



 **JS Global**

JS Global Capital Limited

Condensed Interim Financial Information
for the nine months ended September 30, 2016
(Un-audited)

CONDENSED INTERIM FINANCIAL INFORMATION

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Company Information

Board of Directors	Syed Hasan Akbar Kazmi Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Mr. Ammar Talib Hajeyah Mr. Farid Arshad Masood Mr. Khurshid Hadi Mr. Muhammad Khalil Ur Rehman Mr. Muhammad Kamran Nasir	Chairman Vice Chairman Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Khurshid Hadi Mr. Ammar Talib Hajeyah Mr. Muhammad Khalil Ur Rehman Mr. Aijaz Ali	Chairman Member Member Secretary
Executive Committee	Mr. Muhamamd Kamran Nasir Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Syed Hasan Akbar Kazmi Mr. Muhammad Khalil Ur Rehman	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Syed Hasan Akbar Kazmi Mr. Muhammad Kamran Nasir Mr. Abdul Hamid Mihrez	Chairman Member Member
CFO & Company Secretary	Mr. Muhammad Umair Arif	
External Auditor	E&Y Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, Karachi	
Internal Auditor	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrāh-e-Faisal, Karachi	
Bankers	JS Bank Limited MCB Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Bank Alfalah Limited United Bank Limited National Bank of Pakistan Faysal Bank Limited Askari Bank Limited	
Legal Advisors	Bawaney & Partners , 3rd & 4th Floors, 68-C, Lane-13, Bokhari Commercial Area, Phase - VI DHA, Karachi Ms. Lubna Saleem Pervez Office no. 409, 4th Floor, Land Mark Plaza, Muhammad Bin Qasim Road, Off I.I. Chundrigar Road, Karachi	
Share Registrar	Technology Trade (Pvt) Limited , 241-C, BLock-2, P.E.C.H.S., Karachi	
Registered Office	6th Floor, Faysal House, Main Shahrāh-e-Faisal, Karachi Telephone: 92-21-111-574-111, Fax: 92-21-32800167 www.jsqcl.com www.jsglobalonline.com	

Directors' Report to the Members

On behalf of the Board of Directors, I am pleased to present the unaudited, condensed interim financial information of JS Global Capital Limited ('the Company') for the nine months period ending September 30, 2016.

The summarized results are set out below:

	Nine months ended	
	September 30, 2016	September 30, 2015
	----- (Rupees) -----	
Profit before tax	162,164,219	296,408,305
Profit after tax	115,391,656	186,835,298
Earnings per share	2.71	3.74

ECONOMIC REVIEW

The growth momentum continued in Pakistan's economy for the first nine months of 2016 ended with some important developments on the macroeconomic front. Pakistan received IMF's last tranche of USD 135 million thereby successfully completing the IMF's Extended Fund Facility (EFF) program. Along with increasing sources of foreign funding and decreasing concerns over debt sustainability, global commodity prices continued to stay weak, painting a positive outlook in the near term and giving Pakistan the necessary time to address structural problems in the economy.

In the long term, successful and timely completion of China Pakistan Economic Corridor (CPEC) will be key in ensuring continued economic progress. Key macroeconomic indicators, such as (1) reduction in inflation (Consumer Price Index averaged at a low of 3.85 percent year-over-year (YoY) in the first three months of financial year 2017), (2) foreign exchange reserves (above USD 20 billion, translating into over 5 months of import cover) and (3) interest rates (policy rate at a historic low of 5.75 percent) are reflective of a healthy economic outlook.

EQUITY MARKET PERFORMANCE

The Pakistan Stock Exchange (PSX) continued to show stellar performance during the first nine months of 2016 as the benchmark KSE-100 index gained an impressive 23.5 percent to close at 40,541 points, outshining Asia Pacific markets which provided average returns of 3.40 percent during the same period. The strong performance that was exhibited is highly encouraging when seen in the backdrop of escalated tension with India on the eastern border and foreign selling of USD 79.25 million during the first nine months of 2016. On the other hand, both average traded volume and value declined by 16 percent to 231 million shares and 21 percent to USD 98.2 million respectively. Going forward, valuations remain attractive as Pakistan trades at a significant discount of 30 percent compared to its regional peers. A mix of strong corporate earnings and PE re-rating amidst an improving law & order situation and Pakistan's classification into the MSCI Emerging Market (EM) Index are major events that will be key drivers of future market performance.

FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

During the first nine months of 2016, the State Bank of Pakistan (SBP) continued the monetary easing cycle with the policy rate at 5.75 percent. This resulted in the cut of yields of Treasury Bills (T-Bills) trading at levels around 5 percent, an indication that the market's focus has shifted from long term to short and medium term bonds in order to benefit from the easing. The SBP's borrowing requirements also remained in control with the overall maturity size of bonds above the PKR trillion mark bracket. Banks booked higher yields to support their fixed income portfolios and a similar trend was witnessed across both T-Bills and Pakistan Investment Bonds (PIBs) auctions, where sizable participation was witnessed vis-à-vis the predefined targets.

As far as the currency market goes, the USD/PKR parity opened at 104.85 as compared to last year's opening of 100.7 in the same period. The exchange rate had slightly improved during the first nine months of 2016 from parity at 1/104.85 to close at 1/104.6, reflecting an appreciation of 0.24 percent. The USD/PKR Swaps premium showed a mixed trend during the first nine months of 2016, where in January the average 1 month (1M), 3 months (3M) and 6 months (6M) Swaps widened by 49, 125 and 230 paisas, respectively. The average Swaps in the month of September for 1M, 3M and 6M remained at 37, 109, 209 paisas, respectively, reflecting a downward trend.

For Commodities, the first nine months of 2016 remained relatively better as the value of commodities traded at the Pakistan Mercantile Exchange ('PMEX') increased to PKR 1,090.99 billion as against PKR 321.3 billion in the corresponding period last year. Prices of all the actively-traded commodities remained on upward trajectory. PMEX has further launched three international currencies' pairs (AUD, CAD and CHF) for trading. Where gold prices are concerned, they moved in response to the fast-changing USD exchange rate parity against all the major currencies. Weak U.S. economic data, a faltering global economy and subdued physical demand kept the price up, whereas oil prices mostly remained on upward trajectory, barring some nominal declines. Market share of your company remained strong at 9.3 percent and maintained its positions among the top-five industry players in Pakistan.

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 115.39 million for the nine months ended September 30, 2016 vis-à-vis net income of PKR 186.83 million in same periods last year, posting a decline of 38.24 percent over the same period. Operating revenue of the Company also decreased by 19.72 percent over the same period as last year. The major reason for the decline in operating profit was due to significantly lower volumes traded at the local bourses, with trading dropping by 16 percent YoY. During the first nine months of 2016, the average volumes traded were 231 million shares as against 275 million shares traded during the same period last year. Going forward, we believe market volumes at the local bourses will improve and consequently the Company will be able to present better results.

