



JS Global Capital Limited

Quarterly Report
March 31, 2014
(Un-audited)

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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. Muhammad Umair Arif	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
Chief Financial Officer	Mr. Mohammad Imtiaz A. Aziz	
Company Secretary	Mr. Muhammad Umair Arif	
Auditor	M. Yousuf Adil Saleem & 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, 4th Floor, Beaumont Plaza, Civil Lines, Karachi	
Share Registrar	Technology Trade (Pvt) Limited, 241-C, Block-2, P.E.C.H.S., Karachi	
Registered Office	6th Floor, Faysal House, Main Shakra – e – Faisal , Karachi Telephone: 92-21-111574111, Fax: 92-21-32800167	

Directors' Report to the Members

The Directors are pleased to present the unaudited financial statements of JS Global Capital Limited for the three months period ended March 31, 2014. Summarized results are set out below:

	Three months period ended	
	March 31, 2014	March 31, 2013
	------(Rupees)-----	
Profit before tax	67,974,339	64,603,398
Profit after tax	55,232,752	50,579,709
Earnings per share	1.10	1.01

ECONOMIC REVIEW

Pakistan's economic performance during Jan-Mar 2014 (1QCY14) remained mixed though there were visible signs of improvement. On the positive front, (1) GDP growth improved and picked up to 5% in 1QCY14 on the back of better manufacturing sector growth; (2) CPI inflation remained in single digits averaging at 8.1% in 3QFY14, up from 7.4% in the same quarter last year and (3) continuous efforts were made to strengthen Pak Rupee via building country's foreign exchange reserves which crossed the US\$10bn mark by the end of March 2014 after hitting a low of US\$7.9bn in January 2014. As a result, Pak Rupee appreciated by 6.8% against the US\$ during 1QCY14. However, concerns on the external account persisted as 8MFY14 C/A deficit stood at US\$2.02bn vs. US\$831mn in the corresponding period last year. The massive difference was primarily due to difference in realized CSF flows, where ex-CSF, 8MFY14 C/A deficit would stand at US\$2.69bn vs. US\$2.63bn ex-CSF C/A deficit in 8MFY13. In light of (1) myriad economic challenges; (2) the need for a pro-active policy effort and (3) need for a substantial and consistent accumulation of reserves as opposed to one-off inflows, the State Bank of Pakistan (SBP) kept the Discount Rate (DR) unchanged at 10% in its March 15, 2014 Monetary Policy Statement (MPS). However, the Central Bank appreciated the recent macro positives which have boosted the economy and lowered its FY14 inflation forecast to 8.5%-9.5% from earlier outlook of 10%-11%.

EQUITY MARKET REVIEW

During 1QCY14, the KSE-100 gained 7.5% beating the region's average return of 1.4% for the same period. KSE-100 made a new high of 27,307 points during the said period. Trading volumes at the local bourse also showed an improvement, where average daily turnover at the KSE rose to 226mn shares over 1QCY14, as against average daily turnover of 211mn shares in the corresponding period last year. The gains at the bourse were largely owed to (1) expectations of a long term truce between the government and the Tehrik-i-Taliban Pakistan (TTP) as negotiations progressed smoothly; (2) sharp Pak Rupee appreciation (+6.8%) vs. the US dollar on the back of rise in Forex reserves; and (3) increase in foreign portfolio investment inflows coupled with expectation that the same will continue to trend higher as MSCI started a consultation on a methodology change that would lift Pakistan's weight in MSCI Frontier Market 100 index from 4.3% to 8.9% (this was approved in April 2014). Investor confidence was boosted further as some market participants pegged their hopes on a rate cut in the next MPS scheduled to be announced in May 2014.

FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

The Market remained short of liquidity throughout the quarter under consideration. SBP in its last MPS kept the discount rate unchanged at 10% and since several institutions use SBP ceiling facility, SBP intervened and injected a sizeable amount of liquidity in the market to help institutions manage their liquidity requirements efficiently. Exchange rate has improved considerably over the last month, due to better external flows, improving the FX reserves. Moreover, since inflation also remained under control, longer term bonds remained in the limelight.

