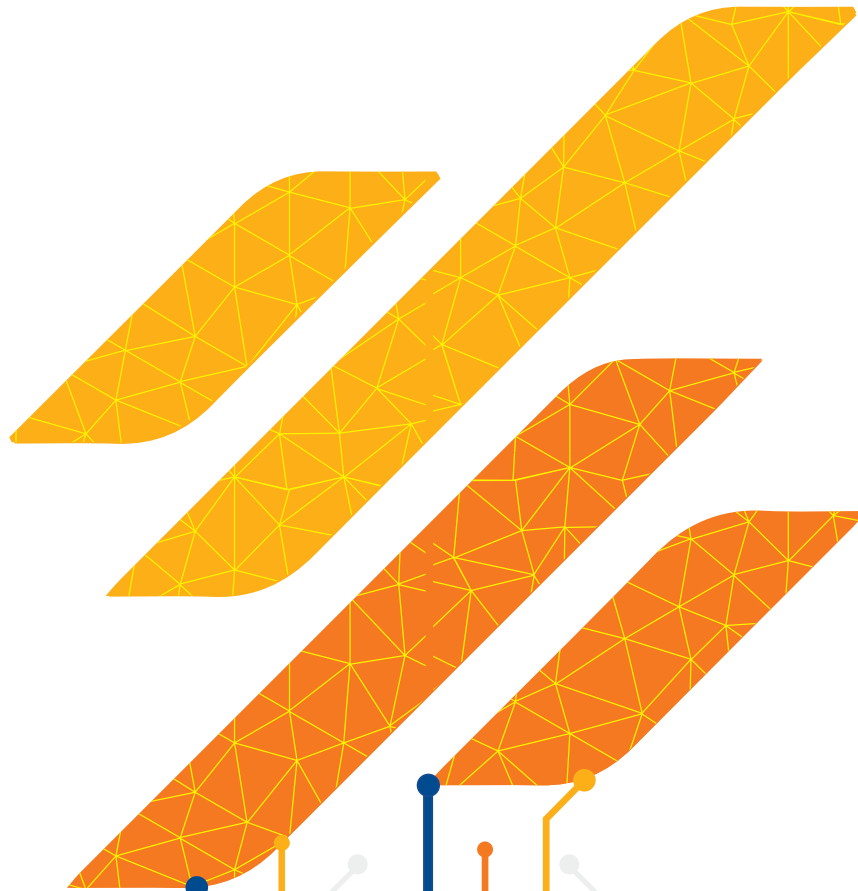


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Third Quarterly Report 2023



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Third Quarterly Report 2023



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
Mr. Imtiaz Gadar
Mr. Fahad Viquar Siddiqui
Mr. Amin Muhammad Virani
Syed Jafar Raza
Mr. Waqas Anis
Ms. Rabiya Javeri Agha

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

Audit Committee

Mr. Maximilian Felix Scheder
Mr. Amin Muhammad Virani
Syed Jafar Raza

Chairman
Member
Member

Risk Management Committee

Mr. Shahab Anwar Khawaja
Mr. Amin Muhammad Virani
Mr. Imtiaz Gadar
Syed Jafar Raza

Chairman
Member
Member
Member

Human Resource & Remuneration Committee

Mr. Shahab Anwar Khwaja
Mr. Fahad Viquar Siddiqui
Mr. Imtiaz Gadar
Ms. Rabiya Javeri Agha

Chairman
Member
Member
Member

Digital Committee

Mr. Waqas Anis
Mr. Maximilian Felix Scheder
Mr. Fahad Viquar Siddiqui
Mr. Imtiaz Gadar

Chairman
Member
Member
Member

Mr. Fahad Muslim
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 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

17 & 18th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi-74400, Pakistan
www.jsycl.com | 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



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, 2023.

The Economy

Economic challenges faced by Pakistan met with a breather at the start of 1QFY24 as Pakistan signed IMF’s 9-month Stand-By Arrangement (SBA) worth US\$3 billion. The fresh package led to disbursement of IMF’s first tranche of US\$1bn from the SBA, in addition to unlocking external assistance of other lenders, resulting in State Bank of Pakistan’s (SBP) reserves rising by US\$4.3 billion to US\$8.7 billion within two weeks - a level last witnessed almost nine months ago. These reserve levels were, however, not maintained throughout the quarter over a cumulative US\$1 billion decline, closing at US\$7.6 billion. The depletion was on account of debt obligations.

Moreover, pressure was also exerted from a deficit Current account balance in Jul-Aug 2023 (US\$935 million), which was at surplus from Mar-2023 to Jun-2023. The deficit was led by imports beginning to normalize, while exports and remittances, both, remaining sticky around US\$2.1 billion per month.