In terms of recognitions, the Directors are pleased to announce that your Company stood first runner up in the 'Best Brokerage House of the Year' category and won the 'Best Trader of the Year' award, for two years in a row, at the 13th CFA Excellence Awards organized by CFA Society Pakistan.

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

ACKNOWLEDGEMENT

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

We would like to acknowledge the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL) for their efforts to strengthen the Capital Markets and measures they have taken to protect investor rights.

For and on behalf of the
Board of Directors

Karachi: October 17, 2016

Muhammad Kamran Nasir
Chief Executive

 **JS Global**

سے فائدہ حاصل ہو۔ SBP کی قرض لینے کی ضروریات بھی کنٹرول میں رہیں جب کہ مجموعی طور پر میچو ریٹی کے سائز ٹریبلین کے نشان سے زیادہ رہے۔ بینک نے فکسڈ انکم Portfolio کو سپورٹ کرنے کیلئے بڑے Yields کا سہارا لیا۔ اور یہی رجحان T بلز اور PIBs کے نیلاموں میں دیکھا گیا تھا جہاں خاصی بڑی شراکت پہلے سے بیان کردہ اہداف کے دو بدو دیکھی گئی تھی۔ جہاں تک کرنسی مارکیٹ کا تعلق ہے۔ USD/PKR پچھلے سال اسی مدت میں 100.7 کے مقابلے میں 104.85 پر کھلا۔ سال کے پہلے نو ماہ کے دوران شرح تبادلہ معمولی سے کم ہو 1/104.85 سے معمولی کم ہو کر 1/104.60 پر بند ہوئی۔ جو 0.24 فیصد کا اضافہ ظاہر کرتا ہے۔ سال کے پہلے نو ماہ کے دوران SWAPS USD/PKR پر یہیم میں ملا جا رہا تھا دیکھا گیا۔ جہاں جنوری میں ایک ماہ، تین ماہ اور چھ مہینوں 49,125 Swaps اور 230 پیسہ کا بالترتیب اضافہ ہوا۔ اوسطاً SWAPS ستمبر میں ایک مہینے، تین مہینے اور چھ مہینے کے لئے 37,109 اور 209 پیسے بالترتیب رہا جو کہ کارہجہ ظاہر کر رہا ہے۔

سال کے پہلے نو ماہ کو ڈیٹیز مجموعی طور پر بہتر رہی جیسا کہ پاکستان مرکٹس ایکسچینج (PMEX) پر ٹریڈ کی گئی کموڈٹیز کی قیمت پچھلے سال کی اسی مدت میں 321.3 بلین پاکستانی روپے کے برعکس 1,090.99 بلین پاکستانی روپے کا اضافہ ہوا۔ تندی سے ٹریڈ کی گئی کموڈٹیز کی قیمتیں خط حرکت سے اوپر رہیں۔ PMEX نے ٹریڈنگ کے لئے تین بین الاقوامی کرنسیز کے جوڑے (AUD, CAD اور CHF) متعارف کروائے ہیں۔ تاہم بڑی کرنسیز کے خلاف یو ایس کے شرح تبادلہ میں تیزی سے تبدیلی کی وجہ سے سونے کی قیمتوں میں تبدیلی آئی۔ کمزور امریکی معاشی ڈیٹا، عالمی معیشت میں تعمیر اور مخرطی طلب نے قیمت کو بلند رکھا۔ جب کہ آئل کی قیمتیں زیادہ تر بلند رہیں۔ اس میں کچھ کمی بھی آئی۔ آپ کی کمپنی کا مارکیٹ شیئر 9.3 فیصد پر مستحکم رہا اور اپنی پوزیشن چوٹی کے پانچ انڈسٹری پلیئرز کے درمیان برقرار رکھی۔

کمپنی کی کارکردگی کا جائزہ

کمپنی نے 30 ستمبر 2016 کو ختم ہونے والے نو ماہ کی مدت میں 115.39 ملین کی خالص آمدنی کمائی۔ جب کہ پچھلے سال اسی مدت میں خالص آمدنی 186.83 ملین پاکستانی روپے تھی۔ اس مدت کی آمدنی 38.24 فیصد سے کم رہی۔ کمپنی کے آپریٹنگ ریونیو میں پچھلے سال کی اسی مدت کے لئے 19.72 فیصد کمی ہوئی۔ آپریٹنگ پرافٹ میں کمی کی اہم وجہ اسٹاک ایکسچینج پر تجارت کے حجم میں نمایاں کمی ہے جو 16 فیصد YoY سے کم ہو گیا ہے۔ سال کے پہلے نو ماہ کے دوران ٹریڈ کئے گئے حجم کا اوسط 231 ملین شیئرز تھا۔ جب کہ پچھلے سال اسی مدت کے دوران 275 ملین شیئرز ٹریڈ کئے گئے تھے۔ آگے کی جانب بڑھتے ہوئے ہمیں یقین ہے کہ مقامی اسٹاک ایکسچینج پر مارکیٹ کے حجم میں بہتری آئے گی اور نتیجتاً کمپنی بہتر نتائج پیش کرنے کی اہل ہوگی۔

ڈائریکٹرز اعلان کرتے ہوئے خوشی محسوس کرتے ہیں کہ آپ کی کمپنی فہمیت بروکرینج ہاؤس آف دی ایگزیکٹو کی میں پہلا رنزاپ ہے اور CFA سوسائٹی پاکستان کی جانب سے منعقدہ 13 ویں CFA ایکسیلیٹس ایوارڈ پر دو سالوں سے فہمیت ٹریڈ آر آف سی ایگزیکٹو ایوارڈ جیت رہے ہیں۔ کمپنی کا مٹی نظر اپنی ترقی کو دہرا پر قرار رکھتے رہے۔ اور انتظامیہ اپنے وسائل کی سختی سے نگرانی کر رہی ہے تاکہ اپنے حصص رکھنے والوں کو زیادہ سے زیادہ فوائد پہنچائیں۔ اس میں بروکرینج، فیس کی بنیاد پر آپریٹنگ اور ٹریڈری منجمنٹ سے زیادہ سے زیادہ آمدنی پیدا حاصل کرنا شامل ہے۔

تسلیمات:

