



JS Global Capital Limited

Condensed Interim Financial Information
for the nine months ended September 30, 2015
(Un-audited)

CONDENSED INTERIM FINANCIAL INFORMATION

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Company Information

Board of Directors	Mr. Basir Shamsie Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Mr. Ammar Talib Hajeyah Mr. Farid Arshad Masood Mr. Khurshid Hadi Mr. Muhammad Yousuf Amanullah Mr. Muhammad Kamran Nasir	Chairman Vice Chairman Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Muhammad Yousuf Amanullah Mr. Ammar Talib Hajeyah Mr. Basir Shamsie Mr. Aijaz Ali	Chairman Member Member Secretary
Executive Committee	Mr. Muhammad Kamran Nasir Mr. Fouad Fahmi Darwish Mr. Abdul Hamid Mihrez Mr. Basir Shamsie Mr. Muhammad Yousuf Amanullah	Chairman Member Member Member Member
Human Resource & Compensation Committee	Mr. Muhammad Yousuf Amanullah Mr. Muhammad Kamran Nasir Mr. Abdul Hamid Mihrez	Chairman Member Member
CFO & Company Secretary	Mr. Muhammad Umair Arif	
Auditor	Deloitte Yousuf Adil & Co. Chartered Accountants (A member firm of Deloitte) Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi	
Internal Auditor	Ernst & Young Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road, Karachi	
Bankers	JS Bank Limited MCB Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited NIB Bank Limited Bank Alfalah Limited United Bank Limited	
Legal Adviser	Bawaney & Partners , 3 rd & 4 th Floors, 68-C, Lane-13 Bokhari Commercial Area, Phase VI, D.H.A Karachi	
Share Registrar	Technology Trade (Pvt) Limited , 241-C, Block-2, P.E.C.H.S., Karachi	
Registered Office	6 th Floor, Faysal House, Main Shahra – e – Faisal , Karachi Telephone: 92-21-111-574-111, Fax: 92-21-32800167	

Directors' Report to the Members

On behalf of the Board of Directors of JS Global Capital Limited ('the Company'), I am pleased to present the unaudited, condensed interim financial information of the Company for the nine months ended September 30, 2015.

The summarized results are set out below:

	Nine months ended	
	September 30, 2015	September 30, 2014
	----- (Rupees) -----	
Profit before tax	296,408,305	233,936,507
Profit after tax	186,835,298	163,483,136
Earnings per share	3.74	3.27

ECONOMIC REVIEW

Economic performance of Pakistan in January - September 2015 (9MCY15) remained encouraging with soft inflation statistics, improving external outlook and contained fiscal deficit. CPI inflation in 3Q2015 averaged at 1.8% YoY, where lower oil and commodity prices led to YTD inflation to clock in at 2.6% YoY vs. 8.1% YoY during the same period last year. Decline in oil prices also resulted in lower oil import bill, which coupled with higher home remittances and foreign inflow from IMF and CSF tranches resulted in improved external account. As a result, the State Bank of Pakistan (SBP) continued its monetary easing cycle, by cutting the Policy Rate by 350bps to 6.0% during 9MCY15 as Real interest rates also jumped to over 4.5%.

STOCK MARKET REVIEW

The benchmark Karachi Stock Exchange (KSE-100) index gained 0.45% only during 9MCY15, with average volumes increasing by 36% YoY to 275mn shares. However, the local bourse outperformed the region by ~8%. Net Foreign Portfolio Investment (FIPI) too witnessed an outflow of US\$ 176 mn during the period under review amidst ongoing global meltdown in equity and currency markets. Bearish sentiments from foreign investors coupled with increase in vigilance of regulatory bodies may remain a risk to future market performance as the activity during the third quarter 3QCY15 at the local bourse remained sluggish.

MONEY MARKET & FOREX REVIEW

Auction yields of shorter-tenor (T-Bills) and longer-tenor (PIBs) witnessed downward trend in consonance with market participants' expectation of subdued inflation despite higher Government borrowing. Although low CPI numbers hint at the possibility of a further cut in policy rate in November 2015, further depreciation in PKR and rise in core inflation (NFNE) in the coming months remain significant risks.