The quarter, however, witnessed a volatile trend in PKR movement against the US\$, which was led by factors beyond movement in foreign exchange reserves. Effective steps taken towards reforms towards the exchange companies eventually brought PKR closed at 1% down on a QoQ basis against US\$ at 287, after it touched a low of 307 during the quarter.

On the inflation front, the anticipated impact of higher base leading to disinflation from Jun-2023 continued in this quarter as 3QCY23 CPI averaged 29%, compared to 35% during 2QCY23. The most notable disinflation trend

was observed in food and energy segments. Moreover, as on a forward-looking basis as SBP’s Monetary Policy Committee (MPC) viewed the country to have entered into a positive real interest rate zone, it kept the Policy Rate unchanged at 22% in both the MPC meetings held during the quarter – one in Jul-2023 and one in Sep-2023.

On the fiscal side, data for FY23 was published during the quarter. Fiscal deficit for 4QFY23 clocked in at Rs3.4 trillion or 4.1% of GDP, taking FY23 fiscal deficit to Rs6.5 trillion or 7.7% of GDP. Higher mark-up expenses in FY23 remained a key concern in fiscal accounts, which was a result of record-high interest rates (12.25% to 22% during FY23) and larger government borrowings. The sharp increase in mark-up payments of 83% YoY in FY23 led to the expense taking 61% of the total revenue alone.

In other major events, the quarter also witnessed a smooth transition from the end of Pakistan's previous National Assembly’s term, to a caretaker set-up until general elections are held. The new set-up has continued with ongoing economic policies and increased focus on documentation and other recommendations put up by IMF in its latest report for Pakistan in Jul-2023.

Equity Capital Market

Revival of investor confidence post IMF’s new SBA program with Pakistan, led to one of the longest uninterrupted rallies witnessed by Pakistan Stock Exchange (PSX). The KSE100 Index rallied 18% within the first month of 3QCY23, as it crossed 48,500 level for the first time in 6 years, out of which 8% gain was accumulated in 10 consecutive trading sessions closing positive.

While concerns emerging later on over macroeconomic challenges of the country trimmed away some of the gains, the quarter's gains clocked in at 12% QoQ - highest quarterly gains reported in the past 12 quarters. KSE100 Index also posted among the highest in equity gains based on index among other regional peers during the quarter.

Banks (+20% QoQ), Power (+17% QoQ) and Oil & Gas Exploration Companies (+15% QoQ) stood among outperformers during the quarter over rebound in investor confidence from the recent IMF agreement, robust results and higher payout announcements in recent quarterly results.

The investor confidence rebound was also reflected in higher participation this quarter. KSE100 Index volumes jumped 84% QoQ to 281 million shares/day - marking a 7-quarter high. Value shares participation witnessed a higher increase of 2x QoQ as blue-chip stocks were preferred.

Investor segment-wise participation reflected foreigners not only turned net buyers this quarter, but also reported the highest net buying in 16 quarters, with Foreign Investors Portfolio Investment (FIPI) segment reporting net buying of US\$22 million. On the local investor segment front, Insurance (US\$45 million) and Companies (US\$25 million) were highest net buyers this quarter, while Banks (US\$43 million) and Mutual Funds (US\$38 million) emerged as highest net sellers in the equity markets.

Money market

Money market remained volatile during 3QCY23 due to anticipation of policy rate hike by SBP, contrary to SBP's Monetary Policy announcements. Anticipation of a rate hike led to higher yields during the quarter, which eventually subsided as SBP announced no change in the Policy Rate.

T-Bill cutoff yield at the end of quarter were 22.78% for 3 months, 22.80% for 6 months and 22.90% for 12 months. Overall participation in the T-Bill auction continued in with major concentration in the 3 month tenor papers.

Participation in 3YR and 5YR PIB auction was relatively higher during 3QCY23, whereas 10YR bond remained unattractive. Cutoff yield on PIB at quarter end stood at 19.34% for 3YR, 16.95% for 5YR and 15.25% for 10YR bonds, maintaining the inverted yield curve.

Alongside these auctions, SBP kept market liquidity in check through regular Open Market Operations (OMO).

Commodity review

The commodity markets remained volatile during the 3QCY23 with diverging trends in various commodities. After reaching a peak of \$1,978 in July, the international gold market witnessed a consistent declining trend. Gold prices hit a seven-month low in September 2023, eventually closing at US\$1,849, down 4% QoQ.

On the other hand, Crude Oil prices saw a consistent upward trend, with an increase of almost \$20 per barrel, reaching to US\$95. The commodity price witnessed a sharp increase owing to upswing in global oil demand, primarily attributed to expectations of elevated demand. In addition, decline in global oil supply due to a significant reduction in Saudi oil production also played a key role in the oil price surge.

