>870,341,506</b>	<b>518,456,551</b>
<b>10.1 Movement in operating assets - owned</b>			
Book value at beginning of the period / year		<b>262,065,268</b>	60,518,917
Cost of additions during the period / year	10.1.1	<b>19,239,738</b>	246,899,747
Book value of deletions during the period / year	10.1.2	<b>(11,050)</b>	<b>(2,022,262)</b>
Depreciation charge for the period / year		<b>(34,606,203)</b>	<b>(43,331,135)</b>
Book value at end of the period / year		<b>246,687,753</b>	<b>262,065,268</b>
<b>10.1.1 Details of additions during the period / year</b>			
Office equipment		<b>2,388,266</b>	27,451,292
Leasehold improvements		<b>16,721,612</b>	196,148,414
Office furniture		<b>-</b>	23,300,041
Motor vehicle		<b>129,860</b>	<b>-</b>
		<b>19,239,738</b>	<b>246,899,747</b>
<b>10.1.2 Book value of deletions during the period / year:</b>			
Office equipment		<b>(11,048)</b>	(167,308)
Motor vehicle		<b>(2)</b>	<b>(1,854,954)</b>
		<b>(11,050)</b>	<b>(2,022,262)</b>
<b>10.2 Right-of-use assets</b>			
Head office and branches	10.2.1	<b>24,577,753</b>	<b>256,391,283</b>

**10.2.1** During the period, the Company entered into an 'agreement to sale' with JS Lands (Private) Limited (a related party), after obtaining shareholders' approval in Annual general meeting held on April 22, 2020, whereby, the Company agrees to acquire certain properties at an estimated cost of Rs.748.5 million (out of which Rs. 599.0760 million has been paid during the period). Up till the previous reporting period, such properties were accounted for under IFRS 16 'Leases', as the same were on rental basis. However, pursuant to the aforementioned agreement, the Company has now reassessed the situation and modified the lease term in view of expected date of transfer of ownership which is materialized subsequent to the period ended. Accordingly, the right of use asset, earlier recorded has been reduced by Rs. 206.165 million, with corresponding liability reduced by Rs. 225.932 million. Consequently, the Company has recognised Rs. 19.766 million as gain on lease modification during the period (which is included in other operating income).

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

11. INTANGIBLE ASSETS	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	11.1	5,727,330 (3,227,330)	5,727,330 (3,227,330)
Less: Impairment	11.2	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		5,000,000	5,000,000
Softwares		15	2,303
Advance against acquisition of software	11.3	9,510,507 <u>14,510,522</u>	9,510,507 <u>14,512,810</u>

- 11.1** 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.
- 11.2** During the year ended December 31, 2019 , PSX has determined that the notional value of transferable TRE Certificate shall be taken at Rs.2.5 million for the purpose of Base Minimum Capital (BMC) Requirement. Accordingly the company has reduced it's carrying amount to Rs.2.5 million and thereby recognizing an impairment of Rs.3.227 million.
- 11.3** Represents advance paid to Saudi National Technology Group Company Limited situated in Riyadh, Kingdom of Saudia Arabia amounting to Rs.9.510 (2019: Rs.9.510) million equivalent to \$ 75,000 for acquisition of software. The remaining payments will be made after the completion of the project.

12. LONG TERM INVESTMENTS	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
Classified as 'at fair value through Other Comprehensive Income'			
Shares of PSX - at cost (2019: 2,202,953 shares)		23,060,884	23,060,884
Term finance / sukuk certificates	12.1	112,071,667	112,100,000
Advance against subscription of sukuk certificate		-	20,000,000
		135,132,551	155,160,884
Surplus on revaluation - net		14,193,107	4,003,982
Current maturity of long term investments	14	(28,066,667) <u>121,258,991</u>	(29,066,667) <u>130,098,199</u>