The activity in short term T-Bills was insignificant attracting very low participation of approximately PKR 250bn in the last Auction against the target of PKR 500 bn. On the other hand, the shift in preference for longer tenor securities elicited a historic participation in the latest PIB auction of PKR 540bn compared to a target of PKR 60bn, taking the total amount raised through PIB auction for the quarter to PKR 974bn. The yield for 3, 5 and 10 Year PIB remained highly volatile due to market anticipation of a rate cut. Given the current scenario, participation in PIB is expected to remain high.

On the exchange rate front, 1QCY14 started with USD/PKR of 105.50 as compared to 97.36 in the corresponding period last year. During the quarter under consideration, highest trade for the USD/PKR was at 105.65 and lowest trade was at 97.75. The unexpected inflow of USD 1.5bn from Saudi Arabia resulted in the Pak Rupee appreciating against the USD by 6.8%.

Highest Swaps premiums in the quarter under consideration were 0.63, 1.78, and 3.40 for 1 Month, 3 Months, and 6 Months respectively while the lowest Swaps premiums were 0.05, 0.95 and 2.35 for 1 Month, 3 Months and 6 Months respectively. Forward premium remained low as exporters' feared decline in USD vs. PKR and sell their forward proceeds.

Pakistan Mercantile Exchange ('PMEX') volumes declined to PKR 282bn in 1QCY14 from PKR 297bn in the quarter of corresponding period last year.

The market share of JS Global remained strong with the Company maintaining its position amongst top industry players during the quarter under review in the commodities domain.

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 55.23 mn for the three months ended March 31, 2014 vis-a-vis net income of PKR 50.58 mn in comparative periods last year clocking a growth of 9.19% over the same period. Significant increase in unrealized capital gain by 182% coupled with increase in operating revenue by 27% over the same period last year contributed to bottom line.

Despite ongoing market-related challenges and the country's economic condition, the Company is focused on maintaining its growth momentum in the long run. 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, despite high inflation being experienced by the country over the last few years.

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, Karachi Stock Exchanges and National Clearing Company of Pakistan Limited for their efforts to strengthen the Capital Markets and measures to protect investors' rights.

On behalf of the Board

Basir Shamsie
Chairman

Karachi: April 23, 2014

CONDENSED INTERIM
FINANCIAL STATEMENTS

Condensed Interim Balance Sheet As at March 31, 2014

	Note	March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
------(Rupees)-----			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised 150,000,000 (December 31, 2013: 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		500,000,000	500,000,000
Share premium		1,810,104,900	1,810,104,900
Unappropriated profit		280,982,346	225,749,594
		2,591,087,246	2,535,854,494
LIABILITIES			
Current liabilities			
Creditors, accrued expenses and other liabilities	5	482,992,972	323,427,536
Provision for taxation		77,477,115	64,804,262
		560,470,087	388,231,798
Contingencies and Commitments	6	<u>3,151,557,333</u>	<u>2,924,086,292</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

 JS Global

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

Condensed Interim Balance Sheet As at March 31, 2014

	Note	March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
------(Rupees)-----			
ASSETS			
Non Current Assets			
Property and equipment	7	27,496,827	27,442,436
Intangible assets	8	11,291,907	8,335,657
Long term investments	9	15,272,670	15,272,670
Long term loans, advances and deposits		10,785,850	9,133,551
Deferred taxation-net	10	140,322,045	140,390,777
		205,169,298	200,575,091
Current Assets			
Short term investments	11	2,011,866,344	1,453,386,969
Trade debts - unsecured, considered good	12	498,136,543	303,759,059
Loans and advances		8,789,887	11,113,642
Deposits and short-term prepayments		38,965,514	42,494,402
Interest and markup accrued	13	6,754,377	4,465,302
Other Recievables :		10,889,681	3,798,788
Advance tax		83,363,117	65,281,352
Cash and bank balances	14	287,622,572	839,211,687
		2,946,388,035	2,723,511,201
		<u>3,151,557,333</u>	<u>2,924,086,292</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

 JS Global

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-audited) For the three months period ended March 31, 2014