In January 2015, USD/PKR parity opened at 100.70 in comparison to 105.58 January 2014 reflecting PKR appreciation by 5% (YoY) approximately. During 9MCY15, lowest parity was recorded at 100.57 (January 2015) vs. highest at 104.51 (September 2015). As of September 30, 2015, PKR depreciated by 3.78% (CY15-YTD). In the same period, foreign exchange reserves increased from US\$15.27 bn to US\$18.35 bn (20%, CY15-YTD). Current Account (C/A) position also improved, 3QCY15 C/A deficit was recorded at US\$ 0.11 bn vs. 3QCY14 US\$1.63 bn, resulting in deficit decline of 93% (YoY). Cumulative remittances for 3QCY15 grew by 3.97% YoY, increasing from US\$4.78bn to US\$4.97bn. Eurodollar bond issuance, CSF inflows, higher remittances, lower imports amid falling exports uplifted external payments position of Pakistan.

COMMODITIES REVIEW

During 9MCY15, commodity prices remained under pressure due to divergent policies and corrective measures adopted by respective sovereigns. As US economy improved resulting in stronger US dollar, commodities faced increased headwinds from diminishing growth in China, emerging markets and Eurozone. Greater volatility was witnessed in petro-prices as supply glut continued amid falling demand. Food & agriculture was no exception, where downtrend in wheat, rice and cotton prices persisted. Precious metals including gold remained soft till Chinese devaluation in August 2015. The un-expected Sino-move added to the price volatility in commodity as well as forex markets. Currencies depreciated and further monetary easing was carried out by a majority of central banks. Federal Reserve also delayed its anticipated interest rate reversal in last meeting (September 2015).

It was a difficult period for commodity brokerage as the value of commodities traded at Pakistan Mercantile Exchange Limited ('PMEX') declined to PKR 321.3 bn in 9MCY15 from PKR 655bn in the corresponding period last year. However, market share of JS Global remained strong with the Company maintaining its position amongst the top industry players.

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 186.83mn for the nine months ended September 30, 2015 vis-à-vis net income of PKR 163.48mn in comparative periods last year clocking a growth of 14.28% over the same period. Operating revenue of the Company increased by 67.45% over the same period last year.

Directors are pleased to announce that the Company has won four mandates for Financial Advisory Services awarded by Privatization Commission of Pakistan and it also stood first runner up in 'Best Brokerage House' and 'Best Trader' categories at 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 the maximum benefits for its shareholders. This involves optimizing revenue generation from core brokerage and fee-based operations, treasury management whilst at the same time rationalizing our cost base.

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 role of Securities and Exchange Commission of Pakistan, Karachi Stock Exchange and National Clearing Company of Pakistan Limited for their efforts to strengthen the Capital Markets and measures to protect investor rights.

For and on behalf of the
Board of Directors

Karachi: October 26, 2015

Basir Shamsie
Chairman

 JS Global

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2015

	Note	September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
----- (Rupees) -----			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized: 150,000,000 (December 31, 2014: 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		<u>500,000,000</u>	500,000,000
Reserves		<u>2,323,741,152</u> 2,823,741,152	2,126,261,451 2,626,261,451
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	<u>758,440,563</u>	766,706,461
Provision for taxation		<u>28,747,661</u> 787,188,224	34,400,184 801,106,645
		<u>3,610,929,376</u>	<u>3,427,368,096</u>
Contingencies and Commitments	6		

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2015

	Note	September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
----- (Rupees) -----			
ASSETS			
Non current assets			
Property and equipment	7	53,899,889	41,868,786
Intangible assets	8	15,476,560	16,247,023
Long term Investment	9	15,272,670	15,272,670
Long term loans, advances and deposits		18,655,525	11,915,024
Deferred taxation - net	10	112,426,220	130,476,432
		215,730,864	215,779,935
Current assets			
Short term investments	11	967,784,828	1,093,226,034
Trade debts	12	1,099,253,265	647,233,857
Loans and advances - considered good		15,511,858	15,140,321
Deposits and short-term prepayments		316,631,524	118,346,188
Interest and markup accrued	13	9,088,907	18,092,685
Other receivables		16,345,222	19,421,730
Cash and bank balances	14	970,582,908	1,300,127,346
		3,395,198,512	3,211,588,161
		3,610,929,376	3,427,368,096

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

Condensed Interim Profit & Loss Account (Un-audited)