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

## 12.1 Term finance / sukuk certificates

Number of Certificates		Name of term finance / sukuks certificates	Carrying value	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		Listed debt securities - secured	----- (Rupees) -----	
3,000	3,000	Jahangir Siddiqui & Co. Limited XI - related party	12,500,000	15,000,000
520	520	Dawood Hercules Corporation Limited - Sukuk - I	36,400,000	41,600,000
600	600	Dawood Hercules Corporation Limited - Sukuk - II	42,000,000	54,000,000
20	20	BYCO Petroleum Pakistan Limited - Sukuk - I	1,166,667	1,500,000
4,001	-	BIPL Ehad Sukuk	12.1.1 20,005,000	-
			12.1.2 112,071,667	112,100,000

**12.1.1** This represents subscription of Bank Islami Pakistan Limited - Ehad Sukuk I certificate having face value of Rs.5,000, perpetual in tenure and carrying mark-up at the rate of 3 months KIBOR + 2.75%.

**12.1.2** The term finance / sukuk certificates held by the Company are secured against pledged listed securities and first ranking pari passu floating charge over all movable properties of the issuer.

**12.1.3** The maximum aggregate amount of term finance / sukuk certificates loans due from the related party at the end of any month during the year was Rs.32.5 (2019: Rs.15) million.

13. DEFFERRED TAXATION - NET	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
<b>Taxable temporary difference</b>			
Revaluation of investments			
		1,135,629	1,258,151
<b>Deductible temporary differences</b>			
Accelerated depreciation for tax purposes		(3,657,047)	363,375
Difference in accounting and tax base of intangible assets		(4)	491
Liability against assets subject to finance lease - net		1,431,490	(1,179,186)
Provision for doubtful debts		120,923,302	120,923,302
		118,697,741	120,107,982
		119,833,370	121,366,133

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
14. SHORT TERM INVESTMENTS		----- (Rupees) -----	
<b>At fair value through profit or loss</b>			
Quoted equity securities	14.1	<b>82,989,290</b>	487,185,287
Exchange Traded Fund	14.2	<b>2,374,705</b>	-
<b>At fair value through other comprehensive income</b>			
Privately placed term finance certificates - unsecured	14.3	-	-
Current maturity of long term investments - secured	12	<b>28,066,667</b>	29,066,667
Advance against subscription of right shares		-	2,280,000
		<b>113,430,662</b>	<b>518,531,954</b>

## 14.1 Quoted equity securities

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

		September 30,		December 31,	
		2020		2019	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
September 30,	December 31,				
2020	2019				
		Average cost		Fair value	
					(Rupees)
75,000	598,500	The Bank of Punjab	728,750	741,000	6,781,005
20,000	227,500	Amreli Steels Limited	1,005,000	875,400	8,217,300
15,000	-	Avanceon Limited	1,068,550	1,008,300	-
-	-	Cherat Cement Company Limited	-	-	-
-	-	Engro Corporation Limited	-	-	-
651,000	-	Hascol Petroleum Limited	13,770,650	13,137,180	-
2,000	6,000	Habib Bank Limited	266,010	261,480	944,520
26,500	519,500	National Bank of Pakistan	1,072,830	1,056,820	22,494,350
101,500	211,500	Fauji Fertilizer Bin Qasim Limited	2,306,340	2,045,230	4,128,480
-	40,500	Nishat Chunian Limited	-	-	1,727,325
-	5,000	National Refinery Limited	-	-	705,400
		Oil & Gas Development			
10,000	153,000	Company Limited	1,110,750	1,036,000	21,774,960
		Pakistan State Oil			
1,000	382,500	Company Limited	205,500	200,200	73,302,300
-	319,500	The Searle Company Limited	-	-	60,302,430
		Sui Northern Gas			
15,000	-	Pipelines Limited	969,000	927,150	-