اہم اپنے ملازمین کی انتھک محنت اور کوششوں کو خلوص دل سے سراہتے ہیں۔ اس سلسلے میں حمایت اور اعتراف کیلئے ہم اپنے کلائنٹس، کاروباری شریک کار اور حصص یافتگان کے بھی مشکور ہیں۔ ہم سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، پاکستان اسٹاک ایکسچینج (PSX) اور نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ (NCCPL) کے بھی کوششوں کے مشکور ہیں جس کی وجہ سے کمپیوٹل مارکیٹس کو قوت حاصل ہوئی اور اس کے نتیجے میں سرمایہ کاران کے حقوق کا تحفظ ہوا۔

از طرف یورڈ آف ڈائریکٹرز

محمد کامران ناصر
چیف ایگزیکٹو

کراچی : 17 اکتوبر 2016

ممبران کے لئے ڈائریکٹرز کی رپورٹ

JS گلوبل کپٹیل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے غیر آڈٹ شدہ میعادہ مالیاتی حسابات نو ماہ کی مدت کیلئے مورخہ 30 ستمبر 2016 کو پیش کرتے ہوئے ہوسرت محسوس کر

رہا ہوں

نتائج کا خلاصہ مندرجہ ذیل ہیں۔

اختتام نو ماہ	اختتام نو ماہ		
30 ستمبر 2015	30 ستمبر 2016	روپے	
296,408,305	162,164,219		منافع قبل از ٹیکس
186,835,656	115,391,656		منافع بعد از ٹیکس
3.74	2.71		فی حصص منافع

معاشی جائزہ

پاکستان کی معیشت میں سال کے پہلے نو ماہ کے ختم ہونے کے ساتھ ملکر اکنامکس فرنٹ پر بعض اہم ترقیات میں مسلسل بہتری آئی ہے پاکستان نے IMF کی 135 بلین امریکی ڈالر کی آخری قسط وصول کی اور اپنی تاریخ میں پہلی بار کامیابی سے IMF کی ایکسٹنڈیڈ فیڈریشن (EFF) پروگرام کی تکمیل کی۔ غیر ملکی فنڈنگ کے ذرائع میں اضافہ اور قرض پائیداری پر ضمانتوں میں کمی کے ساتھ ساتھ اجناس کی عالمی قیمتوں میں بھی نرمی رہی مستقبل قریب میں اس کے مثبت اثرات دکھائی دے رہے ہیں۔ اور پاکستان کو مناسب وقت دے رہے ہیں کراچی معیشت کے ساختی مسائل کو دور کر سکے۔

طویل مدت میں چائنا پاکستان اکنامکس کوارٹریور (چین پاکستان اقتصادی راہداری) کی کامیاب اور بروقت تکمیل معاشی ترقی کے لئے اہم اور ناگزیر ہو جائے گی۔ جیسا کہ اوپر بتایا گیا ہے اہم میکرو انڈیکسز جیسا کہ (1) CPI انفلیشن 3MFY17 میں اوسطاً 3.85 فیصد YoY سے کم سطح پر ہے (2) فارن ایکسچینج کے ذخائر اہمپورٹ کو دورز کے 5 مہینوں میں 20USD بلین سے زیادہ برقرار ہے اور (3) شرح سود (پالیسی ریٹ 5.75 فیصد کی سطح پر ہے) وغیرہ جو مستقبل قریب کے لئے معیشت کے لئے مسلسل مستحکم منظر پیش کرتا ہے۔ اس پس منظر میں CPEC نے معیشت کے لئے وردان ہونے کو ثابت کیا ہے اور ملک زبردست ترقی کرنا دکھائی دیتا ہے، اسٹیکچرل میں اصلاحات جیسا کہ ڈیزائننگ ٹیکس نکلیشن میں بہتری زائد فوائد حاصل کرنے کیلئے لازمی ہے۔ جہاں مالیاتی فرنٹ سے متعلق بھی پیش رفت ہوئی ہے جہاں حکومت نے FY16 کے لئے ٹیکس جمع کرنے کے اہداف کو کامیابی سے پورا کریں گے۔

اکیویٹی مارکیٹ کا جائزہ

پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) نے سال کے پہلے نو ماہ کے دوران KSE-100 مسلسل شان دار کارکردگی دکھائی اور KSE-100 انڈیکس میں 23.5 فیصد کا موثر اضافہ حاصل کر کے 40,541 پوائنٹس پر بند ہوا۔ اس طرح اہم ایشیائی حربوں سے سہقت لے گیا۔ جنہوں نے اسی مدت کے دوران 3.40 فیصد کا اوسطاً بیڑن پیش کیا۔ ٹھوس کارکردگی کو بہت حوصلہ افزائی کی جا رہی ہے۔ اگر سال کے پہلے نو ماہ کے دوران مشرقی سرحدوں پر بڑھتی کشیدگی اور غیر ملکی میں 79.25 بلین USD کی فروخت کے پس منظر دیکھا جائے۔ دوسری جانب اوسطاً تجارت کا حجم 16 فیصد کی کمی سے 231 بلین ڈیٹرز (حصص) تک اور قیمت 21 فیصد کی کمی سے 98.2 بلین USD تک ہو گئی۔ مگر مستقبل میں قیمتیں پرکشش رہنے کا امکان ہے چونکہ پاکستان اپنے علاقائی حربوں کے مقابلے میں 30 فیصد کے نمایاں ڈس کاؤنٹ پر تجارت کی۔ کارپوریٹ earnings اور P/E کی دوبارہ شرح بندی کے ساتھ امن و امان کی بہتر ہوتی ہوئی صورت حال اور ساتھ ساتھ MSCI ایئر بینگ مارکیٹ میں پاکستان کی درجہ بندی کا کردگی کو بہتر کرنے کیلئے اہم ثابت ہوئی ہے۔

فلسڈ (مقررہ) آمدنی، کرنسی اور کوڈیٹرز کی مارکیٹ کا جائزہ

سال کے پہلے نو ماہ کے دوران انٹیٹ بینک آف پاکستان (SBP) کی پالیسی 5.75 فیصد کی شرح پر برقرار رہی جس کی وجہ سے ٹریڈری بلز کی پیداوار (ٹی بلز) کی سطح تقریباً 5 فیصد Yields تک رہے گی۔ نتیجتاً بعض سطحوں پر ٹریڈنگ میں اضافہ ہوگا۔ لہذا مارکیٹ کارجان طویل مدت سے تبدیل ہو کر مختصر اور درمیانی مدت کے بانڈز ہو گیا تاکہ آسان فیئر

Condensed Interim Statement of Financial Position (Un-audited) As at September 30, 2016

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
Note	----- (Rupees) -----	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized: 150,000,000 (December 31, 2015: 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	5 380,070,000	500,000,000
Reserves	2,076,103,144	2,385,337,199
	2,456,173,144	2,885,337,199
LIABILITIES		
Current liabilities		
Creditors, accrued expenses and other liabilities	6 1,381,909,359	626,381,343
Taxation - net	-	20,874,177
	1,381,909,359	647,255,520
	<u>3,838,082,503</u>	<u>3,532,592,719</u>
Contingencies and commitments	7	

