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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 , 3 rd & 4 th Floors, 68-C, Lane-13, Bokhari Commercial Area Phase - VI DHA, 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 six months period ended June 30, 2014. Summarized results are set out below:

	Six months Period ended	
	June 30, 2014	June 30, 2013
	------(Rupees)-----	
Profit before tax	154,099,388	161,410,570
Profit after tax	107,005,138	121,185,837
Earnings per share	2.14	2.42

ECONOMIC REVIEW

Pakistan's Economy has shown a moderate recovery as GDP growth for FY14 clocked in at 4.1% vs. 3.6% in FY13. That said, Pakistan's macro landscape continues to face challenges but there were positives in January-June 2014 period. The biggest positive was on the External Account front as Pakistan's forex reserves crossed the US\$14bn mark. This sharp rise is attributed to (1) Pakistan receiving a US\$1.5bn grant by Saudi Arabia, (2) an oversubscribed Pak Eurobond issue to the tune of US\$2.0bn as against a target of US\$500mn and (3) materialization of 3G auction, which fetched approximately US\$1.1bn. Consequently, the Pak Rupee appreciated by 6.6% vs. the US Dollar over January-June 2014. Another positive aspect on the macro front was CPI, where the headline inflation for FY14 was contained at 8.6% against an initial target of 9.5% set by the Government. Despite these positives, economic vulnerabilities are still present especially due to the energy crises and tax reforms. Citing these vulnerabilities, State Bank of Pakistan (SBP) kept the discount rate unchanged at 10% in the first Monetary Policy Statement (MPS) of FY15.

EQUITY MARKET REVIEW

The Karachi Stock Exchange (KSE) registered strong returns in 1H2014, with the benchmark KSE-100 Index rising by 17% during the period under review. Consequently, the KSE outperformed the regional markets by 11% in 1H2014. Healthy market returns in 1H2014 were led by (1) Sharp PKR appreciation against the US Dollar on the back of rising FX reserves (2) strong financial results of corporates and (3) commencement of the Privatization Program by the Government. Market liquidity, however, was lower as average trading volumes decreased to 237mn shares over January-June 2014, as against 250mn shares in the corresponding period last year. Meanwhile, Net Foreign Portfolio Investment (FIPI) at the Karachi Stock Exchange amounted to US\$273mn compared to the Net FIPI of US\$410mn reported in the same period last year.

FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

The Government's recent policy of re-profiling its short-term debt by offering long-term bonds at attractive spreads, above the inflation rate and short-term T-bill yield, has created an opportunity for the investors to earn decent real returns by investing in Government securities.

Money Market remained fairly liquid during the last six months owing to higher T-bills maturities against insufficient participation in fresh T-bill auctions. Resultantly, PKRV yields softened and market gladly shrugged the year-end phenomenon of distressed liquidity conditions. PIB auctions continued to attract hefty participation, thereby cushioning excess liquidity dumped by maturing T-bills. Overall, 3 year bond remained investor's favorite due to its high yield and short maturity. Regular Open Market Operations (OMO) from the Central Bank continued to manage money supply to balance market yields. During the month of June, SBP also conducted the much awaited 3 year GoP Ijara Sukuk auction raising the target amount of PKR 49.5 billion against the offered bids of PKR 113.7 billion.

Moving ahead, PIB yields are likely to fluctuate and thereby provide plenty of trading opportunities due to upcoming MPS due in mid-September. Moreover, the bond market is expected to encounter volatility due to issuance of fresh PIBs in the primary market which is expected to further accelerate activity and demand for long term bonds.

On the exchange rate front, second half of fiscal year FY14 started with USD/PKR 105.50 as compared to USD/PKR parity of 97.36 in the corresponding period last year. During this period, Pak Rupee appreciated by approx 6.6%. Highest USD/PKR parity was at 105.65 and lowest parity was at 95.85.

In February, 1 Month, 3 Months, and 6 Months SWAP premium was at 0.63, 1.78, and 3.40 respectively, which are the highest SWAP premium during this period while in March, 1 Month, 3 Months and 6 Months touched 0.05, 0.95 and 2.35 respectively which are the lowest during the same period. On average 1 Month, 3 Months, 6 Months SWAP were 0.46, 1.41 and 2.88 respectively during the subject period.