For the nine months ended September 30, 2015

	Note	Nine months ended		Quarter ended	
		September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)	September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)
----- (Rupees) -----					
Operating revenue	15	393,375,566	234,915,476	137,223,295	72,526,048
Capital gain on sale of investments		63,204,965	85,048,368	19,468,287	16,197,741
Gain / (loss) on remeasurement of investments at fair value through profit or loss - net		119,455	3,459,258	(3,686,600)	4,488,501
		<u>456,699,986</u>	<u>323,423,102</u>	<u>153,004,982</u>	<u>93,212,290</u>
Administrative and operating expenses		(353,464,152)	(230,434,974)	(117,147,374)	(78,926,423)
Provision for doubtful debts		(363,498)	-	(363,498)	-
		<u>102,872,336</u>	<u>92,988,128</u>	<u>35,494,110</u>	<u>14,285,867</u>
Other income		202,869,372	146,338,930	67,497,715	67,234,156
		<u>305,741,708</u>	<u>239,327,058</u>	<u>102,991,825</u>	<u>81,520,023</u>
Provision for Workers' Welfare Fund		(6,049,149)	(4,774,212)	(2,057,635)	(1,629,327)
Finance cost		(3,284,254)	(616,339)	(109,072)	(53,577)
Profit before taxation		<u>296,408,305</u>	<u>233,936,507</u>	<u>100,825,118</u>	<u>79,837,119</u>
Taxation - current	16	(95,223,114)	(61,249,985)	(30,340,615)	(22,348,866)
- deferred		(14,349,893)	(9,203,386)	(365,590)	(1,010,255)
		<u>(109,573,007)</u>	<u>(70,453,371)</u>	<u>(30,706,205)</u>	<u>(23,359,121)</u>
Profit after taxation		<u>186,835,298</u>	<u>163,483,136</u>	<u>70,118,913</u>	<u>56,477,998</u>
Earnings per share - basic and diluted	17	<u>3.74</u>	<u>3.27</u>	<u>1.40</u>	<u>1.13</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Condensed Interim Statement Of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2015

	Nine months ended		Quarter ended	
	September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)	September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	186,835,298	163,483,136	70,118,913	56,477,998
Other comprehensive income				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account				
Gain on revaluation of available for sale investments during the period	14,344,722	-	4,715,331	-
Less: Related tax	(3,700,319)	-	(1,414,556)	-
	10,644,403	-	3,300,775	-
Total comprehensive income for the period	197,479,701	163,483,136	73,419,688	56,477,998

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended September 30, 2015

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	296,408,305	233,936,507
Adjustments for:		
Depreciation	11,452,727	6,826,549
Amortization of Software	2,859,574	1,109,704
Gain on sale of property and equipment	(13,520)	(3,439,150)
Gain on remeasurement of investments carried at fair value through profit or loss - net	(119,455)	(3,459,258)
Provision for Workers' Welfare Fund	6,049,149	4,774,212
Provision for doubtful debts	363,498	-
Finance cost	3,284,254	616,339
	23,876,227	6,428,396
Cash generated from operating activities before working capital changes	320,284,532	240,364,903
(Increase) / Decrease in current assets:		
Trade debts	(452,382,908)	(581,429,909)
Loans and Advances	(371,537)	(3,661,689)
Deposits and short term prepayments	(198,285,336)	(45,682,812)
Interest and markup accrued	9,003,778	(31,035,032)
Other receivables	3,076,508	(18,226,501)
	(638,959,495)	(680,035,943)
(Decrease) / Increase in current liabilities		
Creditors, accrued expenses and other liabilities	(14,133,188)	707,412,574
Cash (used in) / generated from operations	(332,808,151)	267,741,534
Finance cost paid	(3,284,254)	(616,339)
Taxes paid	(100,875,638)	(46,058,985)
Net cash (used in) / generated from operating activities	(436,968,043)	221,066,210
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(23,512,310)	(22,137,575)
Proceeds from disposal of property and equipment	42,000	3,466,800
Long term loans, advances and deposits	(6,740,501)	(4,617,994)
Addition to Intangible Assets	(2,089,110)	(4,504,494)
Short term investments - net	139,905,385	(514,198,934)
Net cash generated from / (used in) investing activities	107,605,464	(541,992,197)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(181,859)	(49,967,971)
Net cash used in financing activities	(181,859)	(49,967,971)
Decrease in cash and cash equivalents during the period	(329,544,438)	(370,893,958)
Cash and cash equivalents at the beginning of the period	1,300,127,346	839,211,687
Cash and cash equivalents at the end of the period	970,582,908	468,317,729