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2016

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
ASSETS		
Non-current assets		
Property and equipment	8 67,366,538	59,901,526
Intangible assets	9 11,743,300	14,630,692
Long term investment	10 15,272,670	15,272,670
Long term loans, advances and deposits	19,619,307	16,446,847
Deferred taxation - net	11 116,401,475	116,928,817
	230,403,290	223,180,552
Current assets		
Short term investments	12 443,084,891	766,247,823
Trade debts	13 1,709,552,169	814,707,115
Loans and advances	9,534,114	12,999,942
Deposits and short-term prepayments	414,064,184	190,221,145
Interest and mark-up accrued	14 13,465,274	25,626,294
Other receivables	18,150,709	19,484,090
Advance tax	10,613,223	-
Cash and bank balances	15 989,214,649	1,480,125,758
	3,607,679,213	3,309,412,167
	<u>3,838,082,503</u>	<u>3,532,592,719</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Muhammad Kamran Nasir
Chief Executive

Syed Hasan Akbar Kazmi
Chairman

JS Global

Condensed Interim Statement of Profit or Loss Account (Un-audited) For the nine months ended September 30, 2016

	Note	Nine months ended		Quarter ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		----- (Rupees) -----		----- (Rupees) -----	
Operating revenue	16	315,819,173	393,375,566	123,264,975	137,223,295
Capital gain on sale of investments		20,792,624	63,204,965	13,586,999	19,468,287
Unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss - net		(544,918)	119,455	18,661,551	(3,686,600)
		<u>336,066,879</u>	<u>456,699,986</u>	<u>155,513,525</u>	<u>153,004,982</u>
Administrative and operating expenses		(348,282,362)	(353,464,152)	(131,247,959)	(117,147,374)
Provision for doubtful debts		-	(363,498)	-	(363,498)
		<u>(12,215,483)</u>	<u>102,872,336</u>	<u>24,265,566</u>	<u>35,494,110</u>
Other income		178,159,700	202,869,372	35,215,221	67,497,715
		<u>165,944,217</u>	<u>305,741,708</u>	<u>59,480,787</u>	<u>102,991,825</u>
Provision for Workers' Welfare Fund		(3,309,474)	(6,049,149)	(1,185,157)	(2,057,635)
Finance cost		(470,524)	(3,284,254)	(289,239)	(109,072)
Profit before taxation		<u>162,164,219</u>	<u>296,408,305</u>	<u>58,006,391</u>	<u>100,825,118</u>
Taxation - current	17	(47,502,092)	(95,223,114)	(17,730,408)	(30,340,615)
- deferred		729,529	(14,349,893)	13,562	(365,590)
		<u>(46,772,563)</u>	<u>(109,573,007)</u>	<u>(17,716,846)</u>	<u>(30,706,205)</u>
Profit after taxation		<u>115,391,656</u>	<u>186,835,298</u>	<u>40,289,545</u>	<u>70,118,913</u>
Earnings per share - basic and diluted	18	<u>2.71</u>	<u>3.74</u>	<u>1.06</u>	<u>1.40</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Comprehensive Income (Un-audited) For the nine months ended September 30, 2016

	Nine months ended		Quarter ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	115,391,656	186,835,298	40,289,545	70,118,913
Other comprehensive income				
Items that may be reclassified to profit or loss account subsequently	-	-	-	-
Unrealised gain on revaluation of available-for-sale investments	8,379,162	14,344,722	9,199,187	4,715,331
Less: Related tax	(1,256,873)	(3,700,319)	(1,379,878)	(1,414,556)
	7,122,289	10,644,403	7,819,309	3,300,775
Total comprehensive income for the period	<u>122,513,945</u>	<u>197,479,701</u>	<u>48,108,854</u>	<u>73,419,688</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Muhammad Kamran Nasir
Chief Executive

Syed Hasan Akbar Kazmi
Chairman

JS Global

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months ended September 30, 2016

	Nine months ended	
	September 30, 2016	September 30, 2015
----- (Rupees) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	162,164,219	296,408,305
Adjustments for:		
Depreciation	16,360,098	11,452,727
Amortization of intangible assets	3,087,392	2,859,574
Gain on sale of property and equipment	(2,793,050)	(13,520)
Unrealised gain on remeasurement of investments carried at fair value through profit or loss - net	(866,017)	(119,455)
Provision for Workers' Welfare Fund	3,309,474	6,049,149
Provision for doubtful debts	-	363,498
Finance cost	470,524	3,284,254
	19,568,421	23,876,227
Cash generated from operating activities before working capital changes	181,732,640	320,284,532
(Increase) / Decrease in current assets:		
Trade debts	(894,845,054)	(452,382,908)
Loans and advances	3,465,828	(371,537)
Deposits and short-term prepayments	(223,843,039)	(198,285,336)
Interest and mark-up accrued	12,161,020	9,003,778
Other receivables	1,333,381	3,076,508
	(1,101,727,864)	(638,959,495)
(Decrease) / Increase in current liabilities		
Creditors, accrued expenses and other liabilities	752,224,655	(14,133,188)
Cash used in operations	(167,770,569)	(332,808,151)
Finance cost paid	(470,524)	(3,284,254)
Taxes paid	(77,732,621)	(100,875,638)
Net cash used in operating activities	(245,973,714)	(436,968,043)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(26,071,033)	(23,512,310)
Proceeds from disposal of property and equipment	5,038,973	42,000
Long term loans, advances and deposits	(3,172,460)	(6,740,501)
Addition to intangible assets	(200,000)	(2,089,110)
Short term investments - net	331,151,238	139,905,385
Net cash generated from investing activities	306,746,718	107,605,464
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy back of shares	(551,678,000)	-
Dividend paid	(6,113)	(181,859)
Net cash used in financing activities	(551,684,113)	(181,859)
Decrease in cash and cash equivalents during the period	(490,911,109)	(329,544,438)
Cash and cash equivalents at the beginning of the period	1,480,125,758	1,300,127,346
Cash and cash equivalents at the end of the period	989,214,649	970,582,908

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months ended September 30, 2016

