



Quarterly Report  
March 31, 2013  
(Un-audited)

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## Company Information

<b>Board of Directors</b>	<b>Mr. Basir Shamsie</b> <b>Mr. Shahid Hameed</b> <b>Mr. Khurshid Hadi</b> <b>Mr. Aslam Khaliq</b> <b>Mr. Naief Abdullatif S A Mohammad</b> <b>Mr. Abdul Hamid Mihrez</b> <b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Muhammad Kamran Nasir</b>	Chairman, Non-Executive Director Vice Chairman, Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Chief Executive Officer
<b>Audit Committee</b>	<b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Shahid Hameed</b> <b>Mr. Basir Shamsie</b> <b>Mr. Ilyas Ahmed</b>	Chairman Member Member Secretary
<b>Executive Committee</b>	<b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Shahid Hameed</b> <b>Mr. Basir Shamsie</b> <b>Mr. Muhammad Yousuf Amanullah</b> <b>Mr. Naief Abdullatif S A Mohammad</b>	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Aslam Khaliq</b> <b>Mr. Muhammad Kamran Nasir</b> <b>Mr. Shahid Hameed</b>	Chairman Member Member
<b>CFO &amp; Company Secretary</b>	<b>Mr. S.M. Tariq Nabeel Jafri</b>	
<b>Auditor</b>	<b>M. Yousuf Adil Saleem &amp; Co.</b> (A member firm of Deloitte) Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi	
<b>Internal Auditor</b>	<b>Ernst &amp; Young Ford Rhodes Sidat Hyder &amp; Co.</b> Chartered Accountants	
<b>Bankers</b>	<b>JS Bank Limited</b> <b>MCB Bank Limited</b> <b>Habib Bank Limited</b> <b>Habib Metropolitan Bank Limited</b> <b>NIB Bank Limited</b> <b>Bank Alfalah Limited</b> <b>United Bank Limited</b>	
<b>Legal Advisers</b>	<b>Bawaney &amp; Partners</b> , 4th Floor, Beaumont Plaza, Civil Lines, Karachi	
<b>Share Registrar</b>	<b>Technology Trade (Pvt) Limited</b> , 241-C, Block-2, P.E.C.H.S., Karachi	
<b>Registered Office</b>	6th Floor, Faysal House, Main Shahra – e – Faisal , Karachi Telephone: 92-21-111574111, Fax: 92-21-32800163, 32800167 www.jsqcl.com www.jsglobalonline.com	

## 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, 2013. Summarized results are set out below:

	Three months period ended	
	March 31 2013	March 31 2012
	----- (Rupees) -----	
Profit before tax	64,603,398	50,936,021
Profit after tax	50,579,709	40,105,143
Earnings per share	1.01	0.80

### ECONOMIC REVIEW

First quarter ended March 31, 2013 (1Q FY13) was a mixed bag for Pakistan on the macroeconomic front. On a positive note, inflation dropped sharply in the period under review, to just 7.36% as compared to 10.65% in the corresponding period last year. Likewise, 9M FY13 tax collections depicted a positive YoY trend, though it remained short of the Government's target for the period. On the other hand, energy shortages continued to dampen growth in the economy while the fiscal deficit remained high (target revised up to 6.5% from 4.7%) and continued to be funded primarily by banks, including the State Bank of Pakistan. External account risk also mounted where (1) Pakistan repaid USD 682 mn to the IMF in 1Q FY13, (2) Trade deficit increased by 17% YoY to USD 5.5 bn during 1Q FY13 and (3) remittances declined by 5% YoY to USD 3.2 bn during period under review. As a result, Pakistan's foreign exchange reserves were lower by USD 1.66 bn to USD 12.20 bn at the end of March 2013 vis-à-vis USD 13.86 bn on December 31, 2012. This resulted in further slippage of the Pak Rupee which shed 1.3% in the period under consideration.

### EQUITY MARKET REVIEW

The main index of the Karachi Stock Exchange ('KSE'), KSE-100 rose by 6.7% in 1Q FY13 vs. 5.3% average increase in regional markets over the same period. KSE-100 reached an all time high of 18,185 points. Good returns by the market were driven by (1) monetary easing of 2.5% in the past 6 months, (2) improvement in earnings of listed companies accompanied by healthy dividend payouts and (3) expectations of timely general elections and a smooth, democratic transition of power. Average trading volumes at the KSE were also healthy, rising to 211 mn shares in the period under review as against 196 mn shares in the corresponding period last year. Continued foreign investment flows into the KSE, clarity on the shape of the new government and strong expected earnings growth for listed companies are expected to provide further boost to the market going forward.

