

**20
24**
Third Quarterly
Report

ENRICHING SOCIETY THROUGH
Digitally Empowered Financial Solutions



JS Global

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JS Global



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JS Global Capital Limited (“JS Global” or “the Company”) is one of Pakistan’s largest and oldest Brokerage and Investment Banking firms incorporated under the local laws of Pakistan. The company is part of the JS Group and majority owned by JS Bank Limited. The Company has exceptional leadership position in domestic capital markets together with one of the largest market share in equity brokerage. Besides this, the Company offers a 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 Stakeholders.

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COMPANY INFORMATION

Board of Directors

Mr. Shahab Anwar Khawaja
Mr. Maximilian Felix Scheder
Ms. Rabiya Javeri Agha
Mr. Muhammad Khalilullah Usmani
Syed Jafar Raza
Mr. Waqas Anis
Mr. Sohail Sikander
Mr. Noman Mubashir

Chairman- Independent Director
Independent Director
Independent Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Audit Committee

Mr. Maximilian Felix Scheder
Syed Jafar Raza
Mr. Sohail Sikander

Chairman
Member
Member

Risk Management Committee

Mr. Shahab Anwar Khawaja
Syed Jafar Raza
Mr. Muhammad Khalilullah Usmani
Mr. Sohail Sikander

Chairman
Member
Member
Member

Human Resource & Remuneration Committee

Mr. Shahab Anwar Khawaja
Mr. Muhammad Khalilullah Usmani
Ms. Rabiya Javeri Agha
Mr. Noman Mubashir

Chairman
Member
Member
Member

Digital Committee

Mr. Waqas Anis
Mr. Maximilian Felix Scheder
Mr. Muhammad Khalilullah Usmani
Mr. Noman Mubashir

Chairman
Member
Member
Member

Mr. Fahad Muslim
Mr. Muhammad Farukh

Chief Financial Officer
Company Secretary

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.

Bankers

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

Bank Islami Pakistan Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Askari Bank Limited
Sindh Bank Limited
Bank Makramah Limited

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 Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi-74400,
Pakistan | www.jsglobalonline.com UAN: +92-21-111-574-111 | Fax: +92-21-356-325-74



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 financial sector

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DIRECTORS' REPORT

We are pleased to present the unaudited condensed interim financial statements of JS Global Capital Limited (“the Company”) for the nine months ended September 30, 2024.

The Economy

During the third quarter of CY24, the process of structural reforms and stability in key macro-economic indicators continued, initiated under IMF Stand-by-agreement in CY23. As a result, during the period, Pakistan got IMF Executive Board approval for 37-month Extended Fund Facility (EFF) for SDR 5.32bn (~US\$7bn), with immediate disbursement of SDR 760mn (~US\$1bn).

Current account deficit (CAD) continued to narrow during the period, reporting a surplus in the month of August, owing to remittances outpacing trade deficit and normalized income deficit. During Jul-Aug 2024, exports were up 7% YoY while imports were up 14% YoY while foreign workers remittances were 44% YoY during the same period.

With stable currency, comfortable CAD levels and support from development and bilateral lenders, State Bank foreign exchange reserves managed to reach 26-month high at US\$9.5bn as of Sep-2024.

The State Bank of Pakistan (SBP) continued its monetary easing cycle with a 100bp cut in Jul-2024 and another 200bps cut in Sep-2024, taking the rate to 17.5% from 22% earlier this year. The decision was supported by the faster-than-expected decline in CPI inflation, which clocked-in at an average of 10.4% during Jul-Aug 2024 (from 27.8% in Jul-Aug 2023). During Aug-2024, Pakistan entered a period of single-digit inflation of 9.6%, for the first time in the last three years. This was primarily led by soft food product prices, stable currency and decline in international oil prices.

Moody's Ratings (Moody's), in its recent report, upgraded the Government of Pakistan's rating to Caa2 from Caa3, the first upgrade for Pakistan in the past 9 years. The agency highlighted that the upgrade reflected Pakistan's improving macroeconomic conditions and moderately better government liquidity and external positions, from very weak levels.

Equity Capital Market

KSE-100 index continued to deliver strong performance during 3QCY24 with 3% return compared to the previous quarter, taking 9MCY24 cumulative returns to 30%. KSE-100 hit an all-time high of 82,248 points in Sep-2024 in anticipation of IMF's Board approval for US\$7bn EFF. However, the market remained sticky around 80k points.

Foreigners were net sellers during the quarter with US\$21.8mn net outflow compared to US\$22mn net inflow during 3QCY23. This included US\$55mn net selling alone in the month of Sep-2024. Despite pressure from foreign selling followed by an event-based rebalancing, positive news flow on IMF, rate cuts and strong corporate earnings announcements continued the market momentum. Mutual funds and Individuals were the key net buyers during the period which absorbed the selling pressure from foreigners. Mutual Funds and Individuals combined were net buyers with US\$66mn inflow during 3QCY24 compared to net outflow of US\$36mn in 2QCY24 and US\$37mn in 3QCY23.

Average volumes declined by 6% in terms of US\$-value traded while it rose up by 1% in terms of shares traded in 3QFY24, compared to the previous quarter.

On sector-wise performance, Pharmaceuticals (+21%), Transport (+20%) and Fertilizer (+16%) outperformed the broader markets on strong corporate earnings announcements and investors inflow in the high dividend-yielding stocks under declining interest rate scenario. Power sector underperformed (-21%) the index due to concerns regarding govt considering revision in Power companies' respective agreements.

Money market

Money market witnessed downward trend during the 3QCY24 mainly due to ongoing and further anticipation of monetary easing. While yields traded below the Policy Rate of 17.5%, the yield curve remained inverted.

Unprecedentedly, one T-Bill auction was rejected by SBP during 3QCY24, likely indicating sufficient liquidity. During the quarter, the central banks also introduced buy back of T-Bill auctions and executed the same.

Market remained active in long-term government papers as well. During the quarter, SBP also introduced a new 2-YR zero coupon bond.

SBP conducted regular Open Market Operations to facilitate the banks to meet their daily liquidity requirements.

Commodities Market

During 3QCY24, the commodities market, particularly gold and crude oil, saw significant shifts driven by geopolitical and economic factors.

Gold rallied on U.S. Federal Reserve rate cut and heightened geopolitical tensions, especially in Ukraine and the Middle East. The weakening U.S. dollar further bolstered gold's appeal as a safe-haven asset.