	Note	Three Months Period ended	
		March 31, 2014	March 31, 2013
------(Rupees)-----			
Operating revenue	15	73,633,052	57,987,928
Capital gain on sale of investments		6,790,134	8,855,029
Gain on remeasurement of investments at fair value through profit or loss - net		26,165,983	9,270,109
		<u>106,589,169</u>	<u>76,113,066</u>
Administrative and operating expenses		<u>(72,483,484)</u>	<u>(67,810,567)</u>
		34,105,685	8,302,499
Other operating income	16	35,439,168	63,044,459
		<u>69,544,853</u>	<u>71,346,958</u>
Provision for Workers' Welfare Fund		(1,389,946)	(1,240,942)
Finance Cost	17	(180,568)	(5,502,618)
Profit before taxation		<u>67,974,339</u>	<u>64,603,398</u>
Taxation - current		(12,672,855)	(18,286,579)
- deferred	10	(68,732)	4,262,890
		<u>(12,741,587)</u>	<u>(14,023,689)</u>
Profit after taxation		<u><u>55,232,752</u></u>	<u><u>50,579,709</u></u>
Earnings per share - basic and diluted	18	<u>1.10</u>	<u>1.01</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
For the three months period ended March 31, 2014

	Three Months Period ended			
	March 31, 2014	March 31, 2013		
	------(Rupees)-----			
Profit for the period	55,232,752	50,579,709		
Other comprehensive income:				
Unrealised gain on remeasurement of available for sale investments at fair value	<table border="1"><tr><td>-</td></tr></table>	-	<table border="1"><tr><td>-</td></tr></table>	-
-				
-				
Total comprehensive income for the period	<u>55,232,752</u>	<u>50,579,709</u>		

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

 JS Global

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) For the three months period ended March 31, 2014

	Issued, subscribed and paid up capital	Capital Reserves Share premium	Revenue reserves		Total
			Unrealized (loss) / gain on remeasurement of available for sale investment at fair value	Unappropriated profit	
..... (Rupees)					
Balance as on January 01, 2013	500,000,000	1,810,104,900	-	400,553,478	2,710,658,378
Total Comprehensive income for the period					
Profit for the three months period ended March 31, 2013	-	-	-	50,579,709	50,579,709
Other Comprehensive Income					
Un realized gain / (loss) on remeasurement of available for sale investments at fair value	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	50,579,709	50,579,709
Transactions with owners of the Company, recognized directly in equity					
Appropriations for the eighteen months period ended December 31, 2012 - Final dividend @ Rs.3/- per ordinary share	-	-	-	(150,000,000)	(150,000,000)
Balance as on March 31, 2013	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>-</u>	<u>301,133,187</u>	<u>2,611,238,087</u>
Balance as on January 01, 2014	500,000,000	1,810,104,900	-	225,749,594	2,535,854,494
Total Comprehensive income for the period					
Profit for the three months period ended March 31, 2014	-	-	-	55,232,752	55,232,752
Other Comprehensive Income					
Un realized gain / (loss) on remeasurement of available for sale investments at fair value	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	55,232,752	55,232,752
Transactions with owners of the Company, recognized directly in equity					
Balance as at March 31, 2014	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>-</u>	<u>280,982,346</u>	<u>2,591,087,246</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)

For the three months period ended March 31, 2014

	Three Months Period ended	
	March 31, 2014	March 31, 2013
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,974,339	64,603,398
Adjustments for:		
Depreciation	1,721,488	1,861,898
Amortization of Software	146,528	27,084
Gain on sale of property and equipment	(1,147,174)	(920,682)
Gain on remeasurement of investments carried at fair value through profit or loss - net	(26,165,983)	(9,270,109)
Provision for Workers' Welfare Fund	1,389,946	1,240,942
Finance cost	180,568	5,502,618
	(23,874,627)	(1,558,249)
Cash generated from operating activities before working capital changes	44,099,712	63,045,149
<i>Decrease / (Increase) in current assets:</i>		
Trade debts	(194,377,484)	34,868,509
Loans and Advances	2,323,755	(49,461)
Deposits and short term prepayments	3,528,888	(45,782,977)
Interest and markup accrued	(2,289,075)	8,380,484
Other receivables	(7,090,893)	(15,405,008)
	(197,904,809)	(17,988,453)
<i>Increase in current liabilities</i>		
Creditors, accrued expenses and other liabilities	158,175,490	27,827,964
Cash generated from operations	4,370,393	72,884,660
Finance cost paid	(180,568)	(5,502,618)
Taxes paid	(18,081,767)	(12,350,749)
Net cash (used in) / generated from operating activities	(13,891,941)	55,031,293
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,794,314)	(4,872,725)
Proceeds from disposal of property and equipment	1,165,608	941,790
Long term loans, advances and deposits	(1,652,299)	245,311
Addition to Intangible Assets	(3,102,777)	-
Short term investments - net	(532,313,392)	512,335,218
Net cash (used in) / generated from investing activities	(537,697,174)	508,649,594
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash (paid) under repurchase transactions	-	(431,187,500)
Dividend paid	-	(23,503)
Net cash (used in) financing activities	-	(431,211,003)
(Decrease) / increase in cash and cash equivalents during the period	(551,589,115)	132,469,884
Cash and cash equivalents at the beginning of the period	839,211,687	621,853,000
Cash and cash equivalents at the end of the period	287,622,572	754,322,884