Foreign exchange market

In the Foreign exchange market, the steady foreign exchange reserves over support from rollovers, refinances and IMF's first tranche from the new SBA supported PKR/US\$ in 3QCY23. Concerns, however, over impact of normalization of imports and higher global oil prices kept the PKR appreciation short-lived. PKR witnessed a sharp plunge against US\$, depreciating by 7% to its low marked at 307 during the quarter. Albeit, swift and apt actions towards reforms that pertained to exchange companies and the foreign exchange market arrested the sharp decline in the later part of the quarter, leading to a quick recovery. PKR closed 1% down on a QoQ basis against US\$ at 287.

Overview of Financial Performance

The Summarized results are set out as under:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Profit before tax	121,570,228	66,280,283
Profit after tax	88,426,698	25,615,627
Earnings per share	3.22	0.93

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 476 million compared to PKR 314 million in the corresponding period prior year, thus clocking an increase of 52%. Equity brokerage remained the major component of operating revenue. Similarly, money market, foreign exchange and fixed income brokerage divisions have shown considerable growth over corresponding period prior year.

The higher interest rate environment contributed to treasury income of the company during the nine months. Administrative and operating expenses increased by 20% compared to the corresponding period, resulting in total administrative and operating expenses of PKR 613 million.

Earnings per share of the Company for the nine months and third quarter was Rs. 3.22 and Rs. 1.01 per share respectively, as compared to Rs. 0.93 and Rs. 0.55 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.

Future Outlook

Deliverables on IMF's recommendations - among which are discipline in the country's fiscal account, reforms in the energy sector and maintaining market-based exchange rate with a gap of not more than 1.25% with open market rates is key. The rise in confidence with ongoing PKR appreciation against US\$ has considerably lifted investor participation of late. While equity market multiples remain at a deep discount when compared to regional peers and to own's recent mean, continuing to meet with IMF's benchmarks is expected to further boost investor confidence as the same would assist Pakistan in meeting its external financing needs. Adding to investor confidence would be other fundamental reforms continued by the current government set-up till elections are held.

The Board is cognizant of the recent developments and potential challenges faced by the Country that have direct and indirect impact on the Capital Markets and is continuously evolving its strategic thinking with a view to further drive its market share and find new avenues for growth.

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 19, 2023

Director



Financial Statements



Auditor's Review Report to the Members

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	September 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital: 150,000,000 (December 31, 2022: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000,000</u>	1,500,000,000
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		(1,480,476)	(2,571,815)
Unappropriated profit		266,656,880	178,230,182
		2,350,054,274	2,260,536,237
LIABILITIES			
Non-current liabilities			
Long-term financing	5	78,860,624	315,442,500
Lease liability	6	11,072,247	3,170,104
		89,932,871	318,612,604
Current liabilities			
Short term borrowing - secured Creditors, accrued expenses and other liabilities	7	2,713,907,449	2,347,889,402
Accrued profit		12,267,064	10,933,269
Unclaimed dividend		3,361,843	3,361,843
Current maturity of long-term financing	5	315,442,500	315,442,500
Current maturity of lease liability	6	4,500,272	8,271,047
		3,049,479,128	2,777,892,608
		5,489,466,273	5,357,041,449
Contingencies and Commitments	8		

The annexed notes 1 to 25 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, 2023

	Note	September 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
ASSETS			
Non-current assets			
Property and equipment	9	790,630,375	797,556,231
Investment property	10	116,953,318	119,340,261
Intangible assets	11	5,000,000	5,000,000
Long term investments	12	21,491,751	38,420,312
Long term loans and deposits		39,336,500	33,431,090
Deferred taxation - net		110,877,781	111,602,125
		1,084,289,725	1,105,350,019
Current assets			
Short term investments	13	730,779,160	575,900,796
Trade debts	14	962,382,133	644,435,971
Receivable against margin finance		401,200,901	425,971,947
Loans and advances - considered good		53,517,282	56,783,317
Short-term deposits and prepayments		652,470,200	1,068,037,507
Interest and mark-up accrued	15	63,200,910	32,506,463
Other receivables		14,023,559	41,526
Advance tax		126,126,232	83,088,775
Cash and bank balances	16	1,401,476,172	1,364,925,128
		4,405,176,549	4,251,691,430
		5,489,466,273	5,357,041,449

