

2022

Half Yearly Report

 JS Global

EXCEPTIONAL

Values · Products · Services



EXCEPTIONAL

Values · Products · Services

2022

Half Yearly Report

JS Global Capital Limited ("JSGCL") is one of the Pakistan's largest and oldest Brokerage and Investment Banking firm incorporated under the local laws of Pakistan applicable to the Company and is part of the JS Group. The Company has exceptional leadership position in the domestic capital market together with one of the largest market share in equity brokerage. Besides this, the Company offers the range of other services as well which includes Money Market, Forex and Commodity brokerage, Advisory, Underwriting, Book Running and Consultancy services. The Company objectively follows its long term strategic plan to achieve its goals which ultimately translate into better returns and value creation for all its Stakeholders.



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The background of the entire page is a sepia-toned image. It features a vintage-style world map with various geographical labels. Overlaid on the map is a large, detailed brass telescope, angled diagonally from the bottom left towards the top right. The lighting is warm, creating a sense of history and exploration.

Vision

To be the leader in
the financial
service sector

Mission

To ensure growth of
various financial
services by creating
new products
and services in
financial sector

Company Information

Board of Directors

Mr. Shahab Anwar Khawaja	Chairman - Independent Director
Mr. Muhammad Kamran Nasir	Chief Executive Officer
Mr. Iftikhar Ahmed Rao	Independent Director
Mr. Muhammad Yousuf Amanullah	Executive Director
Mr. Salaal Hasan	Non-Executive Director
Ms. Shireen Raza	Non-Executive Director
Mr. Hasan Saeed Akbar	Non-Executive Director
Mr. Fahad Viqar Siddiqui	Non-Executive Director

Audit Committee

Mr. Iftikhar Ahmed Rao	Chairman
Mr. Salaal Hasan	Member
Ms. Shireen Raza	Member
Mr. Hasan Saeed Akbar	Member

Risk Management Committee

Mr. Shahab Anwar Khawaja	Chairman
Mr. Muhammad Kamran Nasir	Member
Mr. Muhammad Yousuf Amanullah	Member
Mr. Fahad Viqar Siddiqui	Member

Human Resource & Remuneration Committee

Mr. Iftikhar Ahmed Rao	Chairman
Mr. Muhammad Kamran Nasir	Member
Mr. Muhammad Yousuf Amanullah	Member
Mr. Hasan Saeed Akbar	Member
Mr. Fahad Viqar Siddiqui	Member

Mr. Fahad Muslim	Chief Financial Officer
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Syed Sufyan Ahmed	Company Secretary
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External Auditor

KPMG Taseer Hadi & Co. Chartered Accountants
Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi

Legal Advisors

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

Abdul Majeed Khoso
1102 Kashif Center, Shahrah e Faisal, Karachi

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

Bankers

JS Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Bank Alfalah Limited
National Bank of Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited

BankIslami Pakistan Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Askari Bank Limited
Sindh Bank Limited
Summit Bank Limited

Share Registrar

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

Registered Office

The Center 17th & 18th Floor, Plot No. 28, S.B.5, Abdullah Haroon Road, Karachi.
UAN: (+92-21) 111 574 111 Fax: (+92-21) 3280 0167
Web: www.jsqcl.com | www.jsqlobalonline.com

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, 2022.

The summarized results are set out below:-

	For the Six months ended	
	June 30, 2022	June 30, 2021
	Rupees	
Profit before tax	41,920,737	304,517,145
Profit after tax	10,555,014	223,835,575
Earnings per share	0.38	7.45

THE ECONOMY

Pakistan's headline inflation continued an uptrend during the last quarter of the year, taking FY22 CPI to 12.1%. vis-à-vis 8.9% during FY21, led by higher food inflation and sharp rise in POL product prices in the month of Jun-2022. During the same period the State Bank of Pakistan increased the Policy Rate by another 400 bp, taking it to 13.75% as the end of the year.

On the other hand, tax collection growth remained robust with FY22 collection reaching to Rs6.13 trillion, up 29% YoY. The collection has surpassed the target by Rs25 billion. On the fiscal end, the deficit has reached 4% of GDP during 9MFY22, while primary deficit was reported at 0.7% of GDP over expanding expenditures despite improving tax collection.

In addition, the external account faced pressures with mounting import bill, taking FY22 Current Account Deficit (CAD) to US\$17.4 billion, as compared to a deficit of US\$2.8 billion during FY21. The 27% YoY higher exports and single-digit growth in remittances fell short to compensate for 33% YoY jump in the import bill owing to higher machinery imports, vaccine imports and higher commodity prices.

The expanding external account deficit and scheduled debt payments declined the country's foreign exchange reserves decreased by US\$9 billion to US\$15.5 billion as at 24 June 2022. During the same period, SBP's foreign exchange reserves witnessed the most decline leading to 23% depreciation of PKR against the US\$.

EQUITY CAPITAL MARKET

A rollercoaster ride filled with macro developments, including the FY23 Federal Budget bringing higher tax measures, ended with KSE100 Index losing 7.5% during 2QCY22 and wiping out gains made during 1QCY22. Given an 11% PKR depreciation against the US\$ during the quarter, US\$-based performance of the KSE100 reflected a decline of 17.6%. Market participants showed concerns over a lack of clarity on

the resumption of IMF program and pressure on the external account. Noise on the domestic political front also played its part in weighing down the performance of the equity market during 2QCY22.