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

		September 30,		December 31,	
		2020		2019	
Number of shares		Name of company		(Un-audited)	(Audited)
September 30,	December 31,			Average cost	Fair value
2020	2019				(Rupees)
(Un-audited)	(Audited)				
-	12,000	The General Tyre and Rubber		-	669,120
8,000	61,000	The Hub Power Company Limited	674,000	627,680	5,694,350
4,000	3,500	United Bank Limited	500,000	405,440	575,750
35,000	420,000	Attock Refinery Limited	5,745,080	4,881,800	46,909,800
-	1,985,500	K-Electric Limited *	-	-	8,676,635
		D. G. Khan Cement			
75,500	633,000	Company Limited	8,407,660	7,784,810	47,012,910
		Mughal Iron and Steel			
-	19,000	Industries Limited	-	-	778,430
-	75,500	NetSol Technologies Limited	-	-	4,972,430
338,500	85,000	Pakistan Petroleum Limited	33,161,140	31,162,310	11,656,900
3,500	316,500	Engro Fertilizers Limited	209,300	212,870	23,240,595
		Frieslandcampins Engro			
-	3,500	Foods Limited	-	-	277,550
		Engro Polymer &			
1,000	549,000	Chemicals Limited	44,750	40,260	18,232,290
		Fatima Fertilizer			
-	21,500	Company Limited	-	-	2,181,605
-	253,000	Fauji Cement Company Limited	-	-	3,936,680
-	158,500	Fauji Foods Limited	-	-	2,293,495
11,000	935,000	International Steels Limited	904,300	847,440	54,127,150
3,000	-	International Industries Limited	474,600	434,820	-
		Lotte Chemical			
-	227,000	Pakistan Limited	-	-	3,182,540
		Maple Leaf Cement			
126,000	190,000	Factory Limited	4,933,120	4,522,140	4,396,600
27,000	17,000	Nishat Mills Limited	2,780,460	2,728,890	1,804,380
100,500	513,000	Pak Elektron Limited	3,847,540	3,322,530	13,886,910
11,000	153,500	Pioneer Cement Limited	1,050,590	997,700	4,680,215
3,000	18,000	Pakistan Oilfields Limited	1,307,790	1,263,990	8,040,960
		Sui Southern Gas			
-	559,500	Company Limited	-	-	12,040,442
		Kot Addu Power			
35,000	-	Company Limited	957,500	922,600	-
175,000	-	Power Cement Limited	1,649,000	1,545,250	-
-	468,000	Unity Foods Limited	-	-	7,539,480
		Unrealised gain on remeasurement at fair value through profit or loss - net	(6,160,920)	-	-
			82,989,290	82,989,290	487,185,287

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

## **Notes To The Condensed Interim Financial Statements**

For the nine months ended September 30, 2020

## **14.2 Exchange Traded Fund**

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

Number of shares/fund		Name of company	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)		Average cost ----- (Rupees)-----	Fair value ----- -
429	-	Bank AL-Habib Limited	27,845	27,701
444	-	Engro Corporation Limited	134,824	133,657
599	-	Fauji Fertilizer Company Limited	65,614	64,686
608	-	Habib Bank Limited	79,731	79,490
644	-	Hub Power Company Limited	52,839	50,528
186	-	Lucky Cement Limited	111,219	120,355
269	-	MCB Bank Limited	47,393	46,758
622	-	Oil and Gas Development Company Limited	68,280	64,439
359	-	Pakistan Oilfields Limited	144,733	151,257
487	-	Pakistan Petroleum Limited	46,454	44,833
329	-	Pakistan State Oil Company Limited	63,267	65,866
465	-	United Bank Limited	57,139	53,526
		NIT Pakistan Gateway		
22,500	-	Exchange NITG - ETF Traded Fund	269,244	265,500
245	-	Bank Alfaalah Limited	8,636	8,521
289	-	Engro Fertilizers Limited	17,993	17,577
246	-	Engro Corporation Limited	74,194	74,053
311	-	Fauji Fertilizer Company Limited	33,980	33,585
398	-	Habib Bank Limited	52,667	52,035
661	-	Hub Power Company Limited	55,114	51,862
149	-	Lucky Cement Limited	91,400	96,413
147	-	MCB Bank Limited	25,460	25,552
325	-	United Bank Limited	39,946	37,411
		UBL Pakistan Enterprise		
62,000	-	Exchange UBLP-ETF Traded Fund	810,960	809,100
		Unrealised gain on		
		remeasurement at fair value		
		through profit or loss - net	(4,227)	
			2,378,932	2,374,705