It was difficult period for Commodities brokerage as the value of commodities traded at Pakistan Mercantile Exchange ('PMEX') declined from PKR 567bn to PKR 467bn in 1HCY14 as against 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 107 mn for the six months ended June 30, 2014 vis-à-vis net income of PKR 121.19 mn in comparative period last year reflecting a decline of 11.7% over the same period. Significant increase in capital gain by 76% was offset by decrease in unrealized gain by 105% over the same period last year.

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.

During the period under review, the Company won 'Best Foreign Exchange Brokerage House Award 2013' for the fourth year in a row and was runner up in the category of 'Best Money Market Broker Award 2013' ranked by Financial Market Association of Pakistan.

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 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

Basir Shamsie
Chairman

Karachi: August 18, 2014

Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **JS Global Capital Limited** (the Company) as at June 30, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six months, ended June 30, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six month ended June 30, 2014.

Karachi: August 18, 2014

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

 **JS Global**

Condensed Interim Balance Sheet

As at June 30, 2014

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
EQUITY AND LIABILITIES	Note	(Rupees)
Share capital and reserves		
Authorised : 150,000,000 (Dec 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	282,754,732	225,749,594
	2,592,859,632	2,535,854,494
LIABILITIES		
Current liabilities		
Creditors, accrued expenses and other liabilities	5	417,758,104
		325,466,999
Provision for taxation		103,705,379
		64,804,262
		521,463,483
		390,271,261
Contingencies and commitments	6	
		3,114,323,115
		2,926,125,755

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet

As at June 30, 2014

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
Note	----- (Rupees) -----	
ASSETS:		
Non current assets		
Property and equipment	7 27,888,047	27,442,436
Intangible assets	8 11,427,325	8,335,657
Long term investment	9 15,272,670	15,272,670
Long term loans, advances and deposits	10,923,252	9,133,551
Deferred taxation-net	10 132,197,646	140,390,777
	197,708,940	200,575,091
Current assets		
Short term investments	11 2,012,218,695	1,453,386,969
Trade debts - unsecured, considered good	12 430,790,603	303,759,059
Loans and advances - considered good	16,578,412	11,113,642
Deposits and short-term prepayments	89,808,876	42,494,402
Interest and markup accrued	13 3,985,623	4,465,302
Other receivables	5,615,597	5,838,251
Advance tax	110,250,500	65,281,352
Cash and bank balances	14 247,365,869	839,211,687
	2,916,614,175	2,725,550,664
	3,114,323,115	2,926,125,755

The annexed notes 1 to 20 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 six months ended June 30, 2014

	Note	Six months ended		Quarter ended	
		June 30, 2014	June 30, 2013	June 30, 2014 (Un-reviewed)	June 30, 2013
		(Rupees)		(Rupees)	
Operating revenue	15	162,389,428	142,194,453	88,756,376	84,206,525
Capital gain on sale of investments		68,850,627	39,039,671	62,060,493	30,184,642
(Loss) / gain on remeasurement of investments at fair value through profit or loss - net		(1,029,243)	22,234,491	(27,195,226)	12,964,382
		<u>230,210,812</u>	<u>203,468,615</u>	<u>123,621,643</u>	<u>127,355,549</u>
Administrative and operating expenses		(151,508,551)	(154,140,542)	(79,025,067)	(86,329,972)
		<u>78,702,261</u>	<u>49,328,073</u>	<u>44,596,576</u>	<u>41,025,577</u>
Other income		79,104,774	123,038,683	43,665,606	59,994,225
		<u>157,807,035</u>	<u>172,366,756</u>	<u>88,262,182</u>	<u>101,019,802</u>
Provision for Workers' Welfare Fund		(3,144,885)	(3,165,000)	(1,754,939)	(1,924,058)
Finance cost		(562,762)	(7,791,186)	(382,194)	(2,288,568)
Profit before taxation		<u>154,099,388</u>	<u>161,410,570</u>	<u>86,125,049</u>	<u>96,807,176</u>
Taxation - current	16	(38,901,119)	(43,125,515)	(26,228,264)	(24,838,936)
- deferred		(8,193,131)	2,900,782	(8,124,399)	(1,362,108)
		<u>(47,094,250)</u>	<u>(40,224,733)</u>	<u>(34,352,663)</u>	<u>(26,201,044)</u>
Profit after taxation		<u>107,005,138</u>	<u>121,185,837</u>	<u>51,772,386</u>	<u>70,606,132</u>
Earnings per share - basic and diluted	17	<u>2.14</u>	<u>2.42</u>	<u>1.04</u>	<u>1.41</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