Sector-wise performance showed Cement (-23.1% QoQ), Auto Parts (-19.1% QoQ) and Engineering (-19.0% QoQ) among the laggards, while Refinery (+19.1% QoQ) and Oil Marketing companies (+3.0% QoQ) were listed among the outperformers.

Market witnessed better participation on back of political clarity with volumes gaining 7% QoQ to 249mn shares per day. With respect to market participation, Individuals (US\$75mn) and Banks (US\$43mn) absorbed most of the buying, while key net sellers during the period were Mutual Fund (US\$66mn) and Foreign Investors (US\$26mn).

COMMODITIES MARKET

During 2QCY22, Gold traded at an average of US\$1935/oz. Gold touched its high of US\$2045/oz in the month of March. Gold closed the quarter at US\$1,789/oz from US\$1,980/oz at the start of the quarter witnessing a decline of approx. 20%.

During 2QCY22, Brent Oil touched its peak of US\$123.5/barrel on account of supply side concerns. Oil started to decline on account of recession fear as major economies around the globe started to slow down due inflationary pressures on account of higher commodity prices, triggering monetary tightening by central banks around the globe.

During the period under review, JSGCL's trading activity has improved by increasing 33% trading volume from the corresponding period.

JSGCL No. of Contract Traded

April-21 to June-21	20,539
April-22 to June-22	27,313

MONEY MARKET

The money market remained turbulent during the FY22, where SBP increased the Policy Rate by a cumulative 400 basis points - 2.5% in April-2022 and 1.5% in May-2022, to combat the economic impact from higher inflation.

The cut-off yields of Treasury Bills at the end of June 2022 were 15.23% for 3M, 14.8001% for 6M and 14.9499% for 12M tenor respectively. Total participation in 3M T-Bills remains high, whereas participation decreased in 6M and 12M T-Bills.

Participation in PIBs also increased due to anticipation of higher inflation and increase in Policy Rate. As a result, PIB cut-off yield also remained high. In the June-2022 auction, the cut-off yield of 3Y, 5Y and 10Y PIBs stood at 13.97%, 13.18% and 13.15% respectively. On the other hand, lesser activity was witnessed in floating rates PIBs.

Moreover, in Fixed Rate GOP Ijarah Sukuk's (FRR) auction the cut-off yield was 12.9406% whereas in the Variable Rate GOP Ijarah Sukuk's (VRR) auction the cut-off price for 5 year maturity was 14.5100%.

FOREIGN EXCHANGE MARKET

During 2QCY22, Rs/US\$ opened at 183.47 as compared to 152.75 in the corresponding period last year. Rupee touched its high of Rs181.50/US\$ on 17/04/22 only to decline to Rs211.75/USD by 23/06/22. Rs/US\$ closed the quarter at 204.84.

April 2022's average swap for 1-Month, 3-Month & 6-Months opened at 1.86, 4.75 & 8.78 paisa respectively. Moreover, 1-Month swap witnessed an upward trend in March 2022 (trading at 1.99 paisa) while 3-month and 6-month swaps appreciated in March 2022 (trading at 550 paisa and 990 paisa respectively). Average swaps closed in the quarter April-June 2022 at an average of 258 to 573 Paisa.

The country's total foreign exchange reserves closed at US\$17.4bn for 1QCY22. During 2QCY22, FX reserve further declined to US\$15.5bn.

THE BOARD

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

BOARD OF DIRECTORS

S. No	Name of Director
1	Mr. Shahab Anwar Khawaja
2	Mr. Muhammad Kamran Nasir (CEO)
3	Mr. Iftikhar Ahmed Rao
4	Mr. Muhammad Yousuf Amanullah
5	Ms. Shireen Raza
6	Mr. Hasan Saeed Akbar
7	Mr. Fahad Viqar Siddiqui
8	Mr. Salaal Hasan

AUDIT COMMITTEE

S. No	Name of Director
1	Mr. Iftikhar Ahmed Rao
2	Mr. Salaal Hasan
3	Ms. Shireen Raza
4	Mr. Hasan Saeed Akbar

HUMAN RESOURCE & REMUNERATION COMMITTEE

S. No	Name of Director
1	Mr. Iftikhar Ahmed Rao
2	Mr. Muhammad Yousuf Amanullah
3	Mr. Muhammad Kamran Nasir
4	Mr. Hasan Saeed Akbar
5	Mr. Fahad Viqar Siddiqui

RISK MANAGEMENT COMMITTEE

S. No	Name of Director
1	Mr. Shahab Anwar Khawaja
2	Mr. Muhammad Yousuf Amanullah
3	Mr. Muhammad Kamran Nasir
4	Mr. Fahad Viqar Siddiqui

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 10.555 million for the Six months ended June 30, 2022 vis-a-vis net income of PKR 223.835 million in the comparative period last year, reporting a decrease of 95.28% over the same period. Operating revenue of the Company decreased by 62.7% over the same period last year. On the cost front, the Company incurred a cumulative of PKR 342.844 million (up by 3.21%) for the said period in respect of administrative and operating expenses.