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

For the nine months ended September 30, 2015

	Issued, subscribed and paid up share capital	Share premium	Reserves		Sub-total	Total
			Unrealised gain on revaluation of available for sale investments-net	Revenue Reserve Unappropriated profit		
Balance as at January 01, 2014	500,000,000	1,810,104,900	-	225,749,594	2,035,854,494	2,535,854,494
Total comprehensive income for the period						
Profit for the nine months ended September 30, 2014	-	-	-	163,483,136	163,483,136	163,483,136
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	163,483,136	163,483,136	163,483,136
Transactions with owners recognised directly in equity						
Interim dividend @ Rs 1/- per ordinary share	-	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Balance as at September 30, 2014	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>-</u>	<u>339,232,730</u>	<u>2,149,337,630</u>	<u>2,649,337,630</u>
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	-	-	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	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>18,484,676</u>	<u>495,151,576</u>	<u>2,323,741,152</u>	<u>2,823,741,152</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months ended September 30, 2015

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 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 7, 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 of the transaction.

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.

JS Global Capital Limited is a Trading Right Entitlement Certificate (TREC) holder of KSE and member of Pakistan Mercantile Exchange Limited. The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory, underwriting 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 6th floor, Faysal House, Shakra-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information 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 where requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the year ended December 31, 2014.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi and Islamabad Stock Exchange and Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information is 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 information 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, 2014.

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, 2014. The profit and loss account, statement of comprehensive income and cash flow statement of the Company for the comparative period have been extracted from the condensed interim financial information for the period ended September 30, 2014 whereas the balance sheet for the comparative period has been extracted from financial statements for the year ended December 31, 2014.

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, 2014.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	----- (Rupees) -----	
Trade creditors	583,864,913	641,682,823
Accrued expenses	67,549,394	63,467,256
Provision for staff bonus	34,755,950	24,353,950
Unclaimed dividend	3,432,098	3,613,957
Retention money - Softech	40,600	40,600
Advance fee from client	5,877,413	5,877,413
Provision for Workers' Welfare Fund	26,141,710	20,092,561
Others	36,778,485	7,577,901
	<u>758,440,563</u>	<u>766,706,461</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Commitments

Future sale transactions of equity securities entered into by the Company in respect of which the sale transactions have not been settled as at September 30, 2015 (December 31, 2014).

<u>664,092,840</u>	<u>718,263,495</u>
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Forward contracts in respect of purchase of Pakistan Investment Bonds

<u>-</u>	<u>1,184,056,813</u>
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6.2 Tax related contingencies have been disclosed in note 16 to the condensed interim financial information.

7 PROPERTY & EQUIPMENT

Following is the cost of property and equipment that have been added to / disposed of during the nine months ended September 30, 2015 (September 30, 2014).

		September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)
	Note	----- (Rupees) -----	
Additions:			
Office Equipment		3,586,367	15,698,375
Office Furniture		771,152	733,678
Motor Vehicles		19,154,791	5,703,980
		<u>23,512,310</u>	<u>22,136,033</u>
Disposals:			
Office Equipment		92,700	260,500
Motor Vehicles		-	4,959,574
		<u>92,700</u>	<u>5,220,074</u>
		September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
		----- (Rupees) -----	
8 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Karachi Stock Exchange Limited	8.1	5,727,330	5,727,330
Membership card - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
		8,227,330	8,227,330
Software	8.2	7,249,230	8,019,693
		<u>15,476,560</u>	<u>16,247,023</u>

8.1 It represents Trading Right Entitlement Certificate (TREC) received from Karachi Stock Exchange Limited (KSE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE after completion of the demutualisation process. For details, refer to note 9.1.

8.2 During the Period, total additions to the software amounted to Rs. 2.09 million (September 30, 2014: Rs. 4.5 million) and disposals amounted to Rs. Nil (September 30, 2014: Rs. Nil)

9 LONG TERM INVESTMENT

Available for sale

Shares in Karachi Stock Exchange Limited	9.1	<u>15,272,670</u>	<u>15,272,670</u>
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9.1 Pursuant to demutualization of the Karachi Stock Exchange Limited (KSE), 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 shares and Trading Right Entitlement Certificate (TREC) from the KSE 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.