### **14.3 Privately Placed Term Finance Certificates - Unsecured**

September 30, 2020 (Un-audited)

September 30, 2020 (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)	14.3.1	October 19, 2020	326,456,184
		Provision for impairment			(326,456,184)
December 31, 2019 (Audited)					

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

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

	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----	
<b>15. TRADE DEBTS</b>			
Purchase of shares on behalf of clients		553,725,740	459,764,044
Advisory services		587,271	2,799,786
Forex and fixed income commission		9,754,943	7,887,494
Commodity		97,330,073	45,258,434
		<b>661,398,027</b>	515,709,758
<b>Considered doubtful</b>		<b>409,285,717</b>	409,285,717
		<b>1,070,683,744</b>	924,995,475
Provision for doubtful debts		<b>(409,285,717)</b>	(409,285,717)
	15.1	<b>661,398,027</b>	515,709,758

**15.1** Included herein is a sum of Rs.1.606 (2019: Rs.215.397) million receivable from related parties.

	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees) -----	
<b>16. INTEREST AND MARK-UP ACCRUED</b>			
Accrued mark-up on margin finance		3,278,538	12,133,320
Accrued mark-up on term finance / sukuk certificates		1,202,493	2,435,978
Profit receivable on bank deposits		474,410	383,825
		<b>4,955,441</b>	14,953,123

## 17. CASH AND BANK BALANCES

Cash with banks:

- Current accounts		18,716,227	4,043,558
- Profit or loss savings (PLS) / deposit accounts	17.1	1,960,900,471	1,198,257,740
		1,979,616,698	1,202,301,298
Cash in hand		225,198	756,438
	17.2	<b>1,979,841,896</b>	1,203,057,736

**17.1** These carry profit / mark-up rates ranging from 2.75% to 12.75% (2019: 6.75% to 12.75%) per annum.

**17.2** These include balances with the Parent Company amounting to Rs.1,910.907 (2019: Rs.1,191.916) million.

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

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

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- (Rupees) -----		
Customers' assets held in the designated bank accounts	<u>1,304,474,578</u>	<u>1,002,724,903</u>
Customers' assets held in the CDC	<u>30,557,153,925</u>	<u>33,921,514,583</u>
<b>17.4</b> Securities pledged with financial institutions	<u>6,043,557,409</u>	<u>3,748,885,157</u>

18.	(Un-audited)			
	Nine months ended		Three months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
----- (Rupees) -----				
<b>OPERATING REVENUE</b>				
Brokerage and operating income	408,739,310	202,183,754	191,548,238	68,239,799
Advisory and consultancy fee	<u>21,413,352</u>	<u>26,482,331</u>	<u>4,895,727</u>	<u>5,730,230</u>
	<u>430,152,662</u>	<u>228,666,085</u>	<u>196,443,965</u>	<u>73,970,029</u>
----- (Rupees) -----				
<b>FINANCE COST</b>				
Commission expense on bank guarantee	3,366,105	3,523,979	1,162,637	1,107,853
Mark-up expense on SBP re-finance scheme against salaries	301,252	-	301,252	-
Bank and other charges	126,468	211,141	46,090	51,844
Interest expense on assets subject to finance lease	<u>10,726,226</u>	<u>26,887,461</u>	<u>914,332</u>	<u>9,218,313</u>
	<u>14,520,051</u>	<u>30,622,581</u>	<u>2,424,311</u>	<u>10,378,010</u>