Conversely, crude oil prices dropped, with Brent crude falling to a three-year low of around \$70 per barrel by September. This decline was largely due to reduced demand from China, whose economic challenges significantly impacted global oil demand growth. Despite OPEC+ production cuts, excess supply and a global shift toward alternative energy sources maintained a bearish outlook for oil.

Foreign exchange market

In the Foreign exchange market, the steady foreign exchange reserves support from rollovers, refinances and muted current account deficit, supported PKR/US\$ trend in 3QCY24. SBP foreign exchange reserves reached a 2-year high at US\$9.5bn, also supporting the country's import cover to improve to more than 2 months of cover. As a result, with broadly stable trend, PKR appreciated by 0.22% against US\$ during the quarter.



Overview of Financial Performance

The Summarized results are set out below:

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|--------------------|---|---|
| Profit before tax | 305,735,155 | 110,493,384 |
| Profit after tax | 227,219,639 | 88,426,698 |
| Earnings per share | 8.27 | 3.22 |

Monetary impacts of significant P&L items on the Company's bottom-line are highlighted as under:

The Company earned operating revenue amounting to PKR 812 million relative to PKR 476 million in the corresponding period prior year, thus clocking an increase of 70.59%. Equity brokerage is the major component of operating revenue. Similarly, commodities, foreign exchange and fixed income brokerage divisions have shown considerable growth over corresponding period prior year.

The high payouts during the year by investee companies, also contributed to treasury income of the company during the nine months. Administrative and operating expenses increased by 29.85% compared to the corresponding period, resulting in total administrative and operating expenses of PKR 796 million.

Earnings per share of the Company for the nine months and third quarter was Rs. 8.27 and Rs. 2.34 per share respectively, as compared to Rs. 3.22 and Rs. 1.01 in the corresponding period prior year.

Looking ahead, the Company is focused on maintaining its growth momentum in the long run. The management is acutely monitoring its resources to reap the maximum benefits for its shareholders. This involves optimizing revenue generation from treasury management, core brokerage and fee-based operations, whilst at the same time rationalizing our cost base.

Outlook

IMF Executive Board's approval of the 37-month US\$7bn Extended Fund Facility (EFF) for Pakistan is expected to further increase SBP's foreign exchange reserves – which have recovered to a 2-year high so far. This is further expected to gain support from fresh lending and rollovers/refinancing from other external lenders. Moreover, continued disinflation trend and ongoing monetary easing cycle is expected to continue declining secondary market yields. Improving macro landscape and attractive valuations in equity markets is expected to continue attracting local and international investors. This is expected to have a positive impact on the brokerage and advisory business.

On the political front, any slippages may derail adjustments needed to balance the economy. Challenges on macros and increase in political noise may negatively impact investor sentiments, hence keeping traded volumes limited.

Acknowledgement

We express our sincere appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for their support and confidence. The Board also takes this opportunity to express its gratitude to all the employees of JS Global Capital Limited for their untiring efforts.

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

For and on behalf of the
Board of Directors

Chief Executive Officer

Date: October 22, 2024
Karachi

Director

The background of the page is a dark, abstract visualization of financial data. It features several overlapping line graphs and scatter plots in shades of blue, cyan, and purple. The lines vary in thickness and color, creating a sense of depth and movement. The overall aesthetic is high-tech and data-driven.

FINANCIAL STATEMENTS

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

| | | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|--|------|---------------------------------------|-----------------------------------|
| | Note | ----- (Rupees) ----- | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised capital: 150,000,000 (December 31, 2023: 150,000,000) ordinary shares of Rs.10 each | | <u>1,500,000,000</u> | <u>1,500,000,000</u> |
| Issued, subscribed and paid-up share capital | 5 | 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 | | 8,605,742 | 1,306,700 |
| Unappropriated profit | | 592,746,174 | 365,526,535 |
| | | <u>2,686,229,786</u> | <u>2,451,711,105</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term financing- Secured Lease liability | 6 | 335,000,000 | - |
| | 7 | 18,640,797 | 11,973,002 |
| | | <u>353,640,797</u> | <u>11,973,002</u> |
| Current liabilities | | | |
| Creditors, accrued expenses and other liabilities | 8 | 4,551,551,544 | 3,455,225,753 |
| Accrued profit | | 17,056,665 | 9,530,525 |
| Unclaimed dividend | | 3,361,843 | 3,361,843 |
| Current maturity of long-term financing | 6 | 78,860,625 | 315,442,500 |
| Current maturity of lease liability | 7 | 8,722,325 | 3,937,543 |
| | | <u>4,659,553,002</u> | <u>3,787,498,164</u> |
| | | <u>7,699,423,585</u> | <u>6,251,182,271</u> |
| Contingencies and Commitments | 9 | | |

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 FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

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| | | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---|------|---------------------------------------|-----------------------------------|
| | Note | ----- (Rupees) ----- | |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 10 | 754,574,150 | 779,659,938 |
| Investment property | 11 | 113,770,727 | 116,157,670 |
| Intangible assets | 12 | 5,000,000 | 5,000,000 |
| Long term investments | 13 | 35,302,735 | 26,361,948 |
| Long term loans and deposits | | 28,162,363 | 30,299,853 |
| Deferred taxation - net | | 96,635,408 | 97,046,127 |
| | | 1,033,445,383 | 1,054,525,536 |
| Current assets | | | |
| Short term investments | 14 | 970,567,184 | 568,734,707 |
| Trade debts | 15 | 2,933,538,057 | 1,286,110,917 |
| Receivable against margin finance | | 351,864,415 | 670,343,114 |
| Loans and advances - considered good | | 53,054,251 | 68,214,212 |
| Short-term deposits and prepayments | | 752,255,309 | 1,289,120,177 |
| Interest and mark-up accrued | 16 | 40,496,934 | 34,222,713 |
| Other receivables | | 23,340,230 | 15,609,658 |
| Advance tax | | 102,982,264 | 127,096,000 |
| Cash and bank balances | 17 | 1,437,879,558 | 1,137,205,237 |
| | | 6,665,978,202 | 5,196,656,735 |
| | | 7,699,423,585 | 6,251,182,271 |