### FIXED INCOME, CURRENCIES AND COMMODITIES REVIEW

With the onset of 2013, trading in the overnight to one week segment observed a slight decline in rates as the financial markets adjusted to then prevailing discount rate of 9.50%, announced in the December Monetary Policy Statement (MPS), a 50 basis point cut since its previous figure in October 2012. Inflation figures for the month of January 2013 were expected in the same range as December 2012, hence inflation hardly served as a market manipulator. Repo rates for overnight to one week trades hence simply reflected the cut in discount rate and clocked in at an average of 9.00% for the month of January 2013 (Month high: 9.30, Month low: 7.98) as opposed to an average of 9.18% for the month of December 2012.

With the sentiments of a decline in inflation for the month of February 2013 at a rise and no apparent change in the discount rate expected in the MPS announcement in February, the financial markets once again observed an automatic revaluation and Repo rates for the overnight to one week trades saw a slight drop, clocking in at an average of 8.95% (Month high: 9.31%, Month low: 8.34%) reflecting a 0.05% decrease since January 2013. As expected, inflation ticked in at 7.38% (February 2013), as opposed to January 2013 figure of 8.07%.

March 2013 saw a notable increase in trading activity with Repo rates for the overnight to one week market segment clocking in at an average of 9.10% for the month. Despite predictions of yet another decline in inflation during March which eventually ticked in at 6.57%, a remarkable 68 month low, Repo rates did not fully reflect such sentiments and the financial markets remained volatile, exhibiting a month high Repo rate of 9.40% and a month low Repo rate of 8.75% in the overnight to one week market segments.

Reasons behind such a phenomenon were attributed to the fact that general market expectations revolved around the discount rate remaining unchanged in the next MPS which was due to be announced in April, hence resulting in trading activities maintaining good pace. This prediction was based on sentiments of overall inflation increasing by the mid-year point. Furthermore, the US Dollar had continuously been on a rise with outward IMF payments taking a toll on the economy, resulting in the inter bank rupee to dollar parity exhibiting a high of Rs. 98.50/ USD in 1Q FY13.

Pakistan Mercantile Exchange ('PMEX') volumes have shown phenomenal growth during 1Q FY13 and traded value surged by 60% from Rs. 186 bn to Rs. 297 bn.

During the quarter, PMEX expanded its product range and introduced cotton contract. The trading in this contract is expected to commence in a few weeks time.

The market share of JS Global remained upbeat and the Company has maintained its position amongst top industry players during the said quarter in the commodities domain.

#### COMPANY PERFORMANCE REVIEW

The Company earned net income of Rs. 50.57 mn for the three months period ended March 31, 2013 vis-à-vis net income of Rs. 40.11 mn in comparative period last year clocking a growth of 26% over the same period. Significant increase in capital gain by 138% and modest rise in operating revenue by 12% and other operating income by 9% over the same period last year also contributed to bottom line. Further, the Company took concrete cost control measures and managed to contain administrative expenses despite general inflation.

Despite 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 treasury management, core brokerage and fee-based operations 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 positive role of the Securities and Exchange Commission of Pakistan, the Stock Exchanges and the State Bank of Pakistan to strengthen the capital markets and enforce good governance to protect investor rights.

For and on behalf of the Board Directors

Karachi: April 22, 2013

**Basir Shamsie**  
Chairman

## **CONDENSED INTERIM FINANCIAL INFORMATION**

## Condensed Interim Balance Sheet

### As at March 31, 2013

	Note	March 31 2013 (Un-audited)	December 31 2012 (Audited)
----- (Rupees) -----			
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised 150,000,000 (December 31, 2012: 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>	<u>500,000,000</u>
Share premium		<u>1,810,104,900</u>	<u>1,810,104,900</u>
Unappropriated profit		<u>301,133,187</u>	<u>400,553,478</u>
		<u>2,611,238,087</u>	<u>2,710,658,378</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors, accrued expenses and other liabilities	5	<u>367,085,137</u>	<u>338,039,774</u>
Borrowings	6	<u>-</u>	<u>431,187,500</u>
Proposed dividend	7	<u>150,000,000</u>	<u>-</u>
Provision for taxation		<u>110,777,580</u>	<u>92,491,001</u>
Contingencies and Commitments	8	<u>627,862,717</u>	<u>861,718,275</u>
		<u>3,239,100,804</u>	<u>3,572,376,653</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.