Director

Chief Executive Officer

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Note	Nine months ended		Three months ended	
		September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----
Operating revenue	17	476,219,963	313,863,608	185,727,713	115,197,264
Capital gain on sale of investments - net		43,970,316	62,205,688	(12,050,105)	16,083,593
Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net		2,729,638	(12,391,022)	(5,505,199)	896,544
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit or loss - net		(9,478,569)	2,950,690	4,672,893	(11,939,472)
Dividend income		85,047,849	56,120,056	44,452,710	27,141,672
Margin finance income		90,402,446	79,084,464	32,355,473	31,880,048
		688,891,643	501,833,484	249,653,485	179,259,649
Administrative and operating expenses		(612,771,521)	(512,563,334)	(235,258,699)	(169,719,246)
		76,120,122	(10,729,850)	14,394,786	9,540,403
Other operating income - net		135,400,464	196,836,133	45,297,050	44,380,494
		211,520,586	186,106,283	59,691,836	53,920,897
Provision for Sindh Workers' Welfare Fund		(2,481,026)	(1,384,448)	(536,911)	(518,097)
Finance cost	18	(87,469,332)	(118,441,552)	(28,622,534)	(29,043,254)
Profit before taxation		121,570,228	66,280,283	30,532,391	24,359,546
Taxation - current		(30,909,286)	(20,234,759)	(6,038,593)	(9,383,076)
- prior		-	(21,871,859)	-	-
- deferred	19.1	(2,234,244)	1,441,962	3,277,406	84,143
		(33,143,530)	(40,664,656)	(2,761,187)	(9,298,933)
Profit after taxation		88,426,698	25,615,627	27,771,204	15,060,613
Earnings per share - basic and diluted	20	3.22	0.93	1.01	0.55

The annexed notes 1 to 25 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, 2023

	Nine months ended		Three months ended	
	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----
Profit for the period	88,426,698	25,615,627	27,771,204	15,060,613
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	(418,561)	(8,591,517)	1,079,447	(837,122)
Less: Related tax	1,509,900	764,400	3,012,450	-
	1,091,339	(7,827,117)	4,091,897	(837,122)
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	-	179,680	(40,973)	33,860
Less: Related tax	-	(26,952)	6,146	(5,079)
	-	152,728	(34,827)	28,781
Total comprehensive income / (loss) for the period	89,518,037	17,941,238	31,828,274	14,252,272

The annexed notes 1 to 25 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 SEPTEMBER 30, 2023

	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	Revenue reserve Unappropriated profit	Sub-total	Total
	(Rupees)					
Balance as at January 01, 2022	274,772,970	1,810,104,900	9,388,710	102,108,918	1,921,602,528	2,196,375,498
Total comprehensive income for the period						
Profit for the nine months ended September 30, 2022	-	-	-	25,615,627	25,615,627	25,615,627
Other comprehensive loss - net of tax	-	-	(7,674,389)	-	(7,674,389)	(7,674,389)
Total comprehensive income for the period	-	-	(7,674,389)	25,615,627	17,941,238	17,941,238
Transactions with owners						
Balance as at September 30, 2022	<u>274,772,970</u>	<u>1,810,104,900</u>	<u>1,714,321</u>	<u>127,724,545</u>	<u>1,939,543,766</u>	<u>2,214,316,736</u>
Balance as at 1 January 2023	274,772,970	1,810,104,900	(2,571,815)	178,230,182	1,985,763,267	2,260,536,237
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	<u>274,772,970</u>	<u>1,810,104,900</u>	<u>(1,480,476)</u>	<u>266,656,880</u>	<u>2,075,281,304</u>	<u>2,350,054,274</u>

The annexed notes 1 to 25 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, 2023

	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	121,570,228	66,280,283
Adjustments for:		
Depreciation of operating assets expense	42,648,080	50,785,685
Depreciation of right-of-use assets	6,604,340	6,386,898
Depreciation of investment property	2,386,943	6,368,638
Gain on sale of property and equipment	(9,549,997)	(44,128,837)
Unrealised gain / (loss) on remeasurement of investments at fair value through profit	(2,729,638)	12,391,022
Unrealised gain / (loss) on remeasurement of derivatives at fair value through profit	9,478,569	(2,950,690)
Provision for Sindh Workers' Welfare Fund	2,481,026	1,384,448
Finance cost	87,469,332	118,441,552
	138,788,655	148,678,716
Cash generated from operating activities before working capital changes	260,358,883	214,958,999
Decrease in current assets		
Trade debts	(317,946,163)	(257,696,029)
Receivable against margin finance	24,771,046	(133,972,208)
Loans and advances	3,266,035	(1,496,308)
Short-term deposits and prepayments	415,567,307	51,457,817
Interest and mark-up accrued	(30,694,447)	(15,889,429)
Other receivables	(13,982,033)	2,226,168
	80,981,745	(355,369,989)
(Decrease) / Increase in current liabilities		
Creditors, accrued expenses and other liabilities	271,743,116	764,872,453
Cash generated from operations	613,083,745	624,461,463
Finance cost paid	(85,834,486)	(64,938,601)
Taxes paid	(75,456,643)	(40,796,291)
	-	-
Net cash generated from operating activities	451,792,616	518,726,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(28,806,352)	(11,429,167)
Proceeds from disposal of operating assets	9,550,000	46,810,878
Long term loans, advances and deposits	(5,905,410)	(11,027,503)
Long term investments - net	20,780,572	(5,408,405)
Short term investments - net	(161,627,295)	788,815,215
Net cash (used in) / generated from investing activities	(166,008,485)	807,761,018
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid / adjustment	-	(137,386,485)
Lease rentals paid	(12,651,211)	(6,991,906)
Repayment Commercial Paper	-	(1,000,000,000)
Repayment of long-term financing	(236,581,876)	(42,642,902)
Net cash used in financing activities	(249,233,087)	(1,187,021,293)
Increase in cash and cash equivalents during the period	36,551,044	139,466,296
Cash and cash equivalents at the beginning of the period	1,364,925,128	1,286,868,762
Cash and cash equivalents at the end of the period	1,401,476,172	1,426,335,058