		September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	Note	----- (Rupees) -----	
10 DEFERRED TAXATION-net			
Taxable temporary difference			
Revaluation of investments		(7,939,922)	(9,801,224)
Deductible temporary differences			
Accelerated depreciation for tax purposes		772,690	1,041,814
Difference in accounting and tax base of intangible assets		182,385	50,154
Provision for doubtful debts		119,411,067	139,185,688
		120,366,142	140,277,656
		112,426,220	130,476,432
11 SHORT TERM INVESTMENTS			
At fair value through profit or loss - held for trading			
Quoted equity securities	11.1	665,675,419	709,834,630
Term Finance Certificates and Sukuk bonds	11.2	63,580,194	159,184,954
		729,255,613	869,019,584
Available for sale			
Government Securities	11.3	238,529,215	224,206,450
Privately Placed Term Finance Certificates - Unsecured	11.4	-	-
		238,529,215	224,206,450
		967,784,828	1,093,226,034

11.1 Quoted Equity Securities

Number of shares		Name of Company	September 30, 2015		December 31, 2014
September 30, 2015	December 31, 2014		(Un-audited)		(Audited)
			Average Cost	Fair Value	
			(Rupees)		
1,134,000	922,000	Adamjee Insurance Company Limited	60,299,301	59,047,380	45,602,120
2,000	101,500	Attock Refinery Limited	397,996	381,980	19,058,655
-	125,000	Bank Of Punjab Limited	-	-	1,368,750
660,500	754,000	D. G. Khan Cement Company Limited	93,296,462	90,501,710	83,339,620
80,000	473,500	Engro Corporation Limited	25,450,904	23,870,400	104,884,985
576,500	-	Engro Fertilizer Limited	52,900,783	51,769,700	-
138,500	257,500	Engro Foods Limited	20,906,710	20,409,360	27,949,050
-	28,000	Fatima Enterprises Limited	-	-	1,001,560
-	98,500	Fauji Cement Company Limited	-	-	2,545,240
281,500	54,500	Fauji Fertilizer Bin Qasim Limited	17,126,851	16,932,225	2,463,945
34,000	5,500	Fauji Fertilizer Company Limited	4,257,114	4,197,300	644,105
-	10,000	K-Electric Limited	-	-	92,200
52,000	-	Lucky Cement Limited	27,582,243	27,388,400	-
1,224,000	280,000	Maple Leaf Cement Factory Limited	81,047,697	83,892,960	12,390,000
100,500	847,000	National Bank Of Pakistan Limited	5,223,662	5,140,575	58,832,620
9,000	209,000	Nishat Mills Limited	900,090	893,610	25,286,910
305,500	177,000	Oil and Gas Development Company Limited	40,031,138	38,086,685	36,438,990
115,000	-	Pak Elektron Limited	8,320,812	8,290,350	-
254,000	200,500	Pak Petroleum Limited	30,621,400	30,261,560	17,164,805
324,500	616,000	Pakistan State Oil Company Limited	94,613,112	93,582,555	108,736,320
35,000	334,000	Pakistan Telecommunication Limited	614,266	608,650	119,541,940
1,273,000	310,500	Pioneer Cement Limited	112,482,639	110,420,019	7,150,815
-	200,000	United Bank Limited	-	-	35,342,000
			676,073,180	665,675,419	709,834,630
Unrealized Loss on remeasurement at fair value			(10,397,761)	-	-
			665,675,419	665,675,419	709,834,630