**Basir Shamsie**  
Chairman

**Muhammad Kamran Nasir**  
Chief Executive

## Condensed Interim Balance Sheet

As at March 31, 2013

	Note	March 31 2013 (Un-audited)	December 31 2012 (Audited)
----- (Rupees) -----			
<b>ASSETS:</b>			
<b>Non Current assets</b>			
Property and equipment	9	27,709,568	24,719,890
Intangible assets	10	2,689,579	23,716,663
Long term investment	11	21,000,000	-
Long term loans, advances and deposits		16,474,783	16,720,094
Deferred taxation-net	12	138,479,856	134,216,966
		206,353,786	199,373,613
<b>Current Assets</b>			
Short term investments	13	1,554,690,252	2,057,755,361
Trade debts - unsecured, considered good	14	529,887,586	564,756,095
Loans and advances - considered good		11,030,405	10,980,944
Deposits and short-term prepayments		49,963,111	4,180,134
Interest and markup accrued	15	6,188,625	14,569,109
Other receivables		19,386,227	3,981,219
Advance tax		107,277,928	94,927,178
Cash and bank balances	16	754,322,884	621,853,000
		3,032,747,018	3,373,003,040
		3,239,100,804	3,572,376,653

The annexed notes 1 to 24 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 (Unaudited)

For the three months period ended March 31, 2013

	Note	Three Months Period ended	
		March 31 2013	March 31 2012
		----- (Rupees) -----	
Operating revenue	17	57,987,928	51,678,034
Income from reverse repurchase transactions		-	223,994
Capital gain on sale of investments		8,855,029	3,719,598
Gain on remeasurement of investments at fair value through profit or loss - net		9,270,109	11,593,162
		<u>76,113,066</u>	<u>67,214,788</u>
Administrative and operating expenses		<u>(67,810,567)</u>	<u>(68,727,650)</u>
		8,302,499	(1,512,862)
Other operating income	18	<u>63,044,459</u>	<u>57,851,062</u>
		71,346,958	56,338,200
Provision for Workers' Welfare Fund		(1,240,942)	(1,187,037)
Finance Cost	19	(5,502,618)	(4,215,142)
Profit before taxation		<u>64,603,398</u>	<u>50,936,021</u>
Taxation - current		(18,286,579)	(10,830,878)
- deferred		4,262,890	-
		<u>(14,023,689)</u>	<u>(10,830,878)</u>
Profit after taxation	20	<u>50,579,709</u>	<u>40,105,143</u>
Earnings per share - basic and diluted		1.01	0.80

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the three months period ended March 31, 2013

	Three Months Period ended	
	March 31 2013	March 31 20112
	(Rupees)	
<b>Profit for the period</b>	<b>50,579,709</b>	40,105,143
<b>Other comprehensive income:</b>		
Unrealised gain on remeasurement of available for sale investments at fair value	-	12,786,749
	-	12,786,749
<b>Total comprehensive income for the period</b>	<b>50,579,709</b>	52,891,892

The annexed notes 1 to 24 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 (Unaudited) For the three months period ended March 31, 2013

	Issued, subscribed and paid up share capital	Capital reserves Share premium	Revenue reserves Unrealized (loss) / gain on remeasurement of available for sale investment at fair value (Rupees)	Unappropriated profit	Total
<b>Balance as on January 01, 2012</b>	500,000,000	1,810,104,900	(7,018,813)	370,785,467	2,673,871,554
<b>Total Comprehensive income for the period</b>					
Profit for the three months period ended March 31, 2012	-	-	-	40,105,143	40,105,143
<b>Other Comprehensive Income</b>					
Un realized gain on remeasurement of available for sale investments at fair value	-	-	12,786,749	-	12,786,749
<b>Total Comprehensive income for the period</b>	-	-	12,786,749	40,105,143	52,891,892
<b>Transactions with owners of the Company, recognized directly in equity</b>					
Appropriations for the half year ended December 31, 2011 - first interim dividend @ Rs.2 per ordinary share	-	-	-	(100,000,000)	(100,000,000)
<b>Balance as on March 31, 2012</b>	500,000,000	1,810,104,900	5,767,936	310,890,610	2,626,763,446
<b>Balance as on January 01, 2013</b>	500,000,000	1,810,104,900	-	400,553,478	2,710,658,378
<b>Total Comprehensive income for the period</b>					
Profit for the three months period ended March 31, 2013	-	-	-	50,579,709	50,579,709
<b>Other Comprehensive Income</b>					
Un realized gain / (loss) on remeasurement of available for sale investments at fair value	-	-	-	-	-
<b>Total Comprehensive income for the period</b>	-	-	-	50,579,709	50,579,709
<b>Transactions with owners of the Company, recognized directly in equity</b>					
Appropriations for the eighteen months period ended December 31, 2012 - Proposed dividend @ Rs.3/- per ordinary share	-	-	-	(150,000,000)	(150,000,000)
<b>Balance as at March 31, 2013</b>	500,000,000	1,810,104,900	-	301,133,187	2,611,238,087