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The annexed notes 1 to 25 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, 2023

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 2016, special resolution was passed by the Company in the Annual General Meeting held on March 22, 2016, authorising the Company to buy-back its own shares under section 95A of the repealed Companies Ordinance, 1984, read with the then Companies (Buy-Back of Shares) Rules, 1999 upto a maximum of 12,000,000 ordinary shares. Following the announcement, 11,993,000 ordinary shares were offered by the public which was accepted resulting in cancellation of the same on April 15, 2016. Consequently, the paid up capital was reduced to 380,070,000 ordinary shares.
- 1.4** 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.
- 1.5** 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.
- 1.6** 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

1.7	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); 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 2022.

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

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 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, 2022.

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, 2022.

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, 2023 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:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. 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.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

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 SEPTEMBER 30, 2023

- 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.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend 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.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:

Once tax law is enacted but before top-up tax is effective:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.

After top-up tax is effective: disclose current tax expense related to top-up tax.

These amendments apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

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, 2022.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

September 30, 2023 (Number of shares)	December 31, 2022 (Number of shares)		September 30, 2023 (Rupees)	December 31, 2022 (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)
<u>27,477,297</u>	<u>27,477,297</u>		<u>274,772,970</u>	<u>274,772,970</u>

4.1 The Parent company held 25,525,169 (2022: 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. LONG-TERM FINANCING

Islamic

	September 30, 2023 (Un-audited) (Rupees)	December 31, 2022 (Audited) (Rupees)
Long-term Loan	394,303,124	630,885,000
Short-term maturity	(315,442,500)	(315,442,500)
Long-term maturity	78,860,624	315,442,500
Short-term maturity	315,442,500	315,442,500

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

5.1 Long term finance utilised mark-up arrangements

	Number of installements and commencement date	Date of maturity	Rate of markup per annum	September 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
Islamic BankIslami Pakistan Limited Diminishing Musharika	12 quarterly instalments November 21, 2022	November 21, 2024	3 months Kibor+1.5%	206,803,125	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%	187,500,000	300,000,000

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

6. LEASE LIABILITY	Note	September 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
Opening balance		11,441,151	16,876,402
Interest expense		1,463,999	1,896,646
Addition		13,520,218	4,112,901
Payment of rentals		(10,852,849)	(11,444,798)
Closing balance		15,572,519	11,441,151
Less: Current maturity		(4,500,272)	(8,271,047)
		11,072,247	3,170,104

7. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Trade creditors	7.1	2,199,137,137	1,974,183,576
Accrued expenses		76,793,514	63,921,413
Staff Provident Fund		2,811,544	2,693,030
Provision for staff bonus		16,897,751	27,125,376
Provision for Sindh Workers' Welfare Fund		50,951,220	48,470,194
Others		367,316,283	231,495,813
	7.2	2,713,907,449	2,347,889,402

7.1 This includes payable to PSX and National Clearing Company of Pakistan Limited (NCCPL) amounting to Rs.0.296 (2022: Rs.0.221) million and Rs. 465.533 (2022: Rs.978.001) million respectively 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, 2023**

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- (Rupees) -----	
7.2 Movement of provision for staff bonus is as follows:		
Balance at the beginning of the year	27,125,376	88,763,376
Paid during the year	(21,227,625)	(71,638,000)
Charged during the year	11,000,000	10,000,000
Balance at the end of the year	<u>16,897,751</u>	<u>27,125,376</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no outstanding contingencies as at September 30, 2023 (2022: Nil) other than tax contingencies disclosed in note 21 of these condensed interim financial statements.