11.1.1 These securities were purchased in the ready "T+2" market and sold in the future market.

11.2 Term finance Certificates and Sukuk bonds

Number of certificates		Name of Term Finance Certificates / Sukuk bonds	September 30, 2015		December 31, 2014
September 30, 2015	December 31, 2014		(Un-audited)		(Audited)
			Average Cost	Fair Value	
			(Rupees)		
Listed					
-	400	Allied Bank Limited-II	-	-	1,952,623
6,400	8,000	Engro Fertilizer Pakistan Limited Sukuk	30,969,696	31,494,400	40,712,120
-	400	Engro Fertilizer Pakistan Limited	-	-	1,368,000
2,100	2,100	Jahangir Siddiqui & Company Limited VII - related party	3,938,372	3,865,641	5,250,872
200	200	Pakistan Mobile Communication Limited TFC VII	6,149,875	6,115,302	11,149,875
500	505	Engro Corp Ltd Islamic Rupiya Sukuk 2	2,653,455	2,905,743	2,679,990
1,505	1,505	Engro Corp Ltd Islamic Rupiya Sukuk 1	7,993,303	8,178,998	7,993,303
			51,704,701	52,560,084	71,106,783

Number of certificates		Name of Term Finance Certificates / Sukuk bonds	September 30, 2015 (Un-audited)		December 31, 2014 (Audited)
September 30, 2015	December 31, 2014		Average Cost	Fair Value	
			----- (Rupees) -----		
Un-Listed					
-	9,000	Askari TFC V	-	-	45,000,000
-	7,000	Bank Al Habib Limited IV	-	-	40,078,171
2,000	-	Bank Al Falah Ltd. "Fixed"	11,225,250	11,020,110	-
-	3	Al Baraka Bank Limited. Sukuk	-	-	3,000,000
			11,225,250	11,020,110	88,078,171
			62,929,951	63,580,194	159,184,954
Unrealized Gain on remeasurement at fair value			650,243		
			63,580,194	63,580,194	159,184,954

11.3 Government Securities		Note	September 30, 2015 (Un-audited)		December 31, 2014 (Audited)
			Average Cost	Fair Value	
			----- (Rupees) -----		
Pakistan Investment Bonds		11.3.1	224,184,494	238,529,215	224,206,450
			224,184,494		
Unrealized gain on remeasurement at fair value			14,344,721		
			238,529,215	238,529,215	224,206,450

11.3.1 These PIBs have a tenure ranging from 3 to 10 years with maturity ranging from July 17, 2017 to July 17, 2024. Return on these PIBs ranges from 11.25% to 12% payable on half-yearly basis with redemption on maturity.

11.4 Privately Placed Term Finance Certificates - Unsecured

September 30, 2015 (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)	11.4.1	October 19, 2020	326,456,184
					(326,456,184)
					-
December 31, 2014 (Audited)					
Number of certificates	Markup rate (%)	Name of Company		Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)		October 19, 2020	326,456,184
					(326,456,184)
					-

11.4.1 The Company has fully provided outstanding amount of PPTFCs and has recorded mark-up / interest income on receipt basis.

18 | Condensed Interim Financial Information

	September 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	----- (Rupees) -----	
12 TRADE DEBTS		
Considered good		
Purchase of shares on behalf of clients	293,200,652	362,765,208
Receivables against margin finance (purchase of shares)	688,554,756	221,859,812
Advisory services	166,013	627,500
Forex and fixed income commission	18,904,761	15,082,245
Commodity	98,427,083	46,899,092
	1,099,253,265	647,233,857
Considered doubtful	398,036,891	397,673,393
	1,497,290,156	1,044,907,250
Provision for doubtful debts	(398,036,891)	(397,673,393)
	1,099,253,265	647,233,857
12.1	Included herein is a sum of Rs. 1,526,981 (2014: Rs. 2,057,688) receivable from related parties.	
13 INTEREST AND MARK-UP ACCRUED		
Accrued markup on Pakistan Investment Bonds	5,111,300	11,289,640
Accrued markup on Term Finance Certificates	1,687,733	4,824,381
Profit receivable on bank deposits	2,289,874	1,978,664
	9,088,907	18,092,685
14 CASH AND BANK BALANCES		
Cash with banks:		
-Current accounts	5,586,475	1,430,755
-Savings accounts	964,690,340	1,298,478,191
-Foreign currency accounts	117,003	44,400
	970,393,818	1,299,953,346
Cash in Hand	189,090	174,000
	970,582,908	1,300,127,346
15 OPERATING REVENUE	Nine months ended September 30, 2015 (Un-audited)	Nine months ended September 30, 2014 (Un-audited)
	----- (Rupees) -----	
Brokerage and operating income	365,172,752	227,254,223
Advisory and consultancy fee	28,202,814	7,661,253
	393,375,566	234,915,476

16. TAXATION

- 16.1** Except for the tax year 2005 and the tax year 2009, income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes. Furthermore, monitoring proceedings were initiated for tax years 2013 and 2014 for which no order has been passed, however, all the requested details have been submitted.