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | Note | Nine months ended | | Three months ended | |
|---|------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| | | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- | (Un-audited) ----- (Rupees) ----- |
| Operating revenue | 18 | 812,382,609 | 476,219,963 | 292,691,245 | 185,727,713 |
| Capital gain on sale of investments - net | | 20,719,375 | 43,970,316 | 13,822,138 | (12,050,105) |
| Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss - net | | (20,469,116) | 2,729,638 | (23,494,637) | (5,505,199) |
| Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net | | 3,223,887 | (9,478,569) | 7,111,763 | 4,672,893 |
| Dividend income | | 116,357,392 | 85,047,849 | 21,271,717 | 44,452,710 |
| Margin finance income | | 132,807,645 | 90,402,446 | 39,173,517 | 32,355,473 |
| | | <u>1,065,021,792</u> | 688,891,643 | <u>350,575,743</u> | 249,653,485 |
| Administrative and operating expenses | | (796,068,871) | (612,771,521) | (273,986,799) | (235,258,699) |
| | | <u>268,952,921</u> | 76,120,122 | <u>76,588,944</u> | 14,394,786 |
| Other operating income - net | | 138,700,322 | 135,400,464 | 51,492,606 | 45,297,050 |
| | | <u>407,653,243</u> | 211,520,586 | <u>128,081,550</u> | 59,691,836 |
| Provision for Sindh Workers' Welfare Fund Finance cost | 19 | (6,539,070) | (2,481,026) | (1,946,065) | (536,911) |
| | | <u>(78,806,156)</u> | (87,469,332) | <u>(28,884,719)</u> | (28,622,534) |
| Profit before income taxes and final taxes | | 322,308,017 | 121,570,228 | 97,250,766 | 30,532,391 |
| Taxation - Final Taxation | | (16,572,862) | (11,076,844) | (2,475,855) | (4,232,611) |
| Profit before income tax | | 305,735,155 | 110,493,384 | 94,774,911 | 26,299,780 |
| Taxation - current | | (80,165,480) | (19,832,442) | (30,907,032) | (1,805,982) |
| - prior | | - | - | - | - |
| - deferred | | 1,649,964 | (2,234,244) | 515,720 | 3,277,406 |
| | 20.1 | <u>(78,515,516)</u> | (22,066,686) | <u>(30,391,312)</u> | 1,471,424 |
| Profit after taxation | | <u>227,219,639</u> | 88,426,698 | <u>64,383,599</u> | 27,771,204 |
| Earnings per share - basic and diluted | 21 | <u>8.27</u> | 3.22 | <u>2.34</u> | 1.01 |

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 PERIOD ENDED SEPTEMBER 30, 2024

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| | Nine months ended | | Three months ended | |
|--|--|--|--|--|
| | September 30, 2024 (Un-audited) ----- (Rupees) ----- | September 30, 2023 (Un-audited) ----- (Rupees) ----- | September 30, 2024 (Un-audited) ----- (Rupees) ----- | September 30, 2023 (Un-audited) ----- (Rupees) ----- |
| Profit for the period | 227,219,639 | 88,426,698 | 64,383,599 | 27,771,204 |
| 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 | 8,569,487 | (418,561) | 10,067,495 | 1,079,447 |
| Less: Related tax | (1,284,300) | 1,509,900 | 218,250 | 3,012,450 |
| | 7,285,187 | 1,091,339 | 10,285,745 | 4,091,897 |
| 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 | 16,300 | - | (24,673) | (40,973) |
| Less: Related tax | (2,445) | - | 3,701 | 6,146 |
| | 13,855 | - | (20,972) | (34,827) |
| Total comprehensive income / (loss) for the period | 234,518,681 | 89,518,037 | 74,648,372 | 31,828,274 |

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 CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | Issued, subscribed and paid-up share capital | Share premium | Reserves | | Sub-total | Total |
|--|---|----------------------|---|---|----------------------|----------------------|
| | | | Unrealised gain / (loss) on revaluation of available-for-sale / fair value through other comprehensive income investments - net | Revenue reserve Unappropriated profit | | |
| | (Rupees) | | | | | |
| Balance as at January 01, 2023 | 274,772,970 | 1,810,104,900 | (2,571,815) | 178,230,182 | 1,985,763,267 | 2,260,536,237 |
| Total comprehensive income for the period | | | | | | |
| Profit for the nine months ended September 30, 2023 | - | - | - | 88,426,698 | 88,426,698 | 88,426,698 |
| Other comprehensive loss - net of tax | - | - | 1,091,339 | - | 1,091,339 | 1,091,339 |
| Total comprehensive income for the period | - | - | 1,091,339 | 88,426,698 | 89,518,037 | 89,518,037 |
| Transactions with owners | | | | | | |
| Balance as at September 30, 2023 | 274,772,970 | 1,810,104,900 | (1,480,476) | 266,656,880 | 2,075,281,304 | 2,350,054,274 |
| Balance as at 1 January 2024 | 274,772,970 | 1,810,104,900 | 1,306,700 | 365,526,535 | 2,176,938,135 | 2,451,711,105 |
| Profit for the nine months ended September 30, 2024 | - | - | - | 227,219,639 | 227,219,639 | 227,219,639 |
| Other comprehensive loss - net of tax | - | - | 7,299,042 | - | 7,299,042 | 7,299,042 |
| Total comprehensive income for the period | - | - | 7,299,042 | 227,219,639 | 234,518,681 | 234,518,681 |
| Transactions with owners | | | | | | |
| Balance as at September 30, 2024 | 274,772,970 | 1,810,104,900 | 8,605,742 | 592,746,174 | 2,411,456,816 | 2,686,229,786 |

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 FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2024