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- (Rupees) -----	
8.2 Commitments	Note	
Net - future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	<u>735,595,945</u>	<u>567,163,001</u>
Bank Guarantee from a commercial bank in favor of National Clearing Company of Pakistan Limited expiring on May 31, 2024	<u>400,000,000</u>	<u>400,000,000</u>

9. PROPERTY AND EQUIPMENT

Operating assets	9.1	775,250,250	789,091,984
Right-of-use assets	9.2	<u>15,380,125</u>	<u>8,464,247</u>
		<u>790,630,375</u>	<u>797,556,231</u>

9.1 Movement in operating assets - owned

Book value at beginning of the period / year		789,091,984	844,801,235
Cost of additions during the period / year	9.1.1	28,806,352	13,244,885
Book value of deletions during the period / year	9.1.2	(6)	(3,657,515)
Depreciation charge for the period / year		<u>(42,648,080)</u>	<u>(65,296,621)</u>
Book value at end of the period / year		<u>775,250,250</u>	<u>789,091,984</u>

9.1.1 Details of additions during the period / year

Office equipment		<u>6,013,567</u>	<u>13,244,885</u>
		<u>6,013,567</u>	<u>13,244,885</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	----- (Rupees) -----	
9.1.2 Book value of deletions during the period / year:		
Office equipment	(3)	(24,288)
Motor vehicle	(3)	(3,633,227)
	<u>(6)</u>	<u>(3,657,515)</u>
9.2 Right-of-use assets		
Branches	<u>15,380,125</u>	<u>8,464,247</u>
10. INVESTMENT PROPERTY		
Cost	127,303,650	127,303,650
Additions	-	-
Accumulated Depreciation	<u>(10,350,332)</u>	<u>(7,963,389)</u>
Closing balance	<u>116,953,318</u>	<u>119,340,261</u>
11. INTANGIBLE ASSETS		
Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited (PSX)	11.1 <u>2,500,000</u>	2,500,000
Membership card - Pakistan Mercantile Exchange Limited	<u>2,500,000</u>	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>
11.1	This represents TREC received from PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. The Company has also received shares of PSX after completion of the demutualization process.	
12. LONG TERM INVESTMENTS		
Classified as 'at fair value through Other Comprehensive Income'		
Shares of PSX - at cost (2022: 2,202,953 shares)	12.1 <u>23,060,884</u>	23,060,884
Term finance / sukuk certificates	<u>3,120,000</u>	24,796,667
	<u>26,180,884</u>	47,857,551
Surplus on revaluation - net	12.2 <u>(4,689,133)</u>	(4,270,572)
Less: Current maturity of long term investments - secured	<u>-</u>	(5,166,667)
	<u>21,491,751</u>	<u>38,420,312</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

12.1 Term finance / sukuk certificates

Number of Certificates		Name of term finance / sukuk certificates	Carrying value	
September 30, 2023 (Un-audited)	December 31, 2022 (Audited)		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Listed debt securities - secured				
-	3,000	Jahangir Siddiqui & Co. Limited XI - related party	-	5,000,000
-	20	BYCO Petroleum Pakistan Limited - Sukuk - I	-	166,667
624	4,016	BIPL Ehad Sukuk	3,120,000	19,630,000
			3,120,000	24,796,667
Less: Current maturity of long term investments - secured			-	(5,166,667)
			3,120,000	19,630,000

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

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Balance at the beginning of the year	(4,270,572)	8,196,738
Surplus / (deficit) on re-measurement of investments during the year	(418,561)	(12,467,310)
Balance at the end of the year	(4,689,133)	(4,270,572)

13. SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities	713,422,490	564,313,980
Exchange Traded Fund	17,356,670	6,420,150
Current maturity of long term investments - secured	-	5,166,667
	730,779,160	575,900,796

14. TRADE DEBTS

Purchase of shares on behalf of clients	817,941,875	519,056,837
Advisory services	1,209,467	1,774,940
Forex and fixed income commission	9,646,262	10,364,759
Commodity	133,584,529	113,239,435
	962,382,133	644,435,971
Considered doubtful	409,285,717	409,285,717
	1,371,667,850	1,053,721,688
Provision for doubtful debts	(409,285,717)	(409,285,717)
	962,382,133	644,435,971

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

- 14.1** Included herein is a sum of Rs.8.607 (2022: Rs. 4.716) million receivable from related parties.
- 14.2** This includes receivable from National Clearing Company of Pakistan Limited (NCCPL) amounting to NIL (2022: Nil) in respect of trading in securities, settled subsequent to the period end.