 JS Global

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

Condensed Interim Statement Of Comprehensive Income (Un-audited) For the six months ended June 30, 2014

	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(Rupees)		(Rupees)	
			(Un-reviewed)	
Profit for the period	107,005,138	121,185,837	51,772,386	70,606,132
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	107,005,138	121,185,837	51,772,386	70,606,132

The annexed notes 1 to 20 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 six months ended June 30, 2014

	Six months ended	
	June 30, 2014	June 30, 2013
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	154,099,388	161,410,570
Adjustments for:		
Depreciation	4,298,212	3,875,796
Amortization of software	708,332	54,168
Gain on sale of property and equipment	(3,439,150)	(2,125,107)
Loss / (gain) on remeasurement of investments carried at fair value through profit or loss - net	1,029,243	(22,234,491)
Provision for Workers' Welfare Fund	3,144,885	3,165,000
Finance cost	562,762	7,791,186
	6,304,284	(9,473,448)
Cash generated from operating activities before working capital changes	160,403,672	151,937,122
Decrease / (increase) in current assets:		
Trade debts - unsecured, considered good	(127,031,544)	(1,026,994,235)
Loans and advances - considered good	(5,464,770)	(512,754)
Deposits and short term prepayments	(47,314,474)	(73,287,039)
Interest and markup accrued	479,679	(15,221,906)
Other receivables	222,654	(1,575,294)
	(179,108,455)	(1,117,591,228)
Increase in current liabilities		
Creditors, accrued expenses and other liabilities	88,688,198	456,687,896
Cash generated from / (used in) operations	69,983,415	(508,966,210)
Finance cost paid	(257,469)	(7,791,186)
Taxes paid	(44,969,150)	(32,791,284)
Net cash flows generated from / (used in) operating activities	24,756,796	(549,548,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for property and equipment	(4,771,472)	(12,830,686)
Payments for capital expenditure incurred on software	(3,800,000)	-
Proceeds from disposal of property and equipment	3,466,801	4,407,153
Long term loans, advances and deposits	(1,789,701)	2,445,180
Short term investments - net	(559,860,969)	108,427,226
Net cash (used in) / generated from investing activities	(566,755,341)	102,448,873
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received under repurchase transactions	-	198,190,750
Dividend paid	(49,847,273)	(149,719,986)
Net cash (used in) / generated from financing activities	(49,847,273)	48,470,764
Decrease in cash and cash equivalents during the period	(591,845,818)	(398,629,043)
Cash and cash equivalents at beginning of the period	839,211,687	621,853,000
Cash and cash equivalents at end of the period	14 247,365,869	223,223,957

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

 JS Global

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

Condensed Interim Statement Of Changes In Equity (Un-audited) For the six months ended June 30, 2014

	Issued, subscribed and paid up share capital	Capital Reserves Share premium	Revenue reserves Unappropriated profit	Total
 (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 six months period ended June 30, 2013	-	-	121,185,837	121,185,837
Other Comprehensive Income	-	-	-	-
Total Comprehensive income for the period	-	-	121,185,837	121,185,837
Transactions with owners of the Company, recognized directly in equity:				
- Final Dividend @ Rs.3 per ordinary share for the year ended December 31, 2012	-	-	(150,000,000)	(150,000,000)
Balance as at June 30, 2013	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>371,739,315</u>	<u>2,681,844,215</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 six months ended June 30, 2014	-	-	107,005,138	107,005,138
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	-	-	107,005,138	107,005,138
Transactions with owners of the Company, recognized directly in equity				
- Interim dividend @ Re.1/- per ordinary share	-	-	(50,000,000)	(50,000,000)
Balance as at June 30, 2014	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>282,754,732</u>	<u>2,592,859,632</u>

The annexed notes 1 to 20 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 six months ended June 30, 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 and Islamabad Stock Exchange Limited 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 Trading Right Entitlement Certificate (TREC) holder of Karachi Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited (formerly National Commodity 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, Shahra-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 provisions of or directives issued under the 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, 2013.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi and Islamabad Stock Exchanges 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, 2013.