The Earnings per Share (EPS) of the Company for the period stood at PKR 0.38, against EPS of Rs.7.45 for the corresponding period last year, reflecting a decrease of 94.90%. The decrease in profitability is directly attributable to the significant decline in volumes at the bourse during the period under consideration vis-à-vis comparative period last year.

Despite on-going market-related challenges and the country's economic headwinds, the Company is

focused on maintaining its growth momentum in the long run. Management is acutely monitoring its resources to reap maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage, fee-based operations and treasury management.

ACKNOWLEDGEMENT

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

We would like to acknowledge the Securities and Exchange Commission of Pakistan (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 taken to protect investor rights.

Chief Executive Officer

Director

Date: August 22nd, 2022



FINANCIAL STATEMENTS



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Global Capital Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of JS Global Capital Limited ("the Company") as at June 30, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed 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 condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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



KPMG Taseer Hadi & Co.

Other matters

The figures for the quarter ended 30 June 2022 and 30 June 2021 in the condensed interim financial statements have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Taufiq.

Date: 24 August 2022

Karachi

UDIN: RR202210106TL0ePipJI

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

		June 30, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited)
EQUITY AND LIABILITIES	Note		
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2021: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up share capital	4	274,772,970	274,772,970
Share premium		1,810,104,900	1,810,104,900
Surplus on re-measurement of equity securities at fair value through other comprehensive income		2,522,662	9,388,710
Unappropriated profit		112,663,932	102,108,918
		<u>2,200,064,464</u>	<u>2,196,375,498</u>
LIABILITIES			
Non-current liabilities			
Long-term financing	6	473,163,750	552,135,000
Lease liability	7	5,086,501	7,602,136
		<u>478,250,251</u>	<u>559,737,136</u>
Current liabilities			
Current portion of deferred liability		629,925	1,897,534
Creditors, accrued expenses and other liabilities	8	1,612,624,234	2,724,571,721
Commercial Paper		-	953,670,325
Accrued profit		12,469,346	6,328,952
Unclaimed dividend		3,361,843	3,361,843
Current maturity of long-term financing		185,944,751	135,314,633
Current maturity of lease liability	7	11,015,046	9,274,266
		<u>1,826,045,145</u>	<u>3,834,419,274</u>
		<u>4,504,359,860</u>	<u>6,590,531,908</u>

Contingencies and Commitments

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

		June 30, 2022 (Un-audited) ----- (Rupees) -----	December 31, 2021 (Audited) -----
ASSETS	Note		
Non-current assets			
Property and equipment	10	830,614,241	857,694,424
Investment property	11	121,730,660	123,321,956
Intangible assets	12	5,000,000	5,000,000
Long term investments	13	51,940,714	62,337,622
Long term loans and deposits		35,417,645	31,105,006
Deferred taxation - net	14	114,703,403	112,542,761
		1,159,406,663	1,192,001,769
Current assets			
Short term investments	15	602,175,588	1,392,509,008
Trade debts	16	346,140,277	1,537,968,534
Receivable against margin finance		665,745,824	453,311,520
Loans and advances - considered good		37,559,820	30,295,071
Short-term deposits and prepayments		198,461,936	619,816,280
Interest and mark-up accrued	17	30,363,231	13,953,661
Other receivables		23,934,218	7,494,026
Advance tax		48,828,232	56,313,277
Cash and bank balances	18	1,391,744,071	1,286,868,762
		3,344,953,197	5,398,530,139
		4,504,359,860	6,590,531,908

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2022

	Note	Six months ended		Three months ended	
		June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2021 (Un-audited)	June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2021 (Un-audited)
Operating revenue	19	198,666,344	533,013,036	100,427,581	262,962,710
Capital gain on sale of investments - net		46,122,095	22,156,059	22,333,650	11,469,581
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		(13,287,566)	768,275	(50,323,659)	3,205,944
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net		14,890,162	(777,479)	56,064,718	(4,680,793)
Dividend income		28,978,384	5,228,093	13,887,904	4,738,322
Margin finance income		47,204,416	28,373,468	25,480,187	13,917,398
		322,573,835	588,761,452	167,870,381	291,613,162
Administrative and operating expenses		(342,844,088)	(332,177,117)	(173,565,901)	(185,158,026)
		(20,270,253)	256,584,335	(5,695,520)	106,455,136
Other operating income - net		152,455,639	59,199,838	63,031,215	34,823,247
		132,185,386	315,784,173	57,335,695	141,278,383
Provision for Sindh Workers' Welfare Fund		(866,351)	(6,214,636)	(328,076)	(2,776,915)
Finance cost	20	(89,398,298)	(5,052,392)	(41,462,344)	(2,432,648)
Profit before taxation		41,920,737	304,517,145	15,545,275	136,068,820
Taxation - current		(10,851,683)	(88,956,038)	(6,219,556)	(40,655,143)
- prior	21.2	(21,871,859)	-	(21,871,859)	-
- deferred		1,357,819	8,274,468	2,338,447	7,323,791
	21.1	(31,365,723)	(80,681,570)	(25,752,968)	(33,331,352)
Profit after taxation		10,555,014	223,835,575	(10,207,693)	102,737,468
Earnings per share - basic and diluted	22	0.38	7.45	(0.37)	3.47