## 20. TAXATION

- 20.1** For the tax years 2015, 2016 and 2017, orders under section 4B were passed by the tax officer raising demands of Super tax at Rs. 24,317,509, Rs. 24,483,669, Rs. 19,490,281 for each of the above tax years respectively. The orders raising demand pertaining to super tax was later confirmed by the CIRA and the Honorable ATIR. The Company has also now filed reference application before the Honorable SHC against the appellate order of the ATIR [ITRA Nos. 52 to 53 of 2020] wherein the case will be decided on merits. In pursuance of the judgement of Hon'able Supreme Court of Pakistan (SCP), the Company has paid 50% of tax demands raised in respect of tax years 2016 and 2017 to maintain the suits before Sindh High Court. Whereas, no amount of super tax demand has been paid for tax year 2015.

The Honorable SHC vide order dated July 21, 2020 has dismissed the CP pertaining to TY 2015, however suits pertaining to TY 2016 and 2017 have not been disposed of. The Company is currently evaluating the legal options to approach the Supreme Court to challenge the aforesaid decision of SHC and seek interim relief in respect of the outstanding super tax demand for all three years.

- 20.2** There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2019.

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

21.	EARNINGS PER SHARE - BASIC AND DILUTED	(Un-audited)			
		Nine months ended September 30, 2020		Three months ended September 30, 2020	
		September 30, 2019	----- (Rupees)-----	September 30, 2020	September 30, 2019
Profit after taxation	<u>136,471,200</u>	6,034,035	<u>75,089,998</u>	610,185	
Weighted average number of shares	<u>30,557,000</u>	38,007,000	<u>30,557,000</u>	38,007,000	
Earnings per share - basic and diluted	<u>4.47</u>	0.16	<u>2.46</u>	0.02	

## 22. RELATED PARTY TRANSACTIONS

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

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

	September 30, 2020		December 31, 2019	
	2020 (Un-audited)		2019 (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
<b>(Rupees)</b>				
<b>Trade debts</b>				
Opening balance	711,750	133,527,922	751,152	126,548,025
Invoiced during the year	5,819,114	2,585,188,153	36,535,541	12,197,459,991
Received during the year	(6,506,887)	(2,717,158,048)	(36,574,943)	(12,190,480,094)
Closing balance	23,976	1,558,027	711,750	133,527,922
<b>Trade payable</b>				
Opening balance	4,819,790	777,619	908,271	20,887,955
Invoiced during the year	249,300,338	9,338,343,667	23,706,106	1,013,526,640
Paid during the year	(253,391,972)	(9,338,241,251)	(19,794,587)	(1,033,636,976)
Closing balance	728,156	880,035	4,819,790	777,619

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	September 30, 2020 2020 (Un-audited)	December 31, 2019 2019 (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) -----				
<b>Loans and advances</b>				
Opening balance	<b>9,951,648</b>	-	4,068,315	-
Disbursements during the year	<b>3,832,000</b>	-	9,837,000	-
Repayments during the year	<b>(3,226,565)</b>	-	(3,953,667)	-
Closing balance	<b>10,557,083</b>	-	9,951,648	-
----- (Rupees) -----				
<b>Balances with Parent Company</b>				
Trade debts	<b>24,123</b>		902,218	
Bank balances with parent company	<b>1,910,906,512</b>		1,191,916,629	
Other payable	<b>6,960</b>		6,960	
Loan payable against SBP refinance scheme	<b>56,682,267</b>		-	
Interest payable	<b>301,252</b>		-	
<b>Balances with ultimate Parent Company</b>				
Trade debts	<b>-</b>		80,255,294	
Trade Payable	<b>34,984,715</b>		-	
Other receivables	<b>281,050</b>		272,757	
Mark-up receivable on term finance certificates	<b>120,411</b>		736,044	
Principal outstanding on term finance certificates	<b>12,500,000</b>		15,000,000	
<b>Balances with associated entities of group companies</b>				
Other receivables	<b>1,334,459</b>		1,334,459	
Advance against purchase of property	<b>599,076,000</b>		-	
Security Deposit	<b>3,035,200</b>		3,035,200	
Principal outstanding on term finance certificates	<b>20,005,000</b>		-	