The tax year 2005 has been selected for audit and the proceedings are pending in the RTO. There is no progress in this regard in current period.

- 16.2** For the tax year 2009, the ITRA No. 07/2013 filed by the Commissioner Inland Revenue against the order passed by the Learned Appellate Tribunal Inland Revenue in ITA No. 923/KB/2011 dated August 28, 2011 relating to apportionment of expenses, allowability of expenses and claiming of tax deducted at source amounting to Rs. 61.16 million which is pending for hearing before the Honorable High Court of Sindh at Karachi. The case was fixed for hearing on April 29, 2015 and various other dates during last year but on all dates, the case was discharged for want of time.

- 16.3** During 2013, the Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of sales tax amounting to Rs. 19.65 million for the period from July 2011 to June 2012 under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently an order was passed reducing the demand to Rs. 9.86 million along with default surcharge. The Company filed an appeal against the said order which was decided against the Company. The Company has also filed an appeal before the tribunal which is pending adjudication and no order has been passed in this regard. During last year, the Company paid an amount of Rs. 7.15 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of the penalty and 75% of default surcharge.

Further, during last year, the Company received another show cause notice from SRB demanding payment of sales tax amounting to Rs. 34.69 million for the period from July 2012 to December 2013 under section 47 of Sindh Sales Tax on Services Act, 2011. Subsequently an order was passed reducing the demand to Rs. 10.77 million. The Company has filed an appeal against the order with Commissioner Inland Revenue (Appeals) which is pending. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of the penalty and 75% of default surcharge.

On prudent basis, the Company has made a provision against the amount paid to SRB in these financial statements.

- 16.4** During the period, the Deputy Commissioner Inland Revenue has issued an order to the Company, (among other brokerage houses) for tax demand amounting to Rs. 78 million on account of non-payment of Federal Excise Duty (FED) for tax period from 2010 to 2013. The Company has filed a rectification appeal amounting to Rs. 54.3 million against the said order on account of certain computational errors. The Company has also filed an appeal in the Sindh High Court, 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 obligations in the respective provinces. The Sindh High Court has stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers. Further, management of the Company and its tax advisors are of the view that because provincial sales tax on services has already been paid after constitutional dispensation, no further charge is expected to arise in respect of this matter.

- 16.5** During the period Company received a show cause notice from Commissioner Inland Revenue contending short deduction/deposit of tax on dividend paid during the year. 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. The Company and its tax advisor are of the opinion that no liability would accrue in this regard.

	Nine months ended September 30, 2015 (Un-audited)	Nine months ended September 30, 2014 (Un-audited)
	----- (Rupees) -----	
17 EARNINGS PER SHARE -basic and diluted		
Profit after taxation	186,835,298	163,483,136
	----- (Number) -----	
Weighted average number of shares	50,000,000	50,000,000
	----- (Rupees) -----	
Earnings per share - basic and diluted	3.74	3.27

18. 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 statements, are as follows:

	September 30, 2015 (Un-audited)		December 31, 2014 (Audited)	
	Key management personnel	Associated entities other than parent company	Key management personnel	Associated entities other than parent company
----- (Rupees) -----				
Trade debts				
Opening balance	-	837,530	73,311	551,492
Invoiced during the period / year	67,746	3,258,900,827	-	2,770,415,457
Received during the period / year	(46,583)	(3,258,232,539)	(73,311)	(2,770,129,419)
Closing balance	<u>21,163</u>	<u>1,505,818</u>	<u>-</u>	<u>837,530</u>
Trade payable				
Opening balance	101,301	3,676,161	55,780	17,638,067
Invoiced during the period / year	12,057,864	8,010,492,672	11,151,002	7,678,465,167
Paid during the period / year	(11,948,618)	(8,005,157,607)	(11,105,481)	(7,692,427,073)
Closing balance	<u>210,547</u>	<u>9,011,226</u>	<u>101,301</u>	<u>3,676,161</u>
----- (Rupees) -----				
Balances with parent company				
Trade debts			<u>-</u>	<u>1,220,158</u>
Balances with parent company			<u>956,257,063</u>	<u>1,280,858,579</u>
Trade Payables			<u>216,194</u>	<u>-</u>
Balances with ultimate parent company				
Trade debts			<u>2,243,280</u>	<u>-</u>
Trade Payables			<u>-</u>	<u>72,523</u>