The annexed notes 1 to 27 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 PERIOD ENDED JUNE 30, 2022

	Six months ended		Three months ended	
	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
	----- (Rupees) -----		----- Rupees -----	
Profit for the period	10,555,014	223,835,575	(10,207,693)	102,737,468
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently				
Surplus / (deficit) re-measurement of investments at fair value through OCI during the period- Equity securities	(7,754,395)	16,500,118	(2,991,983)	20,287,418
Less: Related tax	764,400	(1,751,709)	663,600	(1,864,209)
	(6,989,995)	14,748,409	(2,328,383)	18,423,209
Items that may be reclassified to statement of profit or loss subsequently				
Surplus / (deficit) re-measurement of at fair value through OCI during the period- Debt Securities	145,820	62,045	486,224	30,887
Less: Related tax	(21,873)	(9,307)	(72,934)	(4,633)
	123,947	52,738	413,290	26,254
Total comprehensive income / (loss) for the period	3,688,966	238,636,722	(12,122,786)	121,186,931

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2022

	Reserves					
	Issued, subscribed and paid-up share capital	Share premium	Unrealised gain / (loss) on revaluation of available-for-sale / fair value through other comprehensive income investments - net (Rupees)	Revenue reserve Unappropriated profit	Sub-total	Total
Balance as at January 01, 2021	305,570,000	1,810,104,900	11,441,759	319,321,963	2,140,868,622	2,446,438,622
Total comprehensive income for the period						
Profit for the six months ended June 30, 2021	-	-	-	223,835,575	223,835,575	223,835,575
Other comprehensive loss - net of tax	-	-	14,801,147	-	14,801,147	14,801,147
Total comprehensive income for the period	-	-	14,801,147	223,835,575	238,636,722	238,636,722
Transactions with owners						
Buy back of 3,079,703 shares having face value of Rs.10 each at a price of Rs.80 each	(30,797,030)	-	-	-	-	(30,797,030)
Amount paid in excess of face value of 7,450,000 shares	-	-	-	(215,579,210)	(215,579,210)	(215,579,210)
Balance as at June 30, 2021	274,772,970	1,810,104,900	26,242,906	327,578,328	2,163,926,134	2,438,699,104
Balance as at 1 January 2022	274,772,970	1,810,104,900	9,388,710	102,108,918	1,921,602,528	2,196,375,498
Profit for the six months ended June 30, 2022	-	-	-	10,555,014	10,555,014	10,555,014
Other comprehensive loss - net of tax	-	-	(6,866,048)	-	(6,866,048)	(6,866,048)
Total comprehensive income for the period	-	-	(6,866,048)	10,555,014	3,688,966	3,688,966
Transactions with owners						
Balance as at June 30, 2022	274,772,970	1,810,104,900	2,522,662	112,663,932	1,925,291,494	2,200,064,464

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2022

	June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2021 (Un-audited) ----- (Rupees) -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	41,920,737	304,517,145
Adjustments for:		
Depreciation of operating assets expense	34,242,039	30,673,981
Depreciation of right-of-use assets	3,432,856	4,076,082
Depreciation of investment property	1,591,296	1,591,296
Gain on sale of property and equipment	43,994,841	(2,263)
Unrealised gain / (loss) on remeasurement of investments at fair value through profit	13,287,566	(768,275)
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit	(14,890,162)	777,479
Provision for Sindh Workers' Welfare Fund	866,351	6,214,636
Finance cost	89,398,298	5,052,392
Cash generated from operating activities before working capital changes	171,923,085	47,615,328
Decrease in current assets	213,843,822	352,132,473
Trade debts	1,191,828,257	395,895,005
Receivable against margin finance	(212,434,304)	11,172,688
Loans and advances	(7,264,749)	(22,363,782)
Short-term deposits and prepayments	421,354,344	(21,857,025)
Interest and mark-up accrued	(16,409,570)	96,352
Other receivables	(16,440,192)	10,758,971
	1,360,633,786	373,702,209
(Decrease) / Increase in current liabilities	(1,059,606,941)	(462,487,641)
Creditors, accrued expenses and other liabilities	514,870,667	263,347,041
Cash generated from operations		
Finance cost paid	(52,470,058)	(3,625,629)
Taxes paid	(25,238,497)	(23,937,837)
Net cash generated from operating activities	437,162,112	235,783,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	10,186,068	(1,644,989)
Advance against purchase of property	-	-
Proceeds from disposal of operating assets	46,810,878	15,000
Long term loans, advances and deposits	(4,312,639)	(6,046,412)
Long term investments - net	(5,408,405)	34,676,600
Short term investments - net	791,936,016	204,912,244
Net cash (used in) / generated from investing activities	839,211,918	231,912,443
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid / adjustment	(137,386,485)	-
Lease rentals paid	(5,771,104)	(5,194,253)
Payment of buy back of shares	-	(246,376,240)
Deferred Liabilities	-	1,282,787
Repayment Commercial Paper	(1,000,000,000)	(28,341,141)
Repayment of long-term financing	(28,341,132)	(28,341,141)
Net cash used in financing activities	(1,171,498,721)	(278,628,847)
Increase in cash and cash equivalents during the period	104,875,309	189,067,171
Cash and cash equivalents at the beginning of the period	1,286,868,762	1,621,544,086
Cash and cash equivalents at the end of the period	1,391,744,071	1,810,611,257

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

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

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 Parent Company), 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 (2021: eight) in seven cities of Pakistan.