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
----- (Rupees) -----	

## **Transactions with associated entities of group companies**

### **Nature of transactions**

Brokerage income	<u><u>25,213,933</u></u>	<u><u>13,680,173</u></u>
------------------	--------------------------	--------------------------

## **Transactions with the Parent Company**

### **Nature of transactions**

Purchase of Pakstan investment bonds	-----	83,215,938
Sale of Sukuk Certificate	-----	25,044,918
Brokerage income	<u><u>4,144,063</u></u>	2,728,619
Purchase of term deposit	-----	2,700,000,000
Sale of term deposit	-----	1,901,965,370
Mark-up income on term deposit	-----	2,339,178
Rent, utilities and consultancy charges	-----	4,500,000
Bank charges	<u><u>50,144</u></u>	122,441
Mark-up on deposit accounts	<u><u>66,706,175</u></u>	106,779,648
Gain on sukuk certificate	-----	25,000

September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
----- (Rupees) -----	

## **Transactions with ultimate Parent Company**

### **Nature of transactions**

Brokerage income	<u><u>5,682,349</u></u>	<u><u>802,501</u></u>
Reimbursement of expenses by the ultimate parent company	-----	70,828
Reimbursement of expenses to the ultimate parent company	<u><u>1,548,000</u></u>	17,282,489
Advisory and Market maker fee received	<u><u>375,000</u></u>	500,000
Mark-up received on term finance certificates	<u><u>1,522,411</u></u>	1,911,634
Principal received on term finance certificates	<u><u>2,500,000</u></u>	5,250,000

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)		
	----- (Rupees) -----			
<b>Transactions with key management personnel of the Company and its Parent Company</b>				
<b>Nature of transactions</b>				
Brokerage income	<u>1,902,934</u>	<u>129,704</u>		
Directors' remuneration	<u>2,050,000</u>	<u>1,300,000</u>		
Remuneration paid to Chief Executive Officer	<u>25,049,802</u>	<u>24,829,367</u>		
Remuneration paid to key management personnel	<u>99,427,821</u>	<u>71,592,258</u>		
<b>Transactions with other related parties</b>				
<b>Nature of transactions</b>				
Royalty expense	<u>11,250,000</u>	<u>11,250,000</u>		
Brokerage expense	<u>-</u>	<u>454,535</u>		
Insurance expense	<u>8,421,299</u>	<u>14,412,319</u>		
Sale of sukuk certificates	<u>1,311,063,703</u>	<u>3,454,088,124</u>		
Mark-up on sukuk certificates	<u>-</u>	<u>128,668</u>		
Capital gain on sale of sukuk certificates	<u>7,861,500</u>	<u>2,712,414</u>		
Sale of term finance certificates	<u>39,435,913</u>	<u>1,313,762,758</u>		
Capital gain on sale of term finance certificates	<u>259,800</u>	<u>-</u>		
Contributions to staff provident fund	<u>9,973,663</u>	<u>10,161,007</u>		

September 30, 2020 (Un-audited)

	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	408,739,310	175,969,341	40,547,909	625,256,560
Loss on remeasurement of investments	-	(6,165,147)	-	(6,165,147)
Administrative and operating expenses	(203,295,015)	(26,247,639)	(104,768,259)	(334,310,913)
Depreciation	(19,735,829)	(13,294,649)	(27,211,306)	(60,241,784)
Amortisation of intangible assets	-	-	(2,000)	(2,000)
Finance cost	(14,520,051)	-	-	(14,520,051)
	<u>171,188,415</u>	<u>130,261,906</u>	<u>(91,433,656)</u>	<u>210,016,665</u>