The annexed notes 1 to 22 form an integral part of these condensed interim financial information.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

 **JS Global**

Notes to the Condensed Interim Financial Statements For the three months period ended March 31, 2014

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. The Company is subsidiary of JS Bank Limited which is a subsidiary of Jahangir Siddiqui & Company Limited, the ultimate parent of the Company

JS Global Capital Limited is a 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 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, Shahr-e-Faisal, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial statement do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the twelve months period ended December 31, 2013.

These condensed interim financial information are 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.

These condensed interim financial information 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 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 twelve months period ended December 31, 2013.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the twelve months period ended December 31, 2013.

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 twelve months period ended December 31, 2013.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2014	December 31, 2013
	------(Rupees)-----	
Creditors for sale of shares on behalf of clients	410,317,555	250,825,335
Accrued expenses	37,863,151	40,629,059
Provision for staff bonus	1,441,200	5,000,000
Unclaimed dividend	3,191,622	3,258,453
Retention money - Softech	40,600	40,600
Advance fee from client	5,877,412	5,877,412
Provision for workers' welfare fund	13,120,271	11,730,325
Others	11,141,161	6,066,352
	<u>482,992,972</u>	<u>323,427,536</u>

6. CONTINGENCIES AND COMMITMENTS

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 March 31, 2014

<u>452,136,740</u>	<u>394,964,215</u>
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Bank guarantee in favour of Karachi Stock Exchange Limited

<u>30,000,000</u>	<u>-</u>
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		March 31, 2014	December 31, 2013
7. PROPERTY AND EQUIPMENT	Note	------(Rupees)-----	
<p>Following is the cost of property and equipment that have been added / disposed of during the three months (eighteen) period ended March 31, 2014 (December 31, 2013).</p>			
<u>Additions:</u>			
Office Equipment		583,505	4,942,280
Office Furniture		-	-
Motor Vehicles		<u>1,083,090</u>	<u>8,627,375</u>
		<u>1,666,595</u>	<u>13,569,655</u>
<u>Disposals:</u>			
Office Equipment		260,500	4,527,978
Office Furniture		-	-
Motor Vehicles		<u>1,411,850</u>	<u>11,134,637</u>
		<u>1,672,350</u>	<u>15,662,615</u>
8. INTANGIBLE ASSETS			
Trading Right Entitlement Certificate from Karachi Stock Exchange Limited	8.1	<u>5,727,330</u>	<u>5,727,330</u>
Pakistan Mercantile Exchange		<u>2,500,000</u>	<u>2,500,000</u>
		8,227,330	8,227,330
Software		<u>3,064,577</u>	<u>108,327</u>
		<u>11,291,907</u>	<u>8,335,657</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.

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>

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 TREC from the KSE against its membership card which was carried at Rs. 21 million in the books of the Company.

The above arrangement has resulted in allocation of 4,007,383 shares of Rs. 10 each with a total face value of Rs. 40 million and TREC to the Company by the KSE. Out of total shares issued by the KSE, the Company has actually received 40% equity shares i.e. 1,602,953 shares. The remaining 60% shares have been transferred to CDC sub-account in the Company's name under the KSE's participant IDs with the CDC which will remain blocked until these are divested/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis.

The above mentioned face value (Rs. 40 million) of the shares issued by the KSE to its members including the Company has been determined on the basis of the fair valuation of the underlying assets and liabilities of the Stock Exchange in accordance with the requirements of the Demutualization Act. In other words, shares worth Rs. 40 million received by the Company represent its share in the fair value of the net assets of the KSE. Under the current circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has introduced a minimum capital regime for the brokers, and for this purpose has valued TREC at Rs. 15 million as per the decision of the Board of Directors of the KSE. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 15 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair values of KSE shares (Rs. 40 million) and TREC (Rs. 15 million), the Company has allocated its carrying value of the membership card 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 TRE at Rs. 5.7 million.