2. BASIS OF PREPARATION

2.1 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); and
- 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.

- 2.2** These condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2021.
- 2.3** The comparative condensed interim statement of financial position presented in these condensed interim financial information have been extracted from the audited annual financial statements of the Company for the year ended 31 December 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended 30 June 2021.
- 2.4** These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

2.5 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.

2.6 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.

2.7 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, 2021.

3. 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, 2021.

3.1 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, 2022 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.

3.1.1 New accounting standards/ amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.
- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted:

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

3.2 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, 2021.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

June 30, 2022	December 31, 2021		June 30, 2022	December 31, 2021
(Number of shares)			(Rupees)	
20,009,700	20,009,700	Ordinary shares of Rs.10 each fully paid in cash	200,097,000	200,097,000
29,990,300	29,990,300	Ordinary shares of Rs.10 each issued as bonus shares	299,903,000	299,903,000
(11,993,000)	(11,993,000)	First buy back of 11,993,000 shares having face value of Rs.10 each	(119,930,000)	(119,930,000)
(7,450,000)	(7,450,000)	Second buy back of 7,450,000 shares having face value of Rs.10 each	(74,500,000)	(74,500,000)
(3,079,703)	(3,079,703)	Third buy back of 3,079,703 shares having face value of Rs.10 each	(30,797,030)	(30,797,030)
27,477,297	27,477,297		274,772,970	274,772,970

4.1 The Parent company held 25,525,169 (2021: 25,525,169) ordinary shares of Rs.10 each at period end.

4.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective.

5. DEFERRED LIABILITY

Government Grant

Opening balance
Received during the year
Released to the statement of profit or loss
Closing balance

Current portion of Government Grant
Non-current portion of Government Grant

Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)	
	1,897,534	6,509,030
	-	-
	(1,267,609)	(4,611,496)
	629,925	1,897,534
	629,925	1,897,534
5.1	629,925	1,897,534

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

- 5.1** The government grant has been recorded against subsidized rate loan against State Bank of Pakistan's Refinance Scheme for Salaries and Wages to provide working capital loan at concessional interest rates for businesses to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees) -----	
6. LONG-TERM FINANCING		
Conventional		
Salaries and Wages	28,223,501	56,564,633
Short-term maturity	(28,223,501)	(56,564,633)
	-	-
Islamic		
Long-term Loan	630,885,000	630,885,000
Short-term maturity	(157,721,250)	(78,750,000)
Long-term maturity	473,163,750	552,135,000
	185,944,751	135,314,633

6.1 Long term finance utilised mark-up arrangements

	Number of installements and commencement date	Date of maturity	Rate of markup per annum	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
				----- (Rupees) -----	
Islamic BankIslami Pakistan Limited					
Diminishing Musharika	12 quarterly instalments November 21, 2022	November 21, 2024	3 months Kibor+1.5%	330,885,000	330,885,000
Islamic Dubai Islamic Bank Pakistan Limited					
Diminishing Musharika	12 quarterly instalments November 21, 2022	November 21, 2024	3 months Kibor+1.5%	300,000,000	300,000,000
Conventional JS Bank Limited					
Payroll Finance Facility	8 quarterly instalments August 12, 2020 & October 02, 2020	November 21, 2022	3%	28,223,501	56,564,633

- 6.2** The government grant has been recorded against subsidized rate loan against State Bank of Pakistan's Refinance Scheme for Salaries and Wages to provide working capital loan at concessional interest rates for businesses to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

6.3 Last year, the company obtained Diminishing Musharakah term finance facility, aggregating to Rs. 630.885 Million (2021:NIL). This facility is secured against charge over the property (16th and 17th Floor of building).

	June 30, 2022 (Un-audited) Notes	December 31, 2021 (Audited)
7. LEASE LIABILITY		
Opening balance	16,876,402	25,154,794
Interest expense	926,943	2,686,157
Disposal	-	-
Addition	4,112,901	
Payment of rentals	(5,814,699)	(10,964,549)
Closing balance	16,101,547	16,876,402
Less: Current maturity	(11,015,046)	(9,274,266)
	<u>5,086,501</u>	<u>7,602,136</u>

8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Trade creditors	8.1	1,291,263,238	2,170,742,315
Accrued expenses		65,107,522	58,916,629
Staff Provident Fund		3,140,138	2,758,038
Current portion of Government Grant		-	-
Provision for staff bonus		18,025,376	88,763,376
Provision for Sindh Workers' Welfare Fund		46,879,791	46,013,440
Others		188,208,169	357,377,923
	8.2	<u>1,612,624,234</u>	<u>2,724,571,721</u>

8.1 This includes payable to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.085 (2021: Rs.0.214) million and Rs. 85.250 (2021: Rs.890.66) million respectively in respect of trading in securities, settled subsequent to the period end.