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- (Rupees) -----	
15. INTEREST AND MARK-UP ACCRUED			
Accrued mark-up on margin finance		35,878,195	31,393,693
Accrued mark-up on term finance / sukuk certificates		253,742	711,928
Interest receivable on bank deposits		<u>27,068,973</u>	<u>400,842</u>
		<u>63,200,910</u>	<u>32,506,463</u>

16. CASH AND BANK BALANCES

Cash with banks:

- Current accounts		<u>26,303,766</u>	9,069,472
- Profit or loss savings (PLS) / deposit accounts	16.1	<u>1,374,948,406</u>	<u>1,355,631,656</u>
		<u>1,401,252,172</u>	<u>1,364,701,128</u>

Cash in hand:

		<u>224,000</u>	224,000
	16.2	<u>1,401,476,172</u>	<u>1,364,925,128</u>

- 16.1** These carry profit / mark-up rates ranging from 9.25% to 20.82% (2022: 9.25% to 13.25%) per annum.
- 16.2** These include balances with the Parent Company amounting to Rs.1,332.276 (2022: Rs.1,334.985) million.
- 16.3** Detail of customer assets held in designated bank accounts and Central Depository Company of Pakistan Limited (CDC) are as follows:

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- (Rupees) -----	
Customers' assets held in the designated bank accounts and exposure deposit		<u>1,374,170,535</u>	<u>1,580,698,446</u>
Customers' assets held in the CDC		<u>32,480,240,214</u>	<u>34,240,753,023</u>
16.4 Securities pledged with financial institutions		<u>11,377,173,752</u>	<u>12,947,575,235</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	(Un-audited)			
	Nine months ended		Three months ended	
	September 30, 2023 (Un-audited)	September 30, 2022	September 30, 2023 (Un-audited)	September 30, 2022
	----- (Rupees) -----			
17. OPERATING REVENUE				
Brokerage and operating income	460,140,592	305,618,724	183,349,071	113,227,724
Advisory and consultancy fee	16,079,371	8,244,884	2,378,642	1,969,540
	476,219,963	313,863,608	185,727,713	115,197,264
18. FINANCE COST				
Mark-up on long-term loans	81,529,592	66,260,691	26,340,365	27,183,412
Mark-up on commercial paper	-	46,329,675	-	-
Commission expense on bank guarantee	3,749,994	3,530,669	1,250,001	1,249,998
Mark-up expense on SBP re-finance scheme against salaries	-	629,410	-	48,964
Bank and other charges	725,747	405,634	137,504	202,350
Interest expense on assets subject to finance lease	1,463,999	1,285,473	894,664	358,530
	87,469,332	118,441,552	28,622,534	29,043,254
19. TAXATION				
19.1	There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2022.			
20. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation	88,426,698	25,615,627	27,771,204	15,060,613
	----- (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	3.22	0.93	1.01	0.55

21. RELATED PARTY TRANSACTIONS

- 21.1** 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:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Key management personnel of entity and associated entities	Associated enti- ties other than parent company	Key management personnel of enti- ty and associated entities	Associated entities other than parent company
----- (Rupees) -----				
Trade debts				
Opening balance	72,922	1,088,415	14,206	3,627,068
Invoiced during the year	13,622,960	433,188,429	632,425	4,523,682
Received during the year	(11,728,013)	(424,205,643)	(573,709)	(7,062,335)
Closing balance	1,967,870	10,071,201	72,922	1,088,415
Trade payable				
Opening balance	12,285,026	175,894,970	130,336,990	254,963,606
Invoiced during the year	367,393,328	114,912,191	89,889,167	1,038,941,337
Paid during the year	(375,331,215)	(268,843,876)	(207,941,131)	(1,118,009,973)
Closing balance	4,347,140	21,963,285	12,285,026	175,894,970
Loans and advances				
Opening balance	13,570,369	-	12,926,331	-
Disbursements during the year	10,379,004	-	7,819,471	-
Repayments during the year	(8,754,389)	-	(7,175,433)	-
Closing balance	15,194,984	-	13,570,369	-

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
----- (Rupees) -----		
Balances with Parent Company		
Trade debts	420,374	3,555,021
Trade Payable	151,270	-
Bank balances with parent company	1,332,275,508	1,334,985,189
Other payable	-	6,960
Balances with ultimate Parent Company		
Trade debts	8,186,932	-
Trade Payable	390	138,089,575
Other receivables	-	284,852