10. DEFERRED TAXATION - NET

	March 31, 2014		
	Opening	(Charge) / reversal to profit and loss account	Closing
	------(Rupees)-----		
Taxable temporary difference			
Revaluation of investments	-		-
Deductible temporary differences			
Accelerated depreciation for tax purposes	1,202,802	(83,316)	1,119,486
Difference in accounting and tax base of intangible assets	2,287	14,584	16,871
Provision for doubtful debts	<u>139,185,688</u>	<u>-</u>	<u>139,185,688</u>
	<u>140,390,777</u>	<u>(68,732)</u>	<u>140,322,045</u>
	December 31, 2013		
	Opening	(Charge) / reversal to profit and loss account	Closing
	------(Rupees)-----		
Taxable temporary difference			
Revaluation of investments	(6,203,165)	6,203,165	-
Deductible temporary differences			
Accelerated depreciation for tax purposes	1,686,834	(484,032)	1,202,802
Difference in accounting and tax base of intangible assets	2,287	-	2,287
Provision for doubtful debts	<u>138,731,010</u>	<u>454,678</u>	<u>139,185,688</u>
	<u>134,216,966</u>	<u>6,173,811</u>	<u>140,390,777</u>

		March 31, 2014 (Un-audited)	December 31, 2013 (Audited)
	Note	------(Rupees)-----	
11. SHORT TERM INVESTMENTS			
At fair value through profit or loss - held for trading			
Quoted Equity Securities	11.1	451,791,515	391,258,239
Units of mutual funds	11.2	1,323,965,828	650,801,945
Term Finance Certificates and Sukuk bonds	11.3	100,318,091	162,943,533
Government Securities	11.4	135,790,911	248,383,252
		<u>2,011,866,344</u>	<u>1,453,386,969</u>
Available for sale			
Privately Placed Term Finance Certificates - Unsecured	11.5	-	-
		<u>2,011,866,344</u>	<u>1,453,386,969</u>

11.1 Quoted equity securities

Number of shares		Name of Company	March 31, 2014		December 31, 2013	
March 31, 2014	December 31, 2013		Average Cost	-----Fair Value----- ------(Rupees)-----		
1,445,000	802,500	Adamjee Insurance Company Limited	65,039,945	67,828,300	29,989,425	
70,500	55,000	Attock Refinery Limited	15,548,305	15,570,630	11,421,850	
-	307,000	Bank Al Falah Limited	-	-	8,301,280	
2,500	-	Dawood Hercules Fertilizers Limited	200,670	214,175	-	
401,000	614,500	DG Khan Cement Limited	37,073,912	36,900,020	52,681,085	
67,000	32,000	Engro Foods Limited	7,627,853	7,876,520	3,342,080	
306,500	199,000	Engro Corporation	56,945,968	57,153,055	31,517,620	
3,000	34,000	Fauji Fertilizer Bin Qasim Limited	123,762	129,120	1,489,540	
2,500	142,000	Fauji Fertilizer Company Limited	271,777	277,100	15,898,320	
130,500	63,000	MCB Bank Limited	31,184,948	32,785,515	17,713,710	
109,500	854,500	National Bank of Pakistan Limited	5,916,427	5,919,570	49,612,270	
-	44,500	Nishat Chunian Limited	-	-	2,678,900	
87,500	530,500	Nishat Mills Limited	10,759,663	10,198,125	67,500,820	
20,000	-	Maple Leaf Cement Factory Limited	588,094	588,600	-	
123,000	-	Oil and Gas development Company limited	30,161,563	29,658,990	-	
140,000	143,000	Pakistan Petroleum Limited	31,410,786	31,326,400	30,596,280	
270,000	75,500	Pakistan State Oil	114,218,326	115,211,700	25,082,610	
1,313,500	1,522,500	Pakistan Telecommunication Limited	40,296,407	40,153,695	43,299,900	
-	1,000	United Bank Limited	-	-	132,550	
			<u>447,368,406</u>	<u>451,791,515</u>	<u>391,258,239</u>	
		Unrealized (loss) on remeasurement at fair value	<u>4,423,109</u>	<u>-</u>	<u>-</u>	
			<u>451,791,515</u>	<u>451,791,515</u>	<u>391,258,239</u>	