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| | September 30, 2024 (Un-audited) | September 30, 2023 (Un-audited) |
|---|---------------------------------------|---------------------------------------|
| | ----- (Rupees) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 322,308,017 | 121,570,228 |
| Adjustments for: | | |
| Depreciation of operating assets expense | 48,394,796 | 42,648,080 |
| Depreciation of right-of-use assets | 11,789,343 | 6,604,340 |
| Depreciation of investment property | 2,386,943 | 2,386,943 |
| Gain on sale of property and equipment | (698,443) | (9,549,997) |
| Unrealised gain / (loss) on remeasurement of investments at fair value through profit | 20,469,116 | (2,729,638) |
| Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit | (3,223,887) | 9,478,569 |
| Provision for Sindh Workers' Welfare Fund | 6,539,070 | 2,481,026 |
| Finance cost | 78,806,156 | 87,469,332 |
| Cash generated from operating activities before working capital changes | 486,771,111 | 260,358,883 |
| Decrease in current assets | | |
| Trade debts | (1,647,427,140) | (317,946,163) |
| Receivable against margin finance | 318,478,699 | 24,771,046 |
| Loans and advances | 15,159,961 | 3,266,035 |
| Short-term deposits and prepayments | 536,864,868 | 415,567,307 |
| Interest and mark-up accrued | (6,274,221) | (30,694,447) |
| Other receivables | (7,730,572) | (13,982,033) |
| | (790,928,405) | 80,981,745 |
| (Decrease) / Increase in current liabilities | | |
| Creditors, accrued expenses and other liabilities | 1,096,665,177 | 271,743,116 |
| Cash generated from operations | 792,507,883 | 613,083,745 |
| Finance cost paid | (71,280,016) | (85,834,486) |
| Taxes paid | (73,863,851) | (75,456,643) |
| | - | - |
| Net cash generated from operating activities | 647,364,016 | 451,792,616 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (34,675,363) | (28,806,352) |
| Proceeds from disposal of operating assets | 17,317,000 | 9,550,000 |
| Long term loans, advances and deposits | 2,137,490 | (5,905,410) |
| Long term investments - net | (536,064) | 20,780,572 |
| Short term investments - net | (419,077,706) | (161,627,295) |
| Net cash used in investing activities | (434,834,642) | (166,008,485) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Lease rentals paid | (10,273,178) | (12,651,211) |
| Long term-financing obtained | 335,000,000 | - |
| Repayment of long-term financing | (236,581,875) | (236,581,876) |
| Net cash generated from / (used in) financing activities | 88,144,947 | (249,233,087) |
| Increase in cash and cash equivalents during the period | 300,674,321 | 36,551,044 |
| Cash and cash equivalents at the beginning of the period | 1,137,205,237 | 1,364,925,128 |
| Cash and cash equivalents at the end of the period | 1,437,879,558 | 1,401,476,172 |

Note

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The annexed notes 1 to 26 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 SEPTEMBER 30, 2024

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** During the year 2019, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 7,450,000 shares through tender offer for the purpose of cancellation. The payment for accepted shares was made on October 01, 2019. The unaccepted shares were subsequently returned to unsuccessful shareholders and accepted shares were subsequently cancelled on October 02, 2019.
- 1.4** During the year 2021, the Company announced public announcement of buy back for purchase of its own shares up to maximum of 3,991,525 shares through tender offer out of which 3,079,703 shares were purchased for the purpose of cancellation. The payment for accepted shares was made on June 04, 2021. The accepted shares were subsequently cancelled on June 10, 2021.
- 1.5** 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.
- 1.6** During the year 2023, the Company has obtained the license of Asset Management Company (AMC) under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), and Sandbox Guidelines, 2019 - Third Cohort, issued by Securities and Exchange Commission of Pakistan ('SECP'). The license was issued on March 27, 2023 and is provisional. The Company is an asset management company of JS Global Banking Sector Exchange Traded Fund (JSGBETF) for the period ended September 30, 2024. The Company has eight branches (2023: eight) in seven cities of Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| 1.7 | S.no | Branch Name | Address |
|-----|------|------------------------|---|
| | 1 | Stock Exchange Branch | Room No. 634, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi |
| | 2 | Gulshan-e-Iqbal Branch | Suite No. 607-A, 6th Floor, Al Ameen Towers, Plot No E-2, Block 10, Gulshan-e- Iqbal, Main NIPA, Karachi |
| | 3 | Hyderabad Branch | Address: Shop No. 20, Ground Floor, Auto Bhan Towers, Auto Bhan Road, Unit No. 3, Latifabad, Hyderabad |
| | 4 | Islamabad Branch | Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue , Islamabad |
| | 5 | Faisalabad Branch | Office no G-04, Ground Floor, Mezan Executive Tower Plot No 4, Liaquat Road, Faisalabad |
| | 6 | Lahore Branch | Plot No. 434-G/1, MA Johar Town, Lahore |
| | 7 | Multan Branch | Office No. 608-A, Sixth Floor, The United Mall, Plot No. 74, Abdali Road, Multan |
| | 8 | Peshawar Branch | First Floor, State life Building No. 34, The Mall Road, Peshawar Cantt, Peshawar |

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);
- Provisions of and directives issued under the Companies Act, 2017;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- the Securities Brokers (Licensing and Operations) Regulations, 2016.

Where the provisions and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984 and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984 and the NBFC Regulations have been followed.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

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 2023.

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 December 31 2023, 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 September 30 2023.

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.

2.5 Consolidation of mutual funds by the Asset Management Company

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1)/2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and Section 237 of the repealed Companies Ordinance, 1984 (Section 228 of Companies Act 2017) are not applicable in case of investments made by companies in mutual funds established under Trust structure. Accordingly, the Company has not consolidated the financial position and result of operations of mutual fund managed by it in its condensed interim financial statements.

2.6 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. Further, Right of use assets and their related lease liability are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease.

2.7 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.

2.8 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, 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023 except as for described in Note 3.1.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

3.1 Change in Accounting policy

The Institute of Chartered Accountants of Pakistan (ICAP), vide its circular no. 07/2024 dated May 15, 2024, provided the guidance on IAS 12 application guidance on accounting for minimum taxes and final taxes. The Company has accounted for the change in its accounting policy as per the requirement of IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors'. The Company has applied the accounting policy of IAS 12 as per the guidance. Resultantly, there is a reclassification of Final taxes previously classified as 'Taxation - current' in the condensed interim statement of profit or loss appearing below Profit before taxation, to 'Taxation - Final taxation' (categorized as levy as per IFRIC 21/IAS 37).