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited) ----- (Rupees) -----	December 31, 2022 (Audited) -----
Mark-up receivable on term finance certificates	353,614	276,930
Principal outstanding on term finance certificates	-	5,000,000
Balances with associated entities of group companies		
Other receivables	-	61,628
Principal outstanding on term finance certificates	3,130,000	19,626,000
Donation payable	771,412	1,224,710
Mark-up payable on commercial paper	-	8,601,772
Mark-up payable on long-term financing	4,191,588	6,119,922
Long-term financing	206,803,125	330,885,000
	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	12,316,853	14,653,291
Donation paid	1,522,425	210,512
Commercial Paper Principle Outstanding Paid	-	143,398,228
Rent Received	10,483,218	9,676,818
Transactions with the Parent Company		
Nature of transactions		
Brokerage income	1,450,225	1,841,407
Bank charges	292,800	322,727
Mark-up on deposit accounts	40,351,909	101,031,316
Dividend Paid	-	127,632,045

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited) ----- (Rupees) -----	September 30, 2022 (Un-audited) -----
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	<u>2,635,534</u>	<u>4,570,207</u>
Reimbursement of expenses by the ultimate parent company	<u>11,417,260</u>	<u>127,033,542</u>
Reimbursement of expenses to the ultimate parent company	<u>59,400</u>	<u>25,130,027</u>
Rent paid during the year to the ultimate parent company	<u>2,395,800</u>	<u>2,178,000</u>
Advisory and Market maker fee received	<u>-</u>	<u>333,333</u>
Mark-up received on term finance certificates	<u>712,466</u>	<u>916,306</u>
Principal received on term finance certificates	<u>5,000,000</u>	<u>5,000,000</u>
Transactions with key management personnel of the Company and its Parent Company		
Nature of transactions		
Brokerage income	<u>3,878,070</u>	<u>1,252,066</u>
Directors' remuneration	<u>4,250,000</u>	<u>1,125,000</u>
Remuneration paid to Chief Executive Officer	<u>17,454,662</u>	<u>46,761,205</u>
Remuneration paid to key management personnel	<u>196,274,227</u>	<u>236,396,857</u>
Transactions with other related parties		
Nature of transactions		
Royalty expense	<u>15,000,000</u>	<u>15,000,000</u>
Insurance expense	<u>8,661,224</u>	<u>10,091,450</u>
Purchase of term finance certificates	<u>50,456,440</u>	<u>201,804,320</u>
Sale of term finance certificates	<u>50,456,440</u>	<u>153,560,440</u>
Sale of sukuk certificates	<u>1,645,321,130</u>	<u>2,530,582,117</u>
Mark-up on sukuk certificates	<u>1,011,102</u>	<u>1,553,825</u>
Capital gain on sale of sukuk certificates	<u>12,144,699</u>	<u>17,547,600</u>
Contributions to staff provident fund	<u>9,517,493</u>	<u>13,642,241</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
22. OPERATING SEGMENTS				
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				88,426,698
Segment assets	3,323,524,763	345,208,427	1,820,733,084	5,489,466,273
Segment liabilities	2,567,410,373	424,724,291	147,277,334	3,139,411,999

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, 2023 and December 31, 2022 are located and operating in Pakistan.

	September 30, 2022			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	305,618,724	308,041,327	85,009,566	698,669,617
Administrative and operating expenses	(220,444,102)	(28,865,278)	(206,286,937)	(455,596,317)
Depreciation	(20,554,578)	(1,799,851)	(34,612,588)	(56,967,017)
Finance cost	(118,441,552)	-	-	(118,441,552)
	(53,821,508)	277,376,199	(155,889,959)	67,664,731
Provision for Sindh Workers' Welfare Fund				(1,384,448)
Taxation				(40,664,656)
Profit after tax				25,615,627
Segment assets	3,712,901,906	1,917,120,052	606,732,818	6,236,754,775
Segment liabilities	3,248,292,378	-	774,145,661	4,022,438,039

23. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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, 2023 (Un-audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted equity securities	713,422,490	-	-	713,422,490
Exchange Traded Fund	17,356,670			17,356,670
	<u>730,779,160</u>	<u>-</u>	<u>-</u>	<u>730,779,160</u>
Financial assets at fair value through other comprehensive income				
Quoted equity securities	21,491,751	-	-	21,491,751
Debt Securities		3,120,000		3,120,000
	<u>21,491,751</u>	<u>3,120,000</u>	<u>-</u>	<u>24,611,751</u>
	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted equity securities	564,313,980	-	-	564,313,980
Exchange Traded Fund	6,420,150	-	-	6,420,150
	<u>570,734,130</u>	<u>-</u>	<u>-</u>	<u>570,734,130</u>
Fair value through other comprehensive income				
Quoted securities	43,586,979	-	-	43,586,979
	<u>43,586,979</u>	<u>-</u>	<u>-</u>	<u>43,586,979</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

At present, JSGCL employs seven members in its research department (including head of research, a 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 September 30, 2023, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.13,681,125, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

25. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on October 19, 2023.

Director

Chief Executive Officer

Chief Financial Officer



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