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, 2013. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the condensed interim financial information for the period ended June 30, 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 year ended December 31, 2013.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees) -----	
Payable in respect of marketable securities	347,022,191	250,825,335
Accrued expenses	36,686,082	40,629,059
Provision for staff bonus	1,441,200	5,000,000
Unclaimed dividend	3,411,182	3,258,453
Retention money - Softech	40,600	40,600
Payable to corporate finance clients	7,916,875	7,916,875
Provision for Workers' Welfare Fund	14,875,210	11,730,325
Others	6,364,764	6,066,352
	<u>417,758,104</u>	<u>325,466,999</u>

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees) -----	

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 which have not been settled as at June 30, 2014

610,261,185	394,964,215
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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 / disposed of during the six months period ended June 30, 2014.

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees) -----	
Additions:		
Office equipment	1,153,271	4,942,280
Motor vehicles	3,616,660	8,627,375
	4,769,931	13,569,655
Disposals:		
Office equipment	260,500	4,527,978
Motor vehicles	4,959,574	11,134,637
	5,220,074	15,662,615

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
Softwares		3,199,995	108,327
		11,427,325	8,335,657

8.1 These represent 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. The TREC have been recorded at 5.7 million. For details, refer to note 9.1.

9. LONG TERM INVESTMENT

		June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	Note	----- (Rupees) -----	
Available for sale			
Shares in Karachi Stock Exchange Limited	9.1	15,272,670	15,272,670

- 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.

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 had 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 had been determined on the basis of the fair valuation of the underlying assets and liabilities of the KSE in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. 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 had been considered as the closest estimate of the fair value of the shares.

Further, the KSE had introduced a minimum capital regime for the brokers, and for this purpose had 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 had 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 had 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 TREC at Rs. 5.7 million.

10. DEFERRED TAXATION - net

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees) -----	
Taxable temporary difference		
Revaluation of investments	(201,059)	-
Deductible temporary differences		
Accelerated depreciation for tax purposes	1,152,870	1,202,802
Difference in accounting and tax base of intangible assets	13,615	2,287
Provision for doubtful debts	131,232,220	139,185,688
	132,398,705	140,390,777
	132,197,646	140,390,777

		June 30, 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	603,813,595	391,258,239
Units of mutual funds	11.2	1,310,914,518	650,801,945
Term Finance Certificates and Sukuk Bonds	11.3	97,490,582	162,943,533
Government securities	11.4	-	248,383,252
		2,012,218,695	1,453,386,969
Available for sale			
Privately Placed Term Finance Certificates - Unsecured	11.5	-	-
		2,012,218,695	1,453,386,969

11.1 Quoted equity securities

			June 30, 2014 (Un-audited)	December 31, 2013 (Audited)	
Number of shares	Name of Company		Average Cost	----- Fair Value -----	
June 30, 2014	December 31, 2013		----- (Rupees) -----		
1,241,000	802,500	Adamjee Insurance Company Limited	55,694,969	56,800,570	29,989,425
172,500	55,000	Attock Refinery Limited	36,866,917	36,620,025	11,421,850
-	307,000	Bank Al Falah Limited	-	-	8,301,280
50,000	-	Bank of Punjab	438,044	455,000	-
826,000	614,500	D.G. Khan Cement Limited	72,491,669	72,654,960	52,681,085
331,500	32,000	Engro Foods Limited	33,839,989	33,988,695	3,342,080
425,500	199,000	Engro Corporation	80,701,517	75,956,005	31,517,620
125,000	-	Fauji Cement Limited	2,472,662	2,405,000	-
3,000	34,000	Fauji Fertilizer Bin Qasim Limited	117,687	119,310	1,489,540
1,000	142,000	Fauji Fertilizer Company Limited	669,893	112,250	15,898,320
60,000	63,000	MCB Bank Limited	18,016,176	18,081,000	17,713,710
419,500	854,500	National Bank of Pakistan	25,610,881	26,105,485	49,612,270
15,000	44,500	Nishat Chunian Limited	649,715	635,850	2,678,900
171,000	530,500	Nishat Mills Limited	19,190,403	19,138,320	67,500,820
1,078,500	-	Maple Leaf Cement Factory Limited	32,433,663	32,408,925	-
-	143,000	Pakistan Petroleum Limited	-	-	30,596,280
293,500	75,500	Pakistan State Oil Limited	113,353,325	114,127,475	25,082,610
1,044,500	1,522,500	Pakistan Telecommunication Company Limited	26,474,891	26,603,415	43,299,900
105,500	-	Pioneer Cement	4,754,350	4,922,630	-
490,500	1,000	United Bank Limited	82,356,412	82,678,680	132,550
			606,133,163	603,813,595	391,258,240
		Unrealised (loss) on remeasurement at fair value	(2,319,568)	-	-
			603,813,595	603,813,595	391,258,240