3.2 Impacts on the Company's condensed interim statement of profit or loss and condensed interim statement of cash flows:

| | 30-Sep-23 | | |
|---|------------------------|-------------------|---------------------|
| | As previously reported | Re-classification | As Restated |
| Condensed Interim Statement of Profit or Loss (Un-Audited) | | | |
| Six Months | | | |
| Taxation - Final Taxation | - | (11,076,844) | (11,076,844) |
| Taxation - current | (30,909,286) | 11,076,844 | (19,832,442) |
| | <u>(30,909,286)</u> | <u>-</u> | <u>(30,909,286)</u> |
| Three Months | | | |
| Taxation - Final Taxation | - | (4,232,611) | (4,232,611) |
| Taxation - current | 6,038,593 | 4,232,611 | (1,805,982) |
| | <u>(6,038,593)</u> | <u>-</u> | <u>(6,038,593)</u> |
| Condensed Interim Statement Of Cash Flows (Un-Audited) | | | |
| Cashflow from operating activities | | | |
| Profit before taxation | 132,647,072 | 11,076,844 | 12,570,228 |
| Taxation - Final Taxation | - | 11,076,844 | 11,076,844 |
| Cashflow from operating activities | <u>132,647,072</u> | <u>-</u> | <u>132,647,072</u> |

3.2.1 There is no impact of restatements mentioned in note 3.2 on the Company's total investing or financing cash flows for the period ended September 30, 2023.

3.2.2 There is no impact of restatements mentioned in note 3.2 on the Company's condensed interim statement of financial position, earnings per share, condensed statement of comprehensive income and condensed interim statement of changes in equity for the period ended September 30, 2023.

3.3 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, 2023.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

4.1 Standard, interpretations and amendments to publish accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting periods beginning on or after January 01, 2024. However these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after July 01, 2024:

| Standard, Interpretation or Amendment | Effective date (annual periods beginning on or after) |
|---|---|
| Classification of Liabilities as Current or Non-current - Amendments to IAS 1 | January 01, 2024 |
| Non-current Liabilities with Covenants - Amendments to IAS 1 | January 01, 2024 |
| Lease liability in a sale and leaseback - Amendments to IFRS 16 | January 01, 2024 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 | Not yet finalized |
| Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) | January 01, 2024 |
| Lack of Exchangeability (amendments to IAS 21) | January 01, 2025 |
| Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 | January 01, 2026 |

The above standards, interpretations and amendments are not likely to have a significant impact on these condensed interim financial statements.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| September 30, 2024 (Number of shares) | December 31, 2023 | | September 30, 2024 (Rupees) | December 31, 2023 |
|--|-------------------|---|--------------------------------|--------------------|
| 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 shares bonus | 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) |
| <u>27,477,297</u> | <u>27,477,297</u> | | <u>274,772,970</u> | <u>274,772,970</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

- 5.1 The Parent company held 25,525,169 (2023: 25,525,169) ordinary shares of Rs.10 each at period end.
- 5.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective.

| 6. LONG-TERM FINANCING | September 30, 2024 | December 31, 2023 |
|------------------------------------|-----------------------|----------------------|
| | (Un-audited) | (Audited) |
| | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Islamic | | |
| Long-term Loan | 413,860,625 | 315,442,500 |
| Short-term maturity | (78,860,625) | (315,442,500) |
| Long-term maturity | <u>335,000,000</u> | <u>-</u> |
| Current maturity of long term loan | <u>78,860,625</u> | <u>315,442,500</u> |

6.1 Long term finance utilised mark-up arrangements

| | Number of installements and commencement dates | Date of maturity | Rate of markup per annum | September 30, 2024 | December 31, 2023 |
|--|---|-------------------|-----------------------------|-----------------------|----------------------|
| | | | | (Un-audited) | (Audited) |
| | | | | ----- (Rupees) ----- | ----- (Rupees) ----- |
| Islamic | | | | | |
| BankIslami Pakistan Limited | | | | | |
| Diminishing Musharika | 12 quarterly instalments November 21, 2022 | November 21, 2024 | 3 months Kibor+1.5% | 41,360,625 | 165,442,500 |
| Diminishing Musharika | 12 quarterly instalments April 18, 2024 | April 18, 2027 | 3 months Kibor+1.5% | 335,000,000 | - |
| Islamic | | | | | |
| Dubai Islamic Bank Pakistan Limited | | | | | |
| Diminishing Musharika | 12 quarterly instalments November 21, 2022 | November 21, 2024 | 3 months Kibor+1.5% | 37,500,000 | 150,000,000 |
| | | | | <u>413,860,625</u> | <u>315,442,500</u> |

- 6.2 During the year 2021, the Company obtained Diminishing Musharakah term finance facilities, aggregating to Rs. 630.885 million. The Company further included a new facility of Rs. 335 million obtained on March 28, 2024. These facilities are secured against a charge over the property (16th and 17th Floor of the building).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---------------------------|---------------------------------------|-----------------------------------|
| 7. LEASE LIABILITY | Note | (Rupees) |
| Opening balance | 15,910,545 | 11,441,151 |
| Interest expense | 4,684,208 | 2,300,173 |
| Addition | 17,041,547 | 15,751,700 |
| Payment of rentals | <u>(10,273,178)</u> | <u>(13,582,479)</u> |
| Closing balance | <u>27,363,122</u> | <u>15,910,545</u> |
| Less: Current maturity | <u>(8,722,325)</u> | <u>(3,937,543)</u> |
| | <u>18,640,797</u> | <u>11,973,002</u> |

8. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | |
|---|-----|-----------------------------|-----------------------------|
| Trade creditors | 8.1 | 3,754,592,419 | 2,900,067,622 |
| Accrued expenses | | 118,534,222 | 110,795,995 |
| Staff Provident Fund | | 3,082,600 | 2,826,314 |
| Provision for staff bonus | | 37,953,996 | 50,000,000 |
| Provision for Sindh Workers' Welfare Fund | | 61,320,023 | 54,780,953 |
| Others | | <u>576,068,284</u> | <u>336,754,869</u> |
| | 8.2 | <u>4,551,551,544</u> | <u>3,455,225,753</u> |

8.1 This includes payable to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.526 (2023: Rs.0.296) million and Rs. 665.491 (2023: Rs.465.533) million respectively in respect of trading in securities, settled subsequent to the period end.