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

11.2 Units of mutual funds

Number of units		Name of funds	March 31, 2014		December 31, 2013
March 31, 2014	December 31, 2013		Average Cost	-----Fair Value----- ------(Rupees)-----	
9,503,045	2,536,885	JS Cash Fund - related party	960,741,000	976,912,989	260,741,000
3,515,763	3,450,368	JS Income Fund - related party	304,115,423	310,371,556	304,115,423
-	4,997,551	ABL cash Fund	-	-	50,000,000
364,453	357,402	UBL Liquidity Plus Fund	<u>35,945,522</u>	<u>36,681,283</u>	<u>35,945,522</u>
			<u>1,300,801,945</u>	<u>1,323,965,828</u>	<u>650,801,945</u>
		Un realized gain on remeasurement at fair value	<u>23,163,883</u>		
			<u><u>1,323,965,828</u></u>	<u><u>1,323,965,828</u></u>	<u><u>650,801,945</u></u>

11.3 Term finance certificates and sukuk bonds

Number of certificates		Name of Term Finance Certificates	March 31, 2014		December 31, 2013
March 31, 2014	December 31, 2013		Average Cost	-----Fair Value----- ------(Rupees)-----	
		Listed			
1,000	1,000	Allied Bank Limited I	2,552,896	2,525,476	2,552,896
1,000	1,000	Allied Bank Limited II	4,783,692	4,597,488	4,784,692
475	475	Bank Al Falah Limited TFC V	2,447,072	2,493,174	2,447,546
400	400	Engro Fertilizer Pakistan Limited	1,705,008	1,794,606	1,705,008
400	6,700	Engro Fertilizer Pakistan Limited - III	1,994,981	2,044,473	33,401,056
-	520	Engro Rupiya Certificate I	-	-	2,615,095
4,757	8,890	Engro Rupiya Certificate II	23,876,318	24,435,861	45,020,487
		Jahangir Siddiqui & Company Limited VII			
2,100	2,100	- related party	8,037,792	8,253,784	8,037,792
100	100	Orix Leasing Pakistan Limited	961,976	963,124	1,961,976
200	200	Pakistan Mobile Communication Limited			
		TFC VII	14,721,359	15,083,564	15,721,359
-	1,000	Tameer Sarmaya Certificates I	-	-	4,988,000
1,000	1,000	Tameer Sarmaya Certificates II	4,986,000	4,986,000	4,988,000
1,600	1,600	United Bank Limited TFC III	<u>1,328,264</u>	<u>1,317,018</u>	<u>2,658,756</u>
			<u>67,395,358</u>	<u>68,494,568</u>	<u>130,882,664</u>
		Un-Listed			
5,960	5,960	Bank Al Habib Limited IV	<u>32,060,869</u>	<u>31,823,523</u>	<u>32,060,869</u>
			<u>99,456,227</u>	<u>100,318,091</u>	<u>162,943,533</u>
		Un realized Gain on remeasurement at fair value	<u>861,864</u>		
			<u><u>100,318,091</u></u>	<u><u>100,318,091</u></u>	<u><u>162,943,533</u></u>

	Note	March 31, 2014		December 31, 2013
		Average Cost	Fair Value	(Rupees)
11.4 Government Securities				
Treasury Bills	11.4.1	490,661	475,127	248,383,252
Pakistan Investment Bonds	11.4.2	133,262,500	135,315,784	-
		133,753,161	135,790,911	248,383,252
Un realized (loss) on remeasurement at fair value on T-Bills		(15,534)		
Un realized (loss) on remeasurement at fair value on PIB's		2,053,284		
		<u>135,790,911</u>	<u>135,790,911</u>	<u>248,383,252</u>

11.4.1 These treasury bills have a tenor of 3 months with maturity on April 23, 2014 and May 23, 2014 respectively. They carry an effective yield of 9.35% per annum.

11.4.2 These Pakistan Investment Bonds have a tenor of three years, five years & ten years with maturity on July 18, 2016, July 18, 2018 & July 19, 2022 and carry an effective yield of 11.99% to 12.83% per annum.