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	June 30, 2014 (Un-audited)		December 31, 2013 (Audited)	
June 30, 2014	December 31, 2013		Average Cost	Fair Value	-----Fair Value----- ------(Rupees)-----	
51,917	2,536,885	JS Cash Fund - related party	5,103,338	5,304,360	260,741,000	
14,480,212	3,450,368	JS Income Fund - related party	1,255,000,000	1,255,579,208	304,115,423	
4,991,913	4,997,551	ABL Cash Fund	50,000,000	50,030,950	50,000,000	
-	357,402	UBL Liquidity Plus Fund	-	-	35,945,522	
			1,310,103,338	1,310,914,518	650,801,945	
Unrealised gain on remeasurement at fair value			811,180	-	-	
			<u>1,310,914,518</u>	<u>1,310,914,518</u>	<u>650,801,945</u>	

11.3 Term finance certificates and sukuk bonds

Number of certificates		Name of Term Finance Certificates	June 30, 2014 (Un-audited)		December 31, 2013 (Audited)	
June 30, 2014	December 31, 2013		Average Cost	Fair Value	-----Fair Value----- ------(Rupees)-----	
Listed						
400	1,000	Allied Bank Limited I	522,359	499,704	2,552,896	
400	1,000	Allied Bank Limited II	1,913,477	1,953,014	4,784,692	
-	475	Bank Al Falah Limited TFC V	-	-	2,447,546	
400	400	Engro Fertilizer Pakistan Limited	1,585,008	1,553,460	1,705,008	
400	6,700	Engro Fertilizer Pakistan Limited III	1,994,581	1,977,266	33,401,056	
-	520	Engro Rupiya Certificate I	-	-	2,615,095	
4,840	8,890	Engro Rupiya Certificate II	24,279,705	24,552,715	45,020,487	
		Jahangir Siddiqui & Company Limited				
2,100	2,100	VII - related party	6,725,292	6,528,126	8,037,792	
100	100	Orix Leasing Pakistan Limited	961,976	1,000,104	1,961,976	
200	200	Pakistan Mobile Communication Limited TFC VII	13,721,359	14,110,152	15,721,359	
-	1,000	Tameer Sarmaya Certificates I	-	-	4,988,000	
1,000	1,000	Tameer Sarmaya Certificates II	4,983,000	4,983,000	4,988,000	
400	1,600	United Bank Limited TFC III	324,689	333,041	2,658,757	
			57,011,446	57,490,582	130,882,664	
Un- Listed						
		Jahangir Siddiqui & Company Limited				
8,000	-	VIII - related party	40,000,000	40,000,000	-	
-	5,960	Bank Al Habib Limited IV	-	-	32,060,869	
			97,011,446	97,490,582	162,943,533	
Unrealised gain on remeasurement at fair value			479,136	-	-	
			<u>97,490,582</u>	<u>97,490,582</u>	<u>162,943,533</u>	

June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
Average Cost	-----Fair Value-----
------(Rupees)-----	

11.4 Government Securities

Market treasury bills	-	-	248,383,252
Un realized gain on remeasurement at fair value on T-Bills	-	-	-
	<u>-</u>	<u>-</u>	<u>248,383,252</u>

11.5 Privately Placed Term Finance Certificates Unsecured

June 30, 2014						
Number of certificates	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)	
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	11.5.1	October 19, 2020	326,456,184	
		Impairment of investment in TFC			(326,456,184)	
					<u>-</u>	

December 31, 2013						
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	
		Impairment of investment in TFC			(326,456,184)	
					<u>-</u>	