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---|---------------------------------------|-----------------------------------|
| 8.2 Movement of provision for staff bonus is as follows: | Note | (Rupees) |
| Balance at the beginning of the period / year | | 50,000,000 |
| Paid during the period / year | | (41,046,004) |
| Charged during the period / year | | <u>29,000,000</u> |
| Balance at the end of the period / year | | <u>37,953,996</u> |

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no outstanding contingencies as at September 30, 2024 (2023: Nil) other than tax contingencies disclosed in note 20 of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---|---------------------------------------|-----------------------------------|
| 9.2 Commitments | Note ----- (Rupees) ----- | |
| Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding | <u>942,561,535</u> | <u>553,782,260</u> |
| Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2025 | <u>400,000,000</u> | <u>400,000,000</u> |
| 10. PROPERTY AND EQUIPMENT | | |
| Operating assets | 10.1 <u>733,959,053</u> | 764,297,044 |
| Right-of-use assets | 10.2 <u>20,615,097</u> | 15,362,894 |
| | <u>754,574,150</u> | <u>779,659,938</u> |
| 10.1 Movement in operating assets - owned | | |
| Book value at beginning of the period / year | <u>764,297,044</u> | 789,091,984 |
| Cost of additions during the period / year | 10.1.1 <u>34,675,363</u> | 33,150,083 |
| Book value of deletions during the period / year | 10.1.2 <u>(16,618,558)</u> | (7) |
| Depreciation charge for the period / year | <u>(48,394,796)</u> | (57,945,016) |
| Book value at end of the period / year | <u>733,959,053</u> | <u>764,297,044</u> |
| 10.1.1 Details of additions during the period / year | | |
| Office equipment | <u>34,675,363</u> | 9,910,060 |
| Building on leasehold land | - | - |
| Leasehold improvements | - | 1,789,488 |
| Office furniture | - | 258,280 |
| Motor vehicle | - | 21,192,255 |
| | <u>34,675,363</u> | <u>33,150,083</u> |
| 10.1.2 Book value of deletions during the period / year: | | |
| Office equipment | <u>(17,955)</u> | (3) |
| Motor vehicle | <u>(16,600,603)</u> | (4) |
| | <u>(16,618,558)</u> | (7) |
| 10.2 Right-of-use assets | | |
| Branches | <u>20,615,097</u> | <u>15,362,894</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) ----- (Rupees) ----- | December 31, 2023 (Audited) |
|--------------------------------|---|-----------------------------------|
| 11. INVESTMENT PROPERTY | | |
| Cost | 127,303,650 | 127,303,650 |
| Accumulated Depreciation | (13,532,923) | (7,963,389) |
| Closing balance | <u>113,770,727</u> | <u>116,157,670</u> |

11.1 The Company has vis-à-vis rented out a portion of the property to JS Investments Limited, a related party, under a rental arrangement.

11.2 Investment property comprises of 5,805 square feet of 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan, the fair value of which has been determined on the basis of valuation carried out by an independent professional valuer amounting to Rs. 243.810 million (December 31, 2023: Rs. 243.810 million).

| | September 30, 2024 (Un-audited) ----- (Rupees) ----- | December 31, 2023 (Audited) |
|--|---|-----------------------------------|
| 12. INTANGIBLE ASSETS | | |
| Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX) | 2,500,000 | 2,500,000 |
| Membership card - Pakistan Mercantile Exchange Limited | 2,500,000 | 2,500,000 |
| | <u>5,000,000</u> | <u>5,000,000</u> |

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.

| | September 30, 2024 (Un-audited) ----- (Rupees) ----- | December 31, 2023 (Audited) |
|---|---|-----------------------------------|
| 13. LONG TERM INVESTMENTS | | |
| Classified as 'at fair value through Other Comprehensive Income' | | |
| Shares of PSX - at cost (2023: 2,202,953 shares) | 23,060,884 | 23,060,884 |
| Term finance / sukuk certificates | 3,475,000 | 3,120,000 |
| | <u>26,535,884</u> | <u>26,180,884</u> |
| Surplus on revaluation - net | 8,766,851 | 181,064 |
| | <u>35,302,735</u> | <u>26,361,948</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

13.1 Sukuk certificates

| Number of Certificates | | Name of Sukuks certificates | Carrying value | |
|------------------------------------|--------------------------------|---|------------------------------------|--------------------------------|
| September 30, 2024 (Un-audited) | December 31, 2023 (Audited) | | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
| | | Listed debt securities - secured | ----- (Rupees) ----- | |
| 695 | 624 | BIPL Ehad Sukuk | 3,475,000 | 3,120,000 |

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

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|--|------------------------------------|--------------------------------|
| Balance at the beginning of the year | 181,064 | (4,270,572) |
| Surplus / (deficit) on re-measurement of investments during the year | 8,585,787 | 4,451,636 |
| Balance at the end of the year | 8,766,851 | 181,064 |

14. SHORT TERM INVESTMENTS

At fair value through profit or loss

| | | |
|--------------------------|--------------------|-------------|
| Quoted equity securities | 939,158,240 | 543,400,839 |
| Exchange Traded Fund | 31,408,944 | 25,333,868 |
| | 970,567,184 | 568,734,707 |

15. TRADE DEBTS

| | | |
|---|----------------------|---------------|
| Purchase of shares on behalf of clients | 2,788,536,769 | 1,180,350,891 |
| Advisory services | 4,246,505 | 159,392 |
| Receivable from JSGBETF | 447,547 | 470,747 |
| Forex and fixed income commission | 23,393,755 | 7,902,490 |
| Commodity | 116,913,481 | 97,227,397 |
| | 2,933,538,057 | 1,286,110,917 |
| Considered doubtful | 420,587,115 | 420,587,115 |
| | 3,354,125,172 | 1,706,698,032 |
| Provision for doubtful debts | (420,587,115) | (420,587,115) |
| 15.1 | 2,933,538,057 | 1,286,110,917 |

15.1 Included herein is a sum of Rs.58.213 (2023: Rs. 8.607) million receivable from related parties.

15.2 This includes receivable from National Clearing Company of Pakistan Limited (NCCPL) amounting to NIL (2023: Nil) in respect of trading in securities, settled subsequent to the period end.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---|---|--|
| | ----- (Rupees) ----- | ----- |
| 16. INTEREST AND MARK-UP ACCRUED | Note | |
| Accrued mark-up on margin finance | 37,378,750 | 33,092,193 |
| Accrued mark-up on term finance / sukuk certificates | 1,016,783 | 606,108 |
| Interest receivable on bank deposits | 2,101,401 | 524,412 |
| | 40,496,934 | 34,222,713 |
| 17. CASH AND BANK BALANCES | | |
| Cash with banks: | | |
| - Current accounts | 53,860,215 | 34,534,313 |
| - Profit or loss savings (PLS) / deposit accounts | 1,383,795,343 | 1,102,446,924 |
| | 1,437,655,558 | 1,136,981,237 |
| Cash in hand: | 224,000 | 224,000 |
| | 1,437,879,558 | 1,137,205,237 |
| 17.1 | These carry profit / mark-up rates ranging from 11% to 20.82% (2023: 9.25% to 20.82%) per annum. | |
| 17.2 | These include balances with the Parent Company amounting to Rs.1,258.563 (2023: Rs.1,029.772) million. | |
| 17.3 | Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows: | |
| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
| | ----- (Rupees) ----- | ----- |
| Customers' assets held in the designated bank accounts and exposure deposit | 1,435,849,886 | 1,238,443,452 |
| Customers' assets held in the CDC | 40,505,411,485 | 37,054,404,535 |
| 17.4 | 8,424,158,329 | 10,684,213,058 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