	Issued, subscribed and paid-up share capital	Reserves			Sub-total	Total
		Share premium	Unrealised gain on revaluation of available-for -sale investments - net	Revenue Reserve Unappropriated profit		
..... (Rupees)						
Balance as at January 01, 2015	500,000,000	1,810,104,900	7,840,273	308,316,278	2,126,261,451	2,626,261,451
Total comprehensive income for the period						
Profit for the nine months ended September 30, 2015	-	-	-	186,835,298	186,835,298	186,835,298
Other comprehensive income - net of tax	-	-	10,644,403	-	10,644,403	10,644,403
Total comprehensive income for the period	-	-	10,644,403	186,835,298	197,479,701	197,479,701
Balance as at September 30, 2015	500,000,000	1,810,104,900	18,484,676	495,151,576	2,323,741,152	2,823,741,152
Total comprehensive income for the period						
Profit for the three months ended December 31, 2015	-	-	-	64,461,116	64,461,116	64,461,116
Other comprehensive income - net of tax	-	-	(2,865,069)	-	(2,865,069)	(2,865,069)
Total comprehensive income for the period	-	-	(2,865,069)	64,461,116	61,596,047	61,596,047
Balance as at December 31, 2015	500,000,000	1,810,104,900	15,619,607	559,612,692	2,385,337,199	2,885,337,199
Total comprehensive income for the period						
Profit for the nine months ended September 30, 2016	-	-	-	115,391,656	115,391,656	115,391,656
Other comprehensive income - net of tax	-	-	7,122,289	-	7,122,289	7,122,289
Total comprehensive income for the period	-	-	7,122,289	115,391,656	122,513,945	122,513,945
Transactions with owners recognised directly in equity						
Buy back of 11,993,000 shares having face value of Rs.10 each at price of Rs.46 each	(119,930,000)	-	-	-	-	(119,930,000)
Amount paid in excess of face value of 11,993,000 shares	-	-	-	(431,748,000)	(431,748,000)	(431,748,000)
Balance as at September 30, 2016	380,070,000	1,810,104,900	22,741,896	243,256,348	2,076,103,144	2,456,173,144

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Muhammad Kamran Nasir
Chief Executive

Syed Hasan Akbar Kazmi
Chairman

JS Global

Notes to the Condensed Interim Financial Statements (Un-audited) For the nine months ended September 30, 2016

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited (the Company) was incorporated as a private limited company on June 28, 2000. However, the Company commenced its operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) on February 07, 2005. During 2006 -2007, the Company issued 10,009,700 shares to Global Investment House K.S.C.C Kuwait, (Global). The shares were issued to Global without offering right shares on the basis of a special resolution passed on July 11, 2006. The Securities and Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated July 19, 2006 gave its in-principle approval to the scheme.

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

During 2015, Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange were merged and named as the Pakistan Stock Exchange (PSX). As a result JS Global Capital Limited is now a Trading Right Entitlement Certificate (TREC) holder of PSX besides being member of Pakistan Mercantile Exchange Limited. 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 Company has nine branches in eight cities of Pakistan. The registered office of the Company is situated at 6th floor, Faysal House, Shakra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures in these condensed interim financial statements does not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2015.

These condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984.

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

2.2 Use of estimates and judgments

The preparation of condensed interim financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to Financial Statements as at and for the year ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2015 other than those disclosed below:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective during the period:

IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above standards / amendments / interpretations did not have any material effect on these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2015.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

In pursuance of the special resolution passed by members of the Company at the Annual General Meeting held on March 22, 2016 authorizing the Company to buy-back the shares under Section 95A of the Companies Ordinance, 1984 read with the Companies (Buy-Back of Shares) Rules, 1999, up to a maximum of 12,000,000 issued ordinary shares of the Company of the nominal / face value of Rs.10 (Rupees Ten) each at a price of Rs.46 (Rupees forty six) per share, the Company has bought back its 11,993,000 ordinary shares from its members. Consequently, the paid up capital of Company has been reduced to Rs.380,070,000 divided into 38,007,000 ordinary shares of the face value of Rs.10 each.

6. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	----- (Rupees) -----	
Trade creditors	1,260,512,145	448,218,210
Accrued expenses	41,401,453	72,835,905
Provision for staff bonus	20,114,750	41,045,950
Unclaimed dividend	3,425,985	3,432,098
Retention money - Softech	40,600	40,600
Advance fee from client	-	5,877,413
Provision for Workers' Welfare Fund	31,083,337	27,773,863
Others	25,331,089	27,157,304
	1,381,909,359	626,381,343

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There are no outstanding contingencies as at September 30, 2016 (December 31, 2015: Nil) other than tax contingencies as disclosed in note 17 of these condensed interim financial statements.

7.2 Commitments

Net- future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding

270,438,795	702,176,085
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8. PROPERTY AND EQUIPMENT

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
		----- (Rupees) -----	
Book value at beginning of the year		59,901,526	41,868,786
Cost of additions during the period / year	8.1	26,071,033	36,965,351
Book value of deletions during the period / year	8.2	(2,245,923)	(1,042,341)
Depreciation charge for the period / year		(16,360,098)	(17,890,270)
Book value at end of the period / year		67,366,538	59,901,526

8.1 Cost of additions during the period / year

Office equipment	10,713,322	15,271,614
Office furniture	4,075,150	2,527,802
Motor vehicles	11,282,561	19,165,935
	26,071,033	36,965,351

8.2 Book value of deletions during the period / year

Office equipment	36,219	126,624
Motor vehicles	2,209,704	915,717
	2,245,923	1,042,341

9. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC) - Pakistan Stock Exchange Limited	9.1	5,727,330	5,727,330
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		8,227,330	8,227,330
Softwares		3,515,970	6,403,362
		11,743,300	14,630,692

9.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) [formerly Karachi Stock Exchange Limited] in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act). The Company has also received shares of PSX after completion of the demutualisation process. Refer note 10.1 for more detail.

10. LONG TERM INVESTMENT		(Un-audited) September 30, 2016	(Audited) December 31, 2015
Available-for-sale	Note	----- (Rupees) -----	
Shares in Pakistan Stock Exchange Limited	10.1	15,272,670	15,272,670

10.1 Pursuant to demutualization of the PSX, the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received 4,007,383 shares and TREC from the PSX against its membership card which was carried at Rs.21 million in the books of the Company.

Based on the technical guide dated May 29, 2013 issued by the Institute of Chartered Accountants of Pakistan, the Company has allocated its carrying value of the membership card of Rs.21 million in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs.15.3 million and TREC at Rs.5.7 million.