11.5 Privately Placed Term Finance Certificates - Unsecured

March 31, 2014					
Number of certificate	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	11.5.1	October 19, 2020	326,456,184
		Impairment of investment in TFC			(326,456,184)
					-

December 31, 2013				
Number of certificate	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
		Impairment of investment in TFC		(326,456,184)
				-

11.5.1 These PPTFC's have been fully provided and markup is recorded on receipt basis.

		March 31, 2014	December 31, 2013
12	TRADE DEBTS -unsecured, considered good	Note	------(Rupees)-----
	-Purchase of shares on behalf of clients	440,157,454	249,902,375
	-Forex and fixed income commission	18,559,359	16,206,539
	-Commodity	39,419,730	37,650,145
		498,136,543	303,759,059
	Considered doubtful or bad	397,673,393	397,673,393
		895,809,936	701,432,452
	Provision for doubtful debts	(397,673,393)	(397,673,393)
		<u>498,136,543</u>	<u>303,759,059</u>
13	INTEREST AND MARK-UP ACCRUED		
	Accrued markup on Pakistan Investment Bonds	3,133,562	-
	Accrued markup on Term Finance Certificates	2,335,081	3,258,365
	Profit receivable on bank deposits	1,285,734	1,206,937
		<u>6,754,377</u>	<u>4,465,302</u>
14	CASH AND BANK BALANCES		
	Cash with banks:		
	Current accounts	2,614,285	3,092,477
	Profit and loss / deposit accounts	14.1 279,925,714	830,795,323
	Foreign currency deposit accounts	14.2 5,003,573	5,244,887
		287,543,572	839,132,687
	Cash in Hand:	79,000	79,000
		<u>287,622,572</u>	<u>839,211,687</u>

14.1 Profit and loss / deposit accounts carry profit ranging from 6% to 9.75% per annum.

14.2 Foreign currency deposit accounts carry profit ranging from 0.1% to 1% (December 31, 2013: 0.1% to 1%) per annum.

	March 31, 2014 (Un-audited)	March 31, 2013 (Un-audited)
	------(Rupees)-----	
15. OPERATING REVENUE		
Brokerage and operating income	72,408,663	54,287,928
Advisory and consultancy fee	1,224,389	3,700,000
	<u>73,633,052</u>	<u>57,987,928</u>
16. OTHER OPERATING INCOME		
Income from financial assets:		
Profit on Term Finance Certificates, Treasury bills, Pakistan Investment Bonds and National Savings Bonds	4,785,510	34,177,389
Dividend income	7,400,023	1,729,125
Return on cash margin on future contracts	610,836	155,637
Exchange (loss) / gain on foreign currency deposit accounts	(406,930)	37,939
Late payment charges	-	3,127,171
Profit on profit and loss / deposit accounts	13,100,640	9,003,391
Mark-up on ANL-PPTFC	-	12,691,692
MFS Income	8,724,776	-
	<u>34,214,855</u>	<u>60,922,344</u>
Income from non-financial assets:		
Gain on sale of property and equipment	1,147,174	920,682
Other income	77,139	1,201,433
	<u>1,224,313</u>	<u>2,122,115</u>
	<u>35,439,168</u>	<u>63,044,459</u>
17. FINANCE COST		
Mark-up on repurchase transactions	-	5,440,714
Bank and other charges	180,568	61,904
	<u>180,568</u>	<u>5,502,618</u>
18. EARNINGS PER SHARE -basic and diluted		
	------(Rupees)-----	
Profit after taxation	<u>55,232,752</u>	<u>50,579,709</u>
	------(Number)-----	
Weighted average number of shares	<u>50,000,000</u>	<u>50,000,000</u>
	------(Rupees)-----	
Earnings per share - basic and diluted	<u>1.10</u>	<u>1.01</u>

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.

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:

	March 31, 2014 (Unaudited)		December 31, 2013 (Audited)	
	Key management personnel	Related parties other than parent company	Key management personnel	Related parties other than parent company
	------(Rupees)-----			
Trade debts				
Opening balance	73,311	551,492	818	13,626,534
Invoiced during the period	240	2,096,450,273	8,478,823	7,026,109,059
Received during the period	(72,798)	(2,095,687,486)	(8,406,330)	(7,039,184,101)
Closing balance	<u>753</u>	<u>1,314,279</u>	<u>73,311</u>	<u>551,492</u>
Trade payable				
Opening balance	55,780	17,638,067	578,156	831,322
Invoiced during the period	3,569,397	1,913,833,615	3,822	7,442,273,588
Paid during the period	(3,553,257)	(1,930,603,303)	(526,198)	(7,425,466,843)
Closing balance	<u>71,920</u>	<u>868,379</u>	<u>55,780</u>	<u>17,638,067</u>
Balances with parent company				
			March 31, 2014 (Unaudited)	December 31, 2013 (Audited)
			------(Rupees)-----	
Trade debts			<u>421,891</u>	<u>386,688</u>
Bank deposits			<u>222,258,954</u>	<u>815,141,617</u>