	June 30, 2022 (Un-audited) Notes	December 31, 2021 (Audited)
8.2 Movement of provision for staff bonus is as follows:		
Balance at the beginning of the year	88,763,376	36,117,950
Paid during the year	(70,738,000)	(18,665,534)
Charged during the year	-	71,310,960
Balance at the end of the year	<u>18,025,376</u>	<u>88,763,376</u>

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no outstanding contingencies as at June 30, 2022 (2021: Nil) other than tax contingencies disclosed in note 21 of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Notes	(Rupees)	
9.2 Commitments			
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		599,609,275	1,395,782,715
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2023		400,000,000	400,000,000
10. PROPERTY AND EQUIPMENT			
Operating assets	10.1	817,840,105	844,801,235
Right-of-use assets	10.2	12,774,136	12,893,189
		830,614,241	857,694,424
10.1 Movement in operating assets - owned			
Book value at beginning of the period / year		844,801,235	874,531,953
Cost of additions during the period / year	10.1.1	10,186,068	32,236,507
Book value of deletions during the period / year	10.1.2	(2,905,159)	(12,737)
Depreciation charge for the period / year		(34,242,039)	(61,954,488)
Book value at end of the period / year		817,840,105	844,801,235
10.1.1 Details of additions during the period / year			
Office equipment		10,186,068	29,323,331
Office furniture		-	2,913,177
		10,186,068	32,236,508
10.1.2 Book value of deletions during the period / year:			
Office equipment		-	(12,737)
Motor vehicle		(2,905,159)	-
		(2,905,159)	(12,737)
10.2 Right-of-use assets			
Branches		12,774,136	12,893,189
11. INVESTMENT PROPERTY			
Cost		127,303,650	127,303,650
Additions		-	-
Accumulated Depreciation		(5,572,990)	(3,981,694)
Closing balance		121,730,660	123,321,956
12. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	12.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		5,000,000	5,000,000

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

12.1 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, 2022 (Un-audited)	December 31, 2021 (Audited)
Notes		(Rupees)	
13. LONG TERM INVESTMENTS			
	Classified as 'at fair value through Other Comprehensive Income'		
	Shares of PSX - at cost (2021: 2,202,953 shares)	23,060,884	23,060,884
	Term finance / sukuk certificates	28,291,667	31,080,000
		51,352,551	54,140,884
	Surplus on revaluation - net	588,163	8,196,738
		51,940,714	62,337,622

13.1 Term finance / sukuk certificates

Number of Certificates June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	Name of term finance / sukuks certificates	Carrying value June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
			(Rupees)	
3,000	3,000	Listed debt securities - secured	7,500,000	10,000,000
20	20	Jahangir Siddiqui & Co. Limited XI - related party	666,667	1,000,000
4,025	4,016	BYCO Petroleum Pakistan Limited - Sukuk - I	20,125,000	20,080,000
		BIPL Ehad Sukuk	28,291,667	31,080,000

13.2 Movement of surplus on revaluation of investment classified as at fair value through Other Comprehensive Income is as follows:

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)	
Balance at the beginning of the year	8,196,738	10,309,414
Surplus / (deficit) on re-measurement of investments during the year	(7,608,575)	(2,112,676)
Balance at the end of the year	588,163	8,196,738

14. DEFERRED TAXATION - NET

Taxable temporary difference

Difference in accounting and tax base of
- operating assets and investment property
Government grant

Deductible temporary differences

Lease Liability -net
Revaluation of investments
Allowance for expected credit losses

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)	
	(9,734,450)	(11,065,821)
	182,678	(550,285)
	(9,551,772)	(11,616,106)
	977,593	1,155,131
	623,638	349,792
	122,653,944	122,653,944
	124,255,175	124,158,867
	114,703,403	112,542,761

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Notes	----- (Rupees) -----	
15. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities - RBFS		595,703,160	1,386,669,860
Exchange Traded Fund		6,472,428	5,839,148
At fair value through other comprehensive income			
Privately placed term finance certificates - unsecured		-	-
		<u>602,175,588</u>	<u>1,392,509,008</u>
16. TRADE DEBTS			
Purchase of shares on behalf of clients		261,449,770	1,470,759,798
Advisory services		2,530,275	1,203,405
Forex and fixed income commission		9,646,262	6,516,850
Commodity		72,513,970	59,488,481
		<u>346,140,277</u>	<u>1,537,968,534</u>
Considered doubtful		<u>409,285,717</u>	<u>409,285,717</u>
		<u>755,425,994</u>	<u>1,947,254,251</u>
Provision for doubtful debts		(409,285,717)	(409,285,717)
	16.1	<u>346,140,277</u>	<u>1,537,968,534</u>
16.1	Included herein is a sum of Rs.3.620 (2021: Rs. 3.641) million receivable from related parties.		
		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	----- (Rupees) -----	
17. INTEREST AND MARK-UP ACCRUED			
Accrued mark-up on margin finance		28,603,280	12,629,367
Accrued mark-up on term finance / sukuk certificates		781,501	985,782
Interest receivable on bank deposits		978,450	338,512
		<u>30,363,231</u>	<u>13,953,661</u>
18. CASH AND BANK BALANCES			
Cash with banks:			
- Current accounts		31,212,169	17,444,983
- Profit or loss savings (PLS) / deposit accounts	18.1	<u>1,360,307,902</u>	<u>1,269,199,779</u>
		<u>1,391,520,071</u>	<u>1,286,644,762</u>
Cash in hand:		224,000	224,000
	18.2	<u>1,391,744,071</u>	<u>1,286,868,762</u>
18.1	These carry profit / mark-up rates ranging from 9.25% to 13.50% (2021: 2.75% to 13.25%) per annum.		
18.2	These include balances with the Parent Company amounting to Rs.1,135.652 (2021: Rs.1,247.162) million.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