11. DEFERRED TAXATION - NET		(Un-audited) September 30, 2016	(Audited) December 31, 2015
		----- (Rupees) -----	
Taxable temporary difference			
Revaluation of investments		(4,143,176)	(3,051,458)
Deductible temporary differences			
Accelerated depreciation for tax purposes		1,081,439	356,395
Difference in accounting and tax base of intangible assets		52,145	212,813
Provision for doubtful debts		119,411,067	119,411,067
		120,544,651	119,980,275
		116,401,475	116,928,817

12. SHORT TERM INVESTMENTS			
Financial asset at fair value through profit or loss - held for trading			
Quoted equity securities	12.1	273,692,303	697,014,276
Term finance certificates and sukuk certificates	12.2	135,182,648	43,402,769
		408,874,951	740,417,045
Available-for-sale			
Quoted equity securities	12.3	34,209,940	25,830,778
Privately placed term finance certificates - unsecured	12.4	-	-
		34,209,940	25,830,778
		443,084,891	766,247,823

12.1 Quoted Equity Securities

Number of shares		Name of Company	(Un-audited)		(Audited)
September 30, 2016	December 31, 2015		September 30, 2016	December 31, 2015	December 31, 2015
			Average Cost	Fair Value	
			(Rupees)		
132,000	908,000	Adamjee Insurance Company Limited	6,960,890	7,209,840	51,311,080
-	74,000	Askari Bank Limited	-	-	1,608,760
7,500	68,500	Fauji Fertilizer Company Limited	787,725	779,450	8,081,630
2,500	-	Habib Bank Limited	547,994	552,025	-
51,500	-	MCB Bank Limited	11,033,247	11,371,200	-
33,000	72,000	National Bank of Pakistan Oil and Gas Development Company Limited	2,534,738	2,415,930	3,890,880
121,000	620,500	Pakistan State Oil Company Limited	17,305,866	17,088,375	72,809,470
122,500	92,500	United Bank Limited	50,692,240	50,732,150	30,133,725
-	4,000	Attock Refinery Limited	-	-	619,800
61,000	14,500	D. G. Khan Cement Company Limited	20,034,280	19,878,680	3,072,260
158,000	353,500	Engro Fertilizers Limited	30,119,090	29,369,040	52,173,065
59,000	464,500	Engro Foods Limited	3,703,916	3,637,940	39,078,385
-	113,500	Engro Corporation Limited	-	-	16,637,966
164,000	728,000	Fauji Cement Company Limited	47,649,818	47,765,000	203,395,920
403,000	1,284,500	Hascol Petroleum Limited	14,510,250	14,213,810	47,295,290
136,500	-	Maple Leaf Cement Factory Limited	30,234,060	30,064,125	-
163,000	309,000	Nishat Mills Limited	16,049,394	15,615,400	23,045,220
58,500	224,500	Pak Elektron Limited	8,171,285	8,383,450	21,298,315
153,500	1,281,000	Pakistan Oilfields Limited	11,013,904	10,863,195	80,113,740
3,500	-	Pakistan Petroleum Limited	1,364,200	1,404,485	-
-	183,000	Pakistan Telecommunication Company Limited	-	-	22,291,230
22,000	-	Ghani Global Glass Limited	404,101	402,160	-
94,012	-	Sui Northern Gas Pipelines Limited	940,120	1,946,048	-
-	838,500		-	-	20,157,540
			274,057,118	273,692,303	697,014,276
Unrealized loss on remeasurement at fair value			(364,815)	-	-
			273,692,303	273,692,303	697,014,276

12.2 Term Finance Certificates and Sukuk Certificates

Number of Certificates		Name of Term Finance / Sukuk Certificates	(Un-audited)		(Audited)
September 30, 2016	December 31, 2015		September 30, 2016	December 31, 2015	December 31, 2015
			Average Cost	Fair Value	
			(Rupees)		
-	2,100	Jahangir Siddiqui & Co. Limited VII - related party	-	-	2,567,342
6,000	6,000	Jahangir Siddiqui & Co. Limited VIII - related party	24,022,770	23,991,454	25,897,770
-	200	Pakistan Mobile Communication Limited TFC VII	-	-	4,001,676
1,545	1,505	Engro Corporation Limited Islamic - Rupiya Sukuk - I	8,271,556	8,038,944	8,071,556
540	500	Engro Corporation Limited Islamic - Rupiya Sukuk - II	3,068,425	3,152,250	2,864,425
100	-	Pak Elektron Limited - Sukuk Certificates	100,000,000	100,000,000	-
			135,362,751	135,182,648	43,402,769
			135,362,751	135,182,648	43,402,769
Unrealized Gain on remeasurement at fair value			(180,103)	-	-
			135,182,648	135,182,648	43,402,769

12.3 Quoted Equity Securities

			(Un-audited) September 30, 2016	(Audited) December 31, 2015
Number of shares	Name of Company		Average Cost	Fair Value
September 30, 2016	December 31, 2015		----- (Rupees) -----	
745,477	745,477	TRG Pakistan Limited	25,830,778 25,830,778	34,209,940 25,830,778
Unrealized gain on remeasurement at fair value			8,379,162	-
			<u>34,209,940</u>	<u>25,830,778</u>

12.3.1 These shares were acquired as a result of underwriting arrangement undertaken by the Company.

12.4 Privately Placed Term Finance Certificates - Unsecured

September 30, 2016 (Un-audited)					
Number of certificates	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)	12.4.1	October 19, 2020	326,456,184
Provision for impairment					(326,456,184)
					-
December 31, 2015 (Audited)					
					-

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

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	----- (Rupees) -----	
13. TRADE DEBTS		
Purchase of shares on behalf of clients	545,284,153	92,032,492
Margin finance (purchase of shares)	1,066,419,034	643,734,485
Advisory services	5,030,657	5,123,082
Forex and fixed income commission	13,716,545	17,036,469
Commodity	79,101,780	56,780,587
	1,709,552,169	814,707,115
Considered doubtful	398,036,891	398,036,891
	<u>2,107,589,060</u>	<u>1,212,744,006</u>
Provision for doubtful debts	(398,036,891)	(398,036,891)
Considered good	<u>1,709,552,169</u>	<u>814,707,115</u>
14. INTEREST AND MARK-UP ACCRUED		
Accrued mark-up on margin financing	6,569,885	15,386,360
Accrued mark-up on term finance certificates	2,080,786	1,235,464
Accrued mark-up on bank deposits	4,814,603	9,004,470
	<u>13,465,274</u>	<u>25,626,294</u>

		(Un-audited) September 30, 2016	(Audited) December 31, 2015
		----- (Rupees) -----	
15. CASH AND BANK BALANCES	Note		
Cash in hand:		223,783	214,000
Balances with banks			
Current accounts		39,638,023	2,399,757
Profit and loss / deposit accounts	15.1	949,352,843	1,477,497,417
Foreign currency deposit accounts		-	14,584
		988,990,866	1,479,911,758
		989,214,649	1,480,125,758

15.1 Profit and loss / deposit accounts carry profit ranging from 3.75% to 6.25% (2015: 4% to 7%) per annum.

		Nine months ended	
		(Un-audited) September 30, 2016	(Un-Audited) September 30, 2015
		----- (Rupees) -----	
16. OPERATING REVENUE			
Brokerage and operating income		303,442,868	365,172,752
Advisory and consultancy fee		12,376,305	28,202,814
		315,819,173	393,375,566

17. TAXATION

17.1 Except for the following matters, there has been no change in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2015.