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

12. TRADE DEBTS - unsecured, considered good

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	------(Rupees)-----	
- Receivable in respect of marketable securities	286,640,078	87,607,612
- Receivable against margin finance (purchase of shares)	79,145,436	162,294,763
- Advisory services	4,940,500	-
- Forex and fixed income commission	26,500,756	16,206,539
- Commodity	33,563,833	37,650,145
	430,790,603	303,759,059
Considered doubtful or bad	397,673,393	397,673,393
	828,463,996	701,432,452
Provision for doubtful debts	(397,673,393)	(397,673,393)
	<u>430,790,603</u>	<u>303,759,059</u>

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
13. INTEREST AND MARK-UP ACCRUED		
	----- (Rupees) -----	
Accrued markup on term finance certificates	2,888,960	3,258,365
Profit receivable on bank deposits	1,096,663	1,206,937
	3,985,623	4,465,302
14. CASH AND BANK BALANCES		
Cash with banks:		
- Current accounts	214,397,474	3,092,477
- Savings accounts	27,919,474	830,795,323
- Foreign currency accounts	4,959,921	5,244,887
	247,276,869	839,132,687
Cash in hand	89,000	79,000
	247,365,869	839,211,687
15. OPERATING REVENUE		
	Six months ended June 30, 2014 (un-audited)	Six months ended June 30, 2013
	----- (Rupees) -----	
Brokerage and operating income	155,663,692	135,411,119
Advisory and consultancy fee	6,725,736	6,783,334
	162,389,428	142,194,453
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.

16.2 The tax year 2005 has been selected for audit and the proceedings are pending in the RTO.

16.3 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 is pending for hearing before the Honorable High Court of Sindh at Karachi. The case was fixed for hearing on various dates but was discharged for want of time on each date.

Last year, the Company received a show cause notice from 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 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 is now in the process of filing an appeal before the tribunal. During the 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 the 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. Hearing is under progress and no order has been passed so far in this regard. However, the Company has paid an amount of Rs. 9.23 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.

The management based on its discussion with its tax advisor, is confident that the above matter will be decided in favor of Company.

	Six months ended June 30, 2014	Six months ended June 30, 2013
	(un-audited)	
	----- (Rupees)-----	
17. EARNINGS PER SHARE -basic and diluted		
Profit after taxation	107,005,138	121,185,837
	----- (Number)-----	
Weighted average number of shares	50,000,000	50,000,000
	----- (Rupees)-----	
Earnings per share - basic and diluted	2.14	2.42

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.

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

	June 30, 2014		December 31, 2013	
	Key management personnel	Associated entities other than parent company	Key management personnel	Associated entities other than parent company
	----- (Rupees)-----			
Trade debts				
Opening balance	73,311	551,492	818	13,626,534
Invoiced during the period	83,957	861,386	8,478,823	7,026,109,059
Received during the period	(130,460)	(552,229)	(8,406,330)	(7,039,184,101)
Closing balance	26,808	860,649	73,311	551,492
Trade payable				
Opening balance	55,780	17,638,067	578,156	831,322
Invoiced during the period	31,410	32,544	3,822	7,442,273,588
Paid during the period	-	(16,669,097)	(526,198)	(7,425,466,843)
Closing balance	87,190	1,001,514	55,780	17,638,067
			June 30, 2014	December 31, 2013
	----- (Rupees)-----			
Balances with ultimate Parent Company				
Trade debts			574,509	-
Balances with Parent Company				
Trade debts			370,362	386,688
Bank deposits			203,561,147	815,141,617