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

	(Un-audited) June 30, 2022 ----- (Rupees) -----	(Audited) December 31, 2021
Customers' assets held in the designated bank accounts	<u>1,060,336,776</u>	1,242,787,363
Customers' assets held in the CDC	<u>40,332,531,938</u>	35,346,434,952
18.4 Securities pledged with financial institutions	<u>15,219,053,959</u>	13,720,458,795

	(Un-audited)			
	Six months ended		Three months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees) -----			
19. OPERATING REVENUE				
Brokerage and operating income	<u>192,391,000</u>	518,162,666	<u>96,687,303</u>	<u>261,852,924</u>
Advisory and consultancy fee	<u>6,275,344</u>	14,850,370	<u>3,740,278</u>	1,109,786
	<u>198,666,344</u>	<u>533,013,036</u>	<u>100,427,581</u>	<u>262,962,710</u>
20. FINANCE COST				
Mark-up on long-term loans	<u>39,077,279</u>	-	<u>21,246,375</u>	-
Mark-up on commercial paper	<u>46,329,675</u>	-	<u>18,345,310</u>	-
Commission expense on bank guarantee	<u>2,280,671</u>	2,255,770	<u>1,162,266</u>	1,118,406
Mark-up expense on SBP re-finance scheme against salaries	<u>580,446</u>	1,123,539	<u>194,888</u>	389,775
Bank and other charges	<u>203,284</u>	40,528	<u>99,566</u>	19,008
Interest expense on assets subject to finance lease	<u>926,943</u>	1,632,555	<u>413,940</u>	905,459
	<u>89,398,298</u>	<u>5,052,392</u>	<u>41,462,344</u>	<u>2,432,648</u>

21. TAXATION

21.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2021.

21.2 Prior year charge represents a super tax charge under section 4C of the Income Tax Ordinance, 2001, which is levied retrospectively, through Finance Act, 2022, on taxable income pertaining to the financial year ended December 31st, 2021 (Tax year 2022).

	(Un-audited)			
	Six months ended		Three months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees) -----			
22. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation	<u>10,555,014</u>	223,835,575	<u>(10,207,693)</u>	102,737,468
	----- (Number) -----			
Weighted average number of shares	<u>27,477,297</u>	30,063,567	<u>27,477,297</u>	29,575,556
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>0.38</u>	7.45	<u>(0.37)</u>	3.47

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

23. RELATED PARTY TRANSACTIONS

23.1 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:

	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Key management personnel of entity and associated entities	Associated entities other than parent company	Key management personnel of entity and associated entities	Associated en- tities other than parent company
	(Rupees)		(Rupees)	
Trade debts				
Opening balance	14,206	3,627,068	79,952	27,348,212
Invoiced during the year	(5,467,773)	(2,157,989,160)	7,279	439,157,098
Received during the year	5,486,540	2,157,691,991	(73,025)	(462,878,242)
Closing balance	32,973	3,329,899	14,206	3,627,068
Trade payable				
Opening balance	130,336,990	777,619	6,314,449	783,092
Invoiced during the year	222,675,137	169,907,794	1,452,595,975	1,468,430,320
Paid during the year	(337,068,520)	(140,065,120)	(1,328,573,434)	(1,214,249,806)
Closing balance	15,943,607	30,620,294	130,336,990	254,963,606
Loans and advances				
Opening balance	12,926,331	-	9,613,515	-
Disbursements during the year	8,214,122	-	10,239,346	-
Repayments during the year	(4,270,681)	-	(6,926,530)	-
Closing balance	16,869,772	-	12,926,331	-
			(Un-audited) June 30, 2022 (Un-audited) (Rupees)	(Audited) December 31, 2021 (Audited)
Balances with Parent Company				
Trade debts			327,783	-
Trade Payable			-	6,319
Bank balances with parent company			1,135,652,099	1,247,175,943
Other payable			6,960	6,960
Loan payable against SBP refinance scheme			28,223,501	56,564,633
Interest payable			265,976	428,611
Dividend Payable				127,632,045

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

Balances with ultimate Parent Company

Trade debts

Trade Payable

Other receivables

Mark-up receivable on term finance certificates

Principal outstanding on term finance certificates

Balances with associated entities of group companies

Other receivables

Principal outstanding on term finance certificates

Donation payable

Mark-up payable on commercial paper

Mark-up payable on long-term financing

Long-term financing

(Un-audited) June 30, 2022 (Un-audited) ----- (Rupees) -----	(Audited) December 31, 2021 (Audited) ----- (Rupees) -----
--	--

18,410	-
-	224,150,764
284,852	284,852
298,184	284,121
7,500,000	10,000,000
61,628	61,629
20,125,000	20,080,000
2,044,711	2,255,223
-	1,559,662
5,720,412	3,973,884
330,885,000	330,885,000