17.2 During the period, an amended assessment order dated April 28, 2016, has been passed under section 122 (5A) of the Income tax Ordinance, 2001 (the Ordinance) by the Additional Commissioner Inland Revenue (ACIR), for the tax year 2014. Through said order, the ACIR raised demand amounting to Rs.20.081 million. The Company has filed rectification application identifying various errors / details not considered by the ACIR and requested the ACIR to rectify the same. In addition to that, Company has also filed an appeal to the Commissioner Inland Revenue Appeals - IV (CIR-A) which is pending. The Company has also obtained stay order against recovery of demand from Sindh High Court (SHC) till the decision of CIR-A. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.

17.3 Tax department has issued show cause notice dated June 08, 2015 confronting (alleged) non payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005. In response thereto, an extension request was filed. The department however issued order without rejecting the application and raised FED demand of Rs. 78.003 million on account of non-payment of FED for the period from July 2010 till December 2013. The Company filed a rectification appeal amounting to Rs. 55.3 million against the said order on account of certain computational errors. However, the remaining demand of Rs. 22.526 million represents duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act 2011 on such services. The Company has filed an appeal in FY 2015 in the Sindh High Court (SHC), through KSE Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. In the same year SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently disposed of the order in Company's favor.

17.4 During 2015, the Company received a show cause notice from Officer Inland Revenue contending short deduction / deposit of tax on dividend paid during 2014. Subsequently, an order was passed demanding an amount of Rs.281,597. The Company filed an appeal with Commissioner Appeals and stay order was granted. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.

18. EARNINGS PER SHARE - BASIC AND DILUTED	Note	(Un-audited)	(Un-audited)
		September 30, 2016	September 30, 2015
		------(Rupees)-----	
Profit after taxation		<u>115,391,656</u>	<u>186,835,298</u>
		------(Number)-----	
Weighted average number of shares		<u>42,619,692</u>	<u>50,000,000</u>
		------(Rupees)-----	
Earnings per share - basic and diluted	18.1	<u>2.71</u>	<u>3.74</u>

18.1 Earning per share for the current period has been calculated considering revised number of shares after buy back of shares as disclosed in Note 5.

19. RELATED PARTY TRANSACTIONS

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

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

	(Un-audited) September 30, 2016		(Audited) December 31, 2015	
	Key management personnel of entity and associate entities	Associated entities other than parent company	Key management personnel of entity and associate entities	Associated entities other than parent company
------(Rupees)-----				
Trade debts				
Opening balance	248	1,108,420	-	837,530
Invoiced during the period / year	63,383,742	2,980,194,035	19,672,630	5,283,663,432
Received during the period / year	(63,383,990)	(2,980,493,262)	(19,672,382)	(5,283,392,542)
Closing balance	<u>-</u>	<u>809,193</u>	<u>248</u>	<u>1,108,420</u>
Trade payable				
Opening balance	220,817	1,026,130	101,301	3,676,161
Invoiced during the period / year	17,953,855	5,476,583,801	268,080,042	8,626,606,124
Paid during the period / year	(17,953,237)	(5,321,973,208)	(267,960,526)	(8,629,256,155)
Closing balance	<u>221,435</u>	<u>155,636,723</u>	<u>220,817</u>	<u>1,026,130</u>
Loans and advances				
Opening balance	648,789	-	-	-
Disbursements during the period / year	-	-	700,000	-
Repayments during the period / year	(119,642)	-	(51,211)	-
Closing balance	<u>529,147</u>	<u>-</u>	<u>648,789</u>	<u>-</u>

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
Balances with parent company		
Trade debts	<u>86,765</u>	299,089
Other Receivables	<u>1,186,700</u>	1,216,508
Balances with parent company	<u>868,319,118</u>	1,444,672,497
Balances with ultimate parent company		
Trade Payable	<u>8,912,295</u>	136,652
Other Receivables	<u>437,575</u>	397,091
Balances with associated entities of group companies		
Other Receivables	<u>1,692,018</u>	1,660,238
Transactions with associated companies		
Nature of transactions	(Un-audited) September 30, 2016	(Un-Audited) September 30, 2015
	(Rupees)	
Payment on account of expenses to associated companies	<u>451,538</u>	566,721
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	<u>12,157,914</u>	12,185,201
Transactions with the parent company		
Nature of transactions		
Purchase of Treasury Bills - net	<u>14,786,700</u>	4,203,911,138
Purchase of Pakistan Investment Bonds - net	-	354,146,214
Sale of Pakistan Investment Bonds - net	<u>13,609,565</u>	-
Brokerage income	<u>1,866,471</u>	3,000,112
Payment for rent and utilities and consultancy charges	<u>2,512,000</u>	1,630,482
Bank charges	<u>189,735</u>	290,677
Markup on PLS account	<u>46,960,512</u>	44,850,835
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	<u>3,893,538</u>	8,458,196
Reimbursement of expenses for rent and utilities	<u>41,055,373</u>	33,846,519
Purchase of Pakistan Investment Bonds - net	<u>41,130,626</u>	-
Transactions with other related parties		
Nature of transactions	Relationship	
Royalty expense	Key management personnel of the parent	<u>7,500,000</u>
Brokerage income	Key management personnel	<u>50,828</u>
Director's remuneration	Key management personnel	<u>1,725,000</u>
Contributions to Staff Provident Fund	Post - employment benefit plan	<u>7,259,285</u>
Purchase of Term Finance Certificates - net	Related party	<u>83,200,000</u>

20. OPERATING SEGMENTS

	September 30, 2016 (Un-audited)			
	Brokerage	Investment and Treasury	Other operations	
			Total	
			(Rupees)	
Segment revenues	303,442,868	198,407,406	12,376,305	514,226,579
Administrative and operating expenses	(209,816,308)	(11,540,139)	(106,448,057)	(327,804,504)
Depreciation	(9,512,932)	(126,666)	(7,750,328)	(17,389,926)
Amortisation of intangible assets	-	-	(3,087,932)	(3,087,932)
Finance cost	-	(470,524)	-	(470,524)
	84,113,628	186,270,077	(104,910,012)	165,473,693
Provision for Workers' Welfare Fund				(3,309,474)
Taxation				(46,772,563)
Profit after tax				115,391,656
Segment assets	1,751,539,288	2,049,223,032	37,320,183	3,838,082,503
Segment liabilities	1,264,639,844	-	117,269,515	1,381,909,359