	September 30, 2015 (Un-audited)	September 30, 2014 (Un-audited)
	------(Rupees)-----	
Transactions with associated companies		
Nature of transactions		
Dividend paid to Global Investment House	-	21,734,832
Payment on account of expenses to associated companies	566,721	94,338
Transactions with associated entities of group companies		
Nature of transactions		
Brokerage income	12,185,201	7,919,216
Sale of units of JS Cash Fund	-	997,724,991
Purchase of units of JS Cash Fund	-	700,000,000
Purchase of units of JS Income Fund	-	1,255,000,000
Sales of units of JS Income Fund	-	1,576,475,347
Bonus units received from JS Income Fund	-	97,233
Bonus units received from JS Cash Fund	-	422,231
Capital Gain on sale of units of JS Cash Fund	-	36,983,991
Capital Gain on sale of units of JS Income Fund	-	17,359,924
Transactions with the parent company		
Nature of transactions		
Sale of Term Finance Certificates - net	-	3,653,752
Purchase of Treasury Bills - net	4,203,911,138	-
Sale of Treasury Bills - net	-	3,184,678
Purchase of Pakistan Investment Bonds-net	354,146,214	1,231,025,137
Brokerage income	3,000,112	2,434,060
Payment for rent and utilities and consultancy charges	1,630,482	2,194,579
Bank charges	290,677	236,344
Dividend Paid	-	25,525,169
Profit on PLS account	-	34,789,491
Exchange loss on foreign currency deposit accounts	-	(126,455)
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	8,458,196	353,408
Reimbursement of expenses against rent and utilities	33,846,519	31,395,618
Purchase of Term Finance Certificates	-	40,000,000
Transactions with other related parties		
Nature of transactions	Relationship	
Royalty expense	Key management personnel of the parent	7,500,000
Brokerage income	Key management personnel	183,242
Director's remuneration	Key management personnel	1,425,000
Contributions to staff provident fund	Post-employment benefit plan	5,214,581

19. OPERATING SEGMENTS

	September 30, 2015(Un-audited)			
	Brokerage	Investment and Treasury	Other operations	Total
	------(Rupees)-----			
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)
Total profit before tax and Workers' Welfare Fund for all segments	166,880,376	236,576,715	(100,999,636)	302,457,454
Reconciliation of reportable segments to profit and loss account				
Total profit before tax and Workers' Welfare Fund for all segments				302,457,454
Provision for Workers' Welfare Fund				(6,049,149)
Taxation				(109,573,007)
Profit after tax				<u>186,835,298</u>
Other information:				
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 were no major customer of the Company which formed part of 10 percent or more of the Company's revenue.

	September 30, 2014 (Un-audited)			
	Brokerage	Investment and Treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues	227,254,223	234,846,556	7,661,253	469,762,032
Administrative and operating expenses	(144,290,274)	(76,156,065)	(2,052,382)	(222,498,721)
Depreciation	(3,299,545)	(3,456,667)	(70,337)	(6,826,549)
Amortisation of intangible assets	-	-	(1,109,704)	(1,109,704)
Finance cost	-	(616,339)	-	(616,339)
Total profit before tax and Workers' Welfare Fund for all segments	79,664,404	154,617,485	4,428,830	238,710,719
Reconciliation of reportable segments to profit and loss account				
Total profit before tax and Workers' Welfare Fund for all segments				238,710,719
Provision for Workers' Welfare Fund				(4,774,212)
Taxation				(70,453,371)
Profit after tax				<u>163,483,136</u>
Other information:				
Segment assets	899,586,298	2,174,105,847	739,385,544	3,813,077,689
Segment liabilities	1,037,685,814	126,054,245	-	1,163,740,059

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

20 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Nil (December 31, 2014 : Nil) amounting to Rs. Nil (December 31, 2014 : Nil) and bonus of Nil (December 31, 2014 : Nil) in their meeting held on October 26, 2015.

21 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue in the Board of Directors' meeting held on October 26, 2015.



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