(Un-audited)

| | Nine months ended | | Three months ended | |
|---|----------------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| | (Un-audited) | | (Un-audited) | |
| | ----- (Rupees) ----- | | | |
| 18. OPERATING REVENUE | | | | |
| Brokerage and operating income | 797,410,995 | 460,140,592 | 291,723,237 | 183,349,071 |
| Advisory and consultancy fee | 14,971,614 | 16,079,371 | 968,009 | 2,378,642 |
| | 812,382,609 | 476,219,963 | 292,691,246 | 185,727,713 |
| 19. FINANCE COST | | | | |
| Mark-up on long-term loans | 69,933,323 | 81,529,592 | 26,010,038 | 26,340,365 |
| Commission expense on bank guarantee | 3,749,994 | 3,749,994 | 1,250,001 | 1,250,001 |
| Bank and other charges | 438,631 | 725,747 | 22,678 | 137,504 |
| Interest expense on assets subject to finance lease | 4,684,208 | 1,463,999 | 1,602,002 | 894,664 |
| | 78,806,156 | 87,469,332 | 28,884,719 | 28,622,534 |

20. TAXATION

- 20.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2023

(Un-audited)

| | Nine months ended | | Three months ended | |
|---|----------------------|----------------|--------------------|----------------|
| | September 2024 | September 2023 | September 2024 | September 2023 |
| | (Un-audited) | | (Un-audited) | |
| | ----- (Rupees) ----- | | | |
| 21. EARNINGS PER SHARE - BASIC AND DILUTED | | | | |
| Profit after taxation | 227,219,639 | 88,426,698 | 64,383,599 | 27,771,204 |
| | ----- (Number) ----- | | | |
| Weighted average number of shares | 27,477,297 | 27,477,297 | 27,477,297 | 27,477,297 |
| | ----- (Rupees) ----- | | | |
| Earnings per share - basic and diluted | 8.27 | 3.22 | 2.34 | 1.01 |

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

(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, 2024 (Un-audited) | | December 31, 2023 (Audited) | |
|--|--|---|--|---|
| | Key management personnel of entity and associated entities | Associated entities other than parent company | Key management personnel of entity and associated entities | Associated entities other than parent company |
| ----- (Rupees) ----- | | | | |
| Trade debts | | | | |
| Opening balance | 411,022 | 1,659,664 | 72,922 | 1,088,415 |
| Invoiced during the year | 67,532,589 | 368,177,164 | 8,300,126 | 289,921,241 |
| Received during the year | (66,471,151) | (328,090,991) | (7,962,026) | (289,349,993) |
| Closing balance | <u>1,472,460</u> | <u>41,745,837</u> | <u>411,022</u> | <u>1,659,663</u> |
| Trade payable | | | | |
| Opening balance | 1,253,706 | 19,094,767 | 12,285,027 | 175,894,970 |
| Invoiced during the year | 1,035,089,321 | 524,222,700 | 437,902,111 | 1,019,438,162 |
| Paid during the year | (1,033,646,443) | (530,199,795) | (448,933,432) | (1,176,238,366) |
| Closing balance | <u>2,696,584</u> | <u>13,117,672</u> | <u>1,253,706</u> | <u>19,094,766</u> |
| Loans and advances | | | | |
| Opening balance | 13,871,899 | - | 13,570,369 | - |
| Disbursements during the year | 6,732,247 | - | 11,566,004 | - |
| Repayments during the year | (8,416,102) | - | (11,264,474) | - |
| Closing balance | <u>12,188,044</u> | <u>-</u> | <u>13,871,899</u> | <u>-</u> |
| ----- (Rupees) ----- | | | | |
| Balances with Parent Company | | | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
| Trade debts | | | <u>526,933</u> | <u>539,065</u> |
| Trade Payable | | | <u>135,491</u> | <u>-</u> |
| Bank balances with parent company | | | <u>1,258,563,130</u> | <u>1,029,772,091</u> |
| Balances with ultimate Parent Company | | | | |
| Trade debts | | | <u>14,468,416</u> | <u>5,988,714</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) | December 31, 2023 (Audited) |
|---|---------------------------------------|---------------------------------------|
| | ----- (Rupees) ----- | |
| Balances with associated entities of group companies | | |
| Principal outstanding on term finance certificates/ Sukuks | <u>3,475,000</u> | <u>3,120,000</u> |
| Donation payable | <u>-</u> | <u>3,610,997</u> |
| Mark-up payable on long-term financing | <u>15,886,525</u> | <u>4,032,219</u> |
| Long-term financing - Obtained | <u>335,000,000</u> | <u>-</u> |
| Long-term financing- Repaid | <u>124,081,875</u> | <u>-</u> |
| | September 30, 2024 (Un-audited) | September 30, 2023 (Un-audited) |
| | ----- (Rupees) ----- | |

Transactions with associated entities of group companies

Nature of transactions

| | | |
|------------------|-------------------|-------------------|
| Brokerage income | <u>9,090,513</u> | <u>12,316,853</u> |
| Donation paid | <u>3,745,927</u> | <u>1,522,425</u> |
| Rent Received | <u>10,668,636</u> | <u>10,483,218</u> |

Transactions with the Parent Company

Nature of transactions

| | | |
|-----------------------------|-------------------|-------------------|
| Brokerage income | <u>1,426,684</u> | <u>1,450,225</u> |
| Bank charges | <u>462,237</u> | <u>292,800</u> |
| Mark-up on deposit accounts | <u>51,250,449</u> | <u>40,351,909</u> |