## 23. OPERATING SEGMENTS

Segment revenues	408,739,310	175,969,341	40,547,909	625,256,560
Loss on remeasurement of investments	-	(6,165,147)	-	(6,165,147)
Administrative and operating expenses	(203,295,015)	(26,247,639)	(104,768,259)	(334,310,913)
Depreciation	(19,735,829)	(13,294,649)	(27,211,306)	(60,241,784)
Amortisation of intangible assets	-	-	(2,000)	(2,000)
Finance cost	(14,520,051)	-	-	(14,520,051)
	<u>171,188,415</u>	<u>130,261,906</u>	<u>(91,433,656)</u>	<u>210,016,665</u>

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

	September 30, 2020 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Gain on sale of property and equipment				69,668
Gain on termination of lease				19,755,341
Provision for Sindh Workers' Welfare Fund				(4,596,833)
Taxation				(88,773,641)
Profit after tax				<u>136,471,200</u>
Segment assets	<u>2,596,269,547</u>	<u>1,418,189,184</u>	<u>527,685,369</u>	<u>4,542,144,100</u>
Segment liabilities	<u>1,731,398,462</u>	<u>-</u>	<u>430,382,055</u>	<u>2,161,780,517</u>

There were no major customer of the Company which derived 10 percent or more of the Company's revenue. All non-current assets of the Company as at September 30, 2020 and December 31, 2019 are located and operating in Pakistan.

	September 30, 2019 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	202,183,754	225,569,222	34,628,229	462,381,205
Gain on remeasurement of investments	-	10,962,282	-	10,962,282
Administrative and operating expenses	(220,001,758)	(18,906,567)	(122,321,391)	(361,229,716)
Depreciation	(16,064,303)	(16,053,797)	(28,693,996)	(60,812,096)
Amortisation of intangible assets	-	-	(42,833)	(42,833)
Finance cost	(30,622,581)	-	-	(30,622,581)
	(64,504,888)	201,571,140	(116,429,991)	20,636,261
Gain on sale of property and equipment				4,666,371
Provision for Sindh Workers' Welfare Fund				(506,052)
Taxation				(18,762,544)
Profit after tax				<u>6,034,035</u>
Segment assets	<u>1,540,655,424</u>	<u>2,352,449,183</u>	<u>521,939,038</u>	<u>4,415,043,645</u>
Segment liabilities	<u>1,343,772,063</u>	<u>-</u>	<u>470,578,319</u>	<u>1,814,350,382</u>

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

## 24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

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

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

September 30, 2020 (Un-audited)				
Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Quoted equity securities	82,989,290	-	-	82,989,290
Exchange Traded Fund	2,374,705			2,374,705
	<u>85,363,995</u>	<u>-</u>	<u>-</u>	<u>85,363,995</u>
Fair value through other comprehensive income				
Quoted equity securities	21,809,235	-	-	21,809,235
Term finance / sukuk certificates	113,190,823			113,190,823
	<u>135,000,058</u>	<u>-</u>	<u>-</u>	<u>135,000,058</u>

# Notes To The Condensed Interim Financial Statements

For the nine months ended September 30, 2020

December 31,  
2019  
(Audited)

Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Quoted equity securities	487,185,287	-	-	487,185,287
	487,185,287	-	-	487,185,287
<hr/>				
<b>Fair value through other comprehensive income</b>				
Quoted equity securities	27,492,853	-	-	27,492,853
Term finance / sukuk certificates	111,672,013			111,672,013
	139,164,866	-	-	139,164,866

## 25. 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 analyst, a technical analyst, a librarian and a data administrator). All members report to Head of Research who in turn reports to CEO.

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

During the period ended September 30, 2020, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.15.639 million, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

## 26. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on October 21, 2020.

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Director

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Chief Executive Officer

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Chief Financial Officer



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Liaquat Road, Faisalabad

**Hyderabad Branch**  
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Auto Bhan Road, unit No. 3, Latifabad, Hyderabad

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

**Islamabad Branch**  
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