	Three months period ended March 31, 2014 (Unaudited)	Twelve months period ended December 31, 2013 (Audited)
	------(Rupees)-----	
Transactions with related parties		
Nature of transactions		
Sale of units of JS Cash Fund	-	50,000,000
Director's remuneration	475,000	2,000,000
Purchase of units of JS Cash Fund	700,000,000	-
Royalty Expenses	2,500,000	10,000,000
Brokerage Others	2,794,041	8,638,536
Contributions to staff provident fund	1,132,573	4,233,928
Payment on account of expenses to associated companies	10,465,206	38,532,138
Capital gain on sale of units of - JS Cash Fund	-	572,902
Bonus units received from JS Income Fund (No. of Units)	65,395	308,588
Bonus units received from JS Cash Fund (No. of Units)	151,518	191,413

Transactions with Parent Company

Nature of transactions		
Purchase of term finance certificates -net	-	42,640,225
Purchase of Treasury Bills - net	-	388,390,641
Sale of Treasury Bills - net	3,184,678	-
Purchase of Pakistan Investment Bonds-net	133,162,500	-
Sale of Pakistan Investment Bonds - net	-	426,533,450
Brokerage income	918,887	7,506,287
Payment for rent and utilities & Consultancy Charges	1,319,917	2,527,716
Bank guarantee charges and bank charges	164,373	306,027
Profit on PLS account	12,296,435	49,848,657
Exchange (loss) / gain on foreign currency deposit accounts	(369,031)	216,990

20. OPERATING SEGMENTS

	March 31, 2014 (Unaudited)			
	Brokerage	Investment	Other	Total
	----- (Rupees) -----			
Segment revenues	72,408,663	68,395,285	1,224,389	142,028,337
Intersegment revenues	-	-	-	-
Total segment revenues	72,408,663	68,395,285	1,224,389	142,028,337
Administrative and operating expenses	(47,217,710)	(5,907,365)	(17,211,559)	(70,336,634)
Depreciation	(895,833)	(164,144)	(743,122)	(1,803,099)
Amortization of intangible assets	-	-	(343,751)	(343,751)
Finance cost	-	(180,568)	-	(180,568)
	24,295,120	62,143,208	(17,074,043)	69,364,285
Provision for Workers' Welfare Fund				(1,389,946)
Taxation				(12,741,587)
Profit after tax				55,232,752
Other information				
Segment assets	533,771,927	2,594,205,218	23,580,188	3,151,557,333
Segment liabilities	482,992,972	77,477,115	-	560,470,087

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

	March 31, 2013 (Unaudited)			
	Brokerage	Investment and Treasury	Other Operations	Total
	(Rupees)			
Segment revenues	54,429,873	81,727,652	3,000,000	139,157,525
Intersegment revenues	-	-	-	-
Total segment revenues	54,429,873	81,727,652	3,000,000	139,157,525
Administrative and operating expenses	(36,712,646)	(5,438,663)	(23,770,276)	(65,921,585)
Depreciation	(582,642)	(203,440)	(1,075,816)	(1,861,898)
Amortization of intangible assets	-	-	(27,084)	(27,084)
Finance cost	-	(5,502,618)	-	(5,502,618)
	17,134,585	70,582,931	(21,873,176)	65,844,340
Provision for Workers' Welfare Fund				(1,240,942)
Taxation				(14,023,689)
Loss after tax				<u>50,579,709</u>
Other information				
Segment assets	547,454,676	2,445,824,887	245,821,241	3,239,100,804
Segment liabilities	367,085,137	110,777,580	150,000,000	627,862,717

21. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of 10% (December 31, 2013 : Nil) amounting to Rs 50 million (December 31, 2013 : Nil) and bonus of Nil (December 31, 2013 : Nil) for the three months period ended March 31, 2014 in their meeting held on April 23, 2014.

22. DATE OF AUTHORISATION

These condensed interim financial information were authorized for issue in the Board of Directors' meeting held on April 23, 2014.

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

 **JS Global**



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