Transactions with other related parties	June 30, 2014	June 30, 2013
Nature of transactions	(Un-audited)	(Un-audited)
	------(Rupees)-----	
Sale of units of JS Cash Fund	<u>992,418,555</u>	50,000,000
Director's remuneration	<u>950,000</u>	1,000,000
Purchase of units of JS Cash Fund	<u>700,000,000</u>	-
Purchase of units of JS Income Fund	<u>1,255,000,000</u>	-
Sale of units of JS Income Fund	<u>315,381,731</u>	-
Royalty Expenses	<u>5,000,000</u>	5,000,000
Brokerage Income	<u>4,984,196</u>	4,520,614
Contributions to staff provident fund	<u>2,329,188</u>	2,057,084
Payment on account of expenses to associated companies	<u>62,892</u>	62,892
Capital gain on sale of units of - JS Cash Fund	<u>36,780,892</u>	1,831,222
Capital gain on sale of units of - JS Income Fund	<u>11,266,308</u>	-
Bonus units received from JS Income Fund - 97,233 Units (June 2013: Nil)	<u>-</u>	-
Bonus units received from JS Cash Fund - 422,231 Units (June 2013: Nil)	<u>-</u>	-
Transactions with ultimate Parent Company		
Nature of transactions		
Brokerage income	<u>308,862</u>	215,018
Payment for rent, utilities & consultancy charges	<u>20,930,412</u>	18,941,173
Purchase of term finance certificates	<u>40,000,000</u>	-
Transactions with Parent Company		
Nature of transactions		
Sale of term finance certificates - net	<u>3,653,752</u>	11,191,037
Purchase of treasury bills - net	<u>-</u>	388,390,641
Sale of treasury bills - net	<u>3,184,678</u>	-
Purchase of Pakistan Investment Bonds - net	<u>31,595,680</u>	-
Sale of Pakistan Investment Bonds - net	<u>-</u>	692,807,450
Brokerage income	<u>1,857,172</u>	6,665,467
Payment for rent, utilities and consultancy charges	<u>1,858,191</u>	2,856,787
Bank guarantee charges and bank charges	<u>222,355</u>	118,206
Profit on PLS account	<u>18,872,727</u>	16,607,461
Exchange (loss) / gain on foreign currency deposit accounts	<u>(295,225)</u>	25,094

19. OPERATING SEGMENTS

	June 30, 2014 (Un-audited)			Total
	Brokerage	Investment and treasury	Other operations	
	(Rupees)			
External revenue	162,389,428	128,310,352	18,615,806	309,315,586
Intersegment revenue	-	-	-	-
Total segment revenue	162,389,428	128,310,352	18,615,806	309,315,586
Administrative and operating expenses	(92,105,415)	(10,762,398)	(43,634,193)	(146,502,006)
Depreciation	(1,729,971)	(231,554)	(2,336,687)	(4,298,212)
Amortization of intangible assets	-	-	(708,333)	(708,333)
Finance cost	-	(562,762)	-	(562,762)
Total profit before tax and Workers' Welfare Fund for all segments	68,554,042	116,753,638	(28,063,407)	157,244,273
Reconciliation of reportable segments to profit and loss account				
Total profit before tax and Workers' Welfare Fund for all segments				157,244,273
Provision for Workers' Welfare Fund				(3,144,885)
Taxation				(47,094,250)
Profit after tax				107,005,138
Other information				
Segment assets	446,531,782	2,643,536,490	24,254,843	3,114,323,115
Segment liabilities	349,061,654	94,660,523	77,741,306	521,463,483

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

	June 30, 2013 (Un-audited)			Total
	Brokerage	Investment and Treasury	Other Operations	
	------(Rupees)-----			
External revenue	135,329,644	185,177,654	6,000,000	326,507,298
Intersegment revenue	-	-	-	-
Total segment revenue	135,329,644	185,177,654	6,000,000	326,507,298
Administrative and operating expenses	(78,838,433)	(16,835,409)	(54,536,736)	(150,210,578)
Depreciation	(1,462,125)	(420,748)	(1,992,923)	(3,875,796)
Amortization of intangible assets	-	-	(54,168)	(54,168)
Finance cost	-	(7,595,025)	(196,161)	(7,791,186)
Total profit before tax and Workers' Welfare Fund for all segments	55,029,086	160,326,472	(50,779,988)	164,575,570
Reconciliation of reportable segment to profit and loss account				
Total profit before tax and Workers' Welfare Fund for all segments				164,575,570
Provision for Workers' Welfare Fund				(3,165,000)
Taxation				(40,224,733)
Profit after tax				<u>121,185,837</u>
Other information				
Segment assets	1,616,085,762	2,370,749,430	258,176,430	4,245,011,622
Segment liabilities	798,172,641	135,616,516	629,378,250	1,563,167,407

20 GENERAL

20.1 Following corresponding figure has been reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison.

Reclassification		Rupees
From	To	

Creditors, accrued expenses and other liabilities	Other receivables	2,039,463
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20.2 This condensed interim financial information was authorised for issue on August 18, 2014 by the Board of Directors of the Company.