Transactions with ultimate Parent Company

Nature of transactions

| | | |
|--|-------------------|-------------------|
| Brokerage income | <u>1,109,637</u> | <u>2,635,534</u> |
| Reimbursement of expenses by the ultimate parent company | <u>4,506,865</u> | <u>11,417,260</u> |
| Reimbursement of expenses to the ultimate parent company | <u>14,468,796</u> | <u>59,400</u> |
| Rent paid during the year to the ultimate parent company | <u>2,635,380</u> | <u>2,395,800</u> |
| Mark-up received on term finance certificates | <u>-</u> | <u>712,466</u> |
| Principal received on term finance certificates | <u>-</u> | <u>5,000,000</u> |

Transactions with key management personnel of the Company and its Parent Company

Nature of transactions

| | | |
|---|--------------------|--------------------|
| Brokerage income | <u>1,427,186</u> | <u>3,878,070</u> |
| Directors' remuneration | <u>5,737,500</u> | <u>4,250,000</u> |
| Remuneration paid to Chief Executive Officer | <u>18,526,897</u> | <u>17,454,662</u> |
| Remuneration paid to key management personnel | <u>238,882,425</u> | <u>196,274,227</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2024 (Un-audited) ----- (Rupees) ----- | September 30, 2023 (Audited) ----- |
|--|---|---|
| Transactions with other related parties | | |
| Nature of transactions | | |
| Royalty expense | <u>16,250,000</u> | <u>15,000,000</u> |
| Insurance expense | <u>12,272,344</u> | <u>8,661,224</u> |
| Purchase of term finance certificates | <u>-</u> | <u>50,456,440</u> |
| Sale of term finance certificates | <u>30,237,500</u> | <u>50,456,440</u> |
| Sale of sukuk certificates | <u>1,295,100,973</u> | <u>1,645,321,130</u> |
| Mark-up on sukuk certificates | <u>484,247</u> | <u>1,011,102</u> |
| Capital gain on sale of sukuk certificates | <u>20,248,850</u> | <u>12,144,699</u> |
| Contributions to staff provident fund | <u>14,595,467</u> | <u>9,517,493</u> |

| September 30, 2024 (Un-audited) | | | |
|---------------------------------|----------------------------|---------------------|-------|
| Brokerage | Investment and treasury | Other operations | Total |
| ----- (Rupees) ----- | | | |

23. OPERATING SEGMENTS

| | | | | |
|---|----------------------|--------------------|----------------------|----------------------|
| Segment revenues | 786,621,002 | 307,052,292 | 109,350,376 | 1,203,023,670 |
| Administrative and operating expenses | (464,223,913) | (8,286,828) | (260,987,081) | (733,497,822) |
| Depreciation | (31,250,747) | (359,886) | (30,960,414) | (62,571,047) |
| Finance cost | - | (78,806,156) | - | (78,806,156) |
| | <u>291,146,342</u> | <u>219,599,422</u> | <u>(182,597,119)</u> | <u>328,148,645</u> |
| Gain on sale of property and equipment | | | | 698,443 |
| Provision for Sindh Workers' Welfare Fund | | | | (6,539,070) |
| Taxation | | | | (95,088,378) |
| Profit after tax | | | | <u>227,219,639</u> |
| Segment assets | <u>5,367,116,113</u> | <u>329,749,181</u> | <u>2,002,558,291</u> | <u>7,699,423,585</u> |
| Segment liabilities | <u>4,330,046,247</u> | <u>464,482,680</u> | <u>218,664,871</u> | <u>5,013,193,799</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, 2024 and December 31, 2023 are located and operating in Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| | September 30, 2023 | | | Total |
|---|----------------------|-------------------------|----------------------|----------------------|
| | Brokerage | Investment and treasury | Other operations | |
| | ----- (Rupees) ----- | | | |
| Segment revenues | 460,140,592 | 266,779,979 | 97,371,536 | 824,292,107 |
| Administrative and operating expenses | (276,289,109) | (6,705,216) | (278,139,609) | (561,133,934) |
| Depreciation | (14,723,244) | (331,194) | (36,583,149) | (51,637,587) |
| Finance cost | - | (87,469,332) | - | (87,469,332) |
| | 81,658,907 | 259,743,569 | (217,351,221) | 124,051,254 |
| Provision for Sindh Workers' Welfare Fund | | | | (2,481,026) |
| Taxation | | | | (33,143,530) |
| Profit after tax | | | | <u>88,426,698</u> |
| Segment assets | <u>3,323,524,763</u> | <u>345,208,427</u> | <u>1,820,733,084</u> | <u>5,489,466,273</u> |
| Segment liabilities | <u>2,567,410,373</u> | <u>424,724,291</u> | <u>147,277,334</u> | <u>3,139,411,999</u> |

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).

| | September 30, 2024 (Un-audited) | | | Total |
|--|---------------------------------------|------------------|----------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss | | | | |
| Quoted equity securities | 939,158,240 | - | - | 939,158,240 |
| Exchange Traded Fund | 31,408,944 | - | - | 31,408,944 |
| | <u>970,567,184</u> | <u>-</u> | <u>-</u> | <u>970,567,184</u> |
| Financial assets at fair value through other comprehensive income | | | | |
| Quoted equity securities | 35,302,735 | - | - | 35,302,735 |
| Debt Securities | | 3,475,000 | - | 3,475,000 |
| | <u>35,302,735</u> | <u>3,475,000</u> | <u>-</u> | <u>38,777,735</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024

| Financial assets at fair value through profit or loss | December 31, 2023 (Audited) | | | Total |
|--|-----------------------------------|----------|----------|--------------------|
| | Level 1 | Level 2 | Level 3 | |
| Quoted equity securities | 543,400,839 | - | - | 543,400,839 |
| Exchange Traded Fund | 25,333,868 | - | - | 25,333,868 |
| | <u>568,734,707</u> | <u>-</u> | <u>-</u> | <u>568,734,707</u> |
| Fair value through other comprehensive income | | | | |
| Quoted securities | 23,241,948 | - | - | 23,241,948 |
| Sukuk Certificates | 3,120,000 | - | - | 3,120,000 |
| | <u>26,361,948</u> | <u>-</u> | <u>-</u> | <u>26,361,948</u> |

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

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

At present, the Company employs nine members in its research department (including head of research, deputy head of research, two 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, 2024, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.20,854,129, 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 22, 2024.