June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2021 (Un-audited) ----- (Rupees) -----
--	--

Transactions with associated entities of group companies

Nature of transactions

Brokerage income

Donation paid

Commercial Paper Principle Outstanding Paid

Mark-up paid on commercial paper

Rent Received

Long-term financing received

11,339,414	26,045,283
210,512	-
143,398,228	-
8,601,772	-
6,451,212	11,264,022
-	330,885,000

Transactions with the Parent Company

Nature of transactions

Brokerage income

Bank charges

Mark-up on running finance

Mark-up on deposit accounts

Dividend Paid

1,038,106	365,140
162,599	27,794
-	-
76,827,046	24,580,290
127,632,045	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

	June 30, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2021 (Un-audited)
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	3,821,306	7,603,732
Reimbursement of expenses by the ultimate parent company	127,033,542	60,000
Reimbursement of expenses to the ultimate parent company	21,395,949	5,376,314
Advisory and Market maker fee received	500,000	-
Mark-up received on term finance certificates	443,326	536,472
Principal received on term finance certificates	2,500,000	500,000
Transactions with key management personnel of the Company and its Parent Company		
Nature of transactions		
Brokerage income	536,278	11,960,312
Directors' remuneration	775,000	456,516
Remuneration paid to Chief Executive Officer	39,461,207	15,335,344
Remuneration paid to key management personnel	169,829,115	72,474,127
Transactions with other related parties		
Nature of transactions		
Royalty expense	10,000,000	7,500,000
Insurance expense	6,613,113	6,758,564
Purchase of term finance certificates	54,314,119	-
Sale of term finance certificates	153,560,440	-
Purchase of Pakistan investment bond	-	7,970,521
Sale of sukuk certificates	770,493,079	581,079,559
Mark-up on sukuk certificates	1,032,089	663,140
Capital gain on sale of sukuk certificates	6,809,600	3,764,075
Contributions to staff provident fund	9,294,701	7,270,285

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

24. OPERATING SEGMENTS

	June 30, 2022 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
Segment revenues	192,391,000	212,461,174	70,177,300	475,029,474
Administrative and operating expenses	(162,997,594)	(21,253,058)	(119,969,945)	(304,220,597)
Depreciation	(16,772,861)	(1,926,804)	(19,923,826)	(38,623,491)
Finance cost	(89,398,298)	-	-	(89,398,298)
	(76,777,753)	189,281,312	(69,716,471)	42,787,088
Gain on sale of property and equipment				-
Gain on termination of lease				-
Provision for Sindh Workers' Welfare Fund				(866,351)
Taxation				(31,365,723)
Profit after tax				10,555,014
Segment assets	2,695,808,547	1,390,820,463	440,168,793	4,526,797,803
Segment liabilities	1,858,112,746	-	442,832,650	2,300,945,396

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 June 30, 2022 and December 31, 2021 are located and operating in Pakistan.

	June 30, 2021 (Un-audited)			
	Brokerage	"Investment and treasury"	"Other operations"	Total
	(Rupees)			
Segment revenues	518,162,666	85,724,338	24,328,149	628,215,153
Gain / (Loss) on remeasurement of investments	-	(9,204)	-	(9,204)
Administrative and operating expenses	(159,600,359)	(24,693,103)	(112,544,271)	(296,837,733)
Depreciation	(16,071,870)	(1,577,371)	(17,690,143)	(35,339,384)
Amortisation of intangible assets	-	-	-	-
Finance cost	(5,052,392)	-	-	(5,052,392)
	337,438,045	59,444,660	(105,906,265)	290,976,440
Gain on sale of property and equipment				-
Gain on termination of lease				19,755,341
Provision for Sindh Workers' Welfare Fund				(6,214,636)
Taxation				(80,681,570)
Profit after tax				223,835,575
Segment assets	3,018,140,878	1,199,276,069	667,644,826	4,885,061,773
Segment liabilities	1,930,348,174	-	516,014,495	2,446,362,669

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

25. 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).

June 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees)			
Financial assets at fair value through profit or loss			
Quoted equity securities	595,703,160	-	595,703,160
Exchange Traded Fund	6,472,428	-	6,472,428
	<u>602,175,588</u>	<u>-</u>	<u>602,175,588</u>
Financial assets classified as 'available-for-sale securities'			
Quoted equity securities	51,940,714	-	51,940,714
	<u>51,940,714</u>	<u>-</u>	<u>51,940,714</u>

December 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees)			
Financial assets at fair value through profit or loss			
Quoted equity securities	1,386,669,860	-	1,386,669,860
Exchange Traded Fund	5,839,148	-	5,839,148
	<u>1,392,509,008</u>	<u>-</u>	<u>1,392,509,008</u>

Fair value through other comprehensive income

Quoted securities	62,337,622	-	62,337,622
	<u>62,337,622</u>	<u>-</u>	<u>62,337,622</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED June 30, 2022

26. DISCLOSURE UNDER RESEARCH ANALYST REGULATIONS 2015

The following disclosures are provided pursuant to compliance with Regulation 5(4) of Research Analyst Regulations, 2015:

At present, JSGCL employs nine members in its research department (including head of research, two 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, 2022, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.7,173,085, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

27. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 22nd 2022.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



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