There was no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

	September 30, 2015 (Un-audited)			
	Brokerage	Investment and Treasury	Other operations	
	(Rupees)			
			Total	
Segment revenues	365,172,752	266,343,792	28,052,814	659,569,358
Administrative and operating expenses	(192,175,978)	(26,398,310)	(120,577,646)	(339,151,934)
Depreciation	(5,752,901)	(84,513)	(5,615,314)	(11,452,728)
Amortisation of intangible assets	-	-	(2,859,490)	(2,859,490)
Provision for sales tax on forex	(363,498)	-	-	(363,498)
Finance cost	-	(3,284,254)	-	(3,284,254)
	166,880,375	236,576,715	(100,999,636)	302,457,454
Provision for Workers' Welfare Fund				(6,049,149)
Taxation				(109,573,007)
Profit after tax				186,835,298
Segment assets	1,131,751,303	2,442,894,537	36,283,536	3,610,929,376
Segment liabilities	583,864,913	97,343,809	105,979,502	787,188,224

There was no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

21. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Rs. Nil (December 31, 2015: Rs.Nil) per share, amounting to Rs. Nil (December 31, 2015: Rs.Nil) and bonus of Nil % (December 31, 2015: Nil) per share for the nine months period ended September 30, 2016, in their meeting held on October 17, 2016.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities and units of open ended mutual funds, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates and sukuku, fair value is determined by reference to mufap rates.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Asset measured at fair value	September 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Level 4
	----- (Rupees) -----			
Financial assets classified as 'held-for-trading securities'				
Quoted equity securities	273,692,303	-	-	273,692,303
Term Finance Certificates and Sukuku	-	135,182,648	-	135,182,648
Derivative financial asset	1,410,935	-	-	1,410,935
Financial assets classified as 'available-for-sale securities'				
Quoted equity securities	34,209,940	-	-	34,209,940
	<u>309,313,178</u>	<u>135,182,648</u>	<u>-</u>	<u>444,495,826</u>
	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Level 4
	----- (Rupees) -----			
Financial assets classified as 'held-for-trading securities'				
Quoted equity securities	697,014,276	-	-	697,014,276
Term Finance Certificates and Sukuku	-	43,402,769	-	43,402,769
Derivative financial asset	4,102,230	-	-	4,102,230
Financial assets classified as 'available-for-sale securities'				
Quoted equity securities	25,830,778	-	-	25,830,778
	<u>726,947,284</u>	<u>43,402,769</u>	<u>-</u>	<u>770,350,053</u>

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

At present, JSGCL employs seven members in its research department (including head of research, three senior analysts, one 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, 2016, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs.10,656,100, which comprises basic salary, medical allowance, provident fund and other benefits as per company policy.

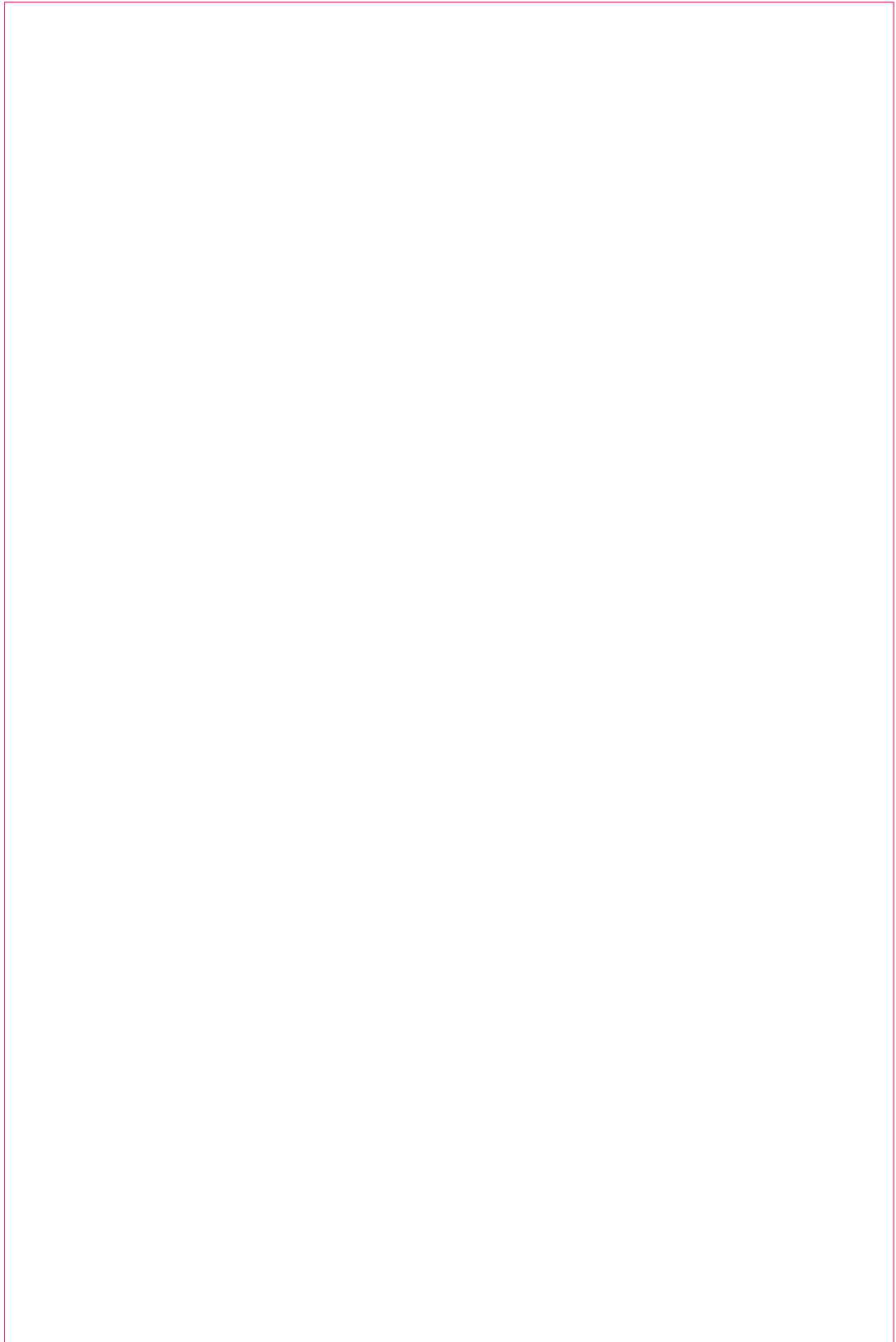
24. GENERAL

24.1 Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison. However, there were no major reclassifications during the period.

24.2 Figures have been rounded off to the nearest rupee.

25. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on October 17, 2016.





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