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

## CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

### For the three months period ended March 31, 2013

	<b>Three Months Period ended</b>	
	<b>March 31 2013</b>	<b>March 31 2012</b>
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	64,603,398	50,936,021
Adjustments for:		
Depreciation	1,861,898	2,057,885
Amortization of Software	27,084	27,084
Gain on sale of property and equipment	(920,682)	(677,874)
Gain on remeasurement of investments carried at fair value through profit or loss - net	(9,270,109)	(11,593,162)
Provision for Workers' Welfare Fund	1,240,942	1,187,037
Finance cost	5,502,618	4,215,142
	(1,558,249)	(4,783,888)
Cash generated from operating activities before working capital changes	63,045,149	46,152,133
<i>Decrease / (Increase) in current assets:</i>		
Trade debts	34,868,509	(160,606,940)
Loans and Advances	(49,461)	604,194
Deposits and short term prepayments	(45,782,977)	12,182,063
Interest and markup accrued	8,380,484	(967,901)
Other receivables	(15,405,008)	(1,801,945)
	(17,988,453)	(150,590,529)
<i>Increase in current liabilities</i>		
Creditors, accrued expenses and other liabilities	27,827,964	228,824,000
Cash generated from operations	72,884,660	124,385,604
Finance cost paid	(5,502,618)	(4,215,143)
Taxes paid	(12,350,749)	(13,198,928)
Payment to workers' welfare fund	-	(2,647,214)
Net cash generated from operating activities	55,031,293	104,324,319
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,872,725)	(825,634)
Purchase of Software	-	(325,000)
Proceeds from disposal of property and equipment	941,790	718,746
Long term loans, advances and deposits	245,311	(120,785)
Advance in respect of investments - secured	-	(100,000,000)
Short term investments - net	512,335,218	(845,163,119)
Financing against Margin Trading System	-	3,532,873
Net cash from / (used in) investing activities	508,649,594	(942,182,919)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash (paid) under repurchase transactions	(431,187,500)	(394,799,090)
Dividend paid	(23,503)	(2,700)
Net cash (used in) financing activities	(431,211,003)	(394,801,790)
Increase / (decrease) in cash and cash equivalents during the period	132,469,884	(1,232,660,390)
Cash and cash equivalents at the beginning of the period	621,853,000	1,340,961,429
Cash and cash equivalents at the end of the period	754,322,884	108,301,038

The annexed notes 1 to 24 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 Information (Unaudited) For the three months period ended March 31, 2013

### 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 of the transaction.

JS Global Capital Limited is a corporate member 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

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 information do not include the information reported for full annual financial statements and should therefore be read in conjunction with financial statements for the eighteen months period ended December 31, 2012.

These condensed interim financial information are 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.

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 eighteen months period ended December 31, 2012.

**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 eighteen months period ended December 31, 2012.

**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 eighteen months period ended December 31, 2012.

**5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES**

	March 31 2013 (Un-audited)	December 31 2012 (Audited)
	----- (Rupees) -----	
Creditors for sale of shares on behalf of clients	<b>301,093,440</b>	265,843,027
Accrued expenses	<b>37,761,734</b>	37,958,640
Provision for staff bonus	<b>3,272,000</b>	10,000,000
Unclaimed dividend	<b>2,712,937</b>	2,736,440
Retention money - Softech	<b>40,600</b>	40,600
Advance fee from client	<b>5,883,963</b>	5,883,963
Provision for workers' welfare fund	<b>8,679,913</b>	7,438,971
Others	<b>7,640,550</b>	8,138,133
	<b><u>367,085,137</u></b>	<b><u>338,039,774</u></b>

**6. Borrowings**

Repurchase agreements	<u>-</u>	<u>431,187,500</u>
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**7. PROPOSED DIVIDEND**

The Board of Directors have proposed a final cash dividend of 30% amounting to Rs. 150 million for the eighteen months period ended December 31, 2012 in their meeting held on February 28, 2013 in addition to first and second interim dividend of Rs. 100 million (20%) and Rs. 75 million (15%) respectively. The said dividend was subsequently approved by shareholders in Annual General Meeting held on April 5, 2013.

## 8. 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, 2013

	March 31 2013 (Un-audited)	December 31 2012 (Audited)
Note	----- (Rupees) -----	

**87,650,115**

Bank guarantee in favour of Karachi Stock Exchange Limited from related party

**400,000,000**

## 9. PROPERTY AND EQUIPMENT

Following is the cost of property and equipment that have been added / disposed of during the three (eighteen) months period ended March 31, 2013 (December 31, 2012).

### Additions:

Office Equipment	4,220,500	1,452,824
Office Furniture	-	416,000
Motor Vehicles	652,225	10,573,998
	<b>4,872,725</b>	<b>12,442,822</b>

### Disposals:

Office Equipment	4,469,500	547,370
Office Furniture	-	-
Motor Vehicles	105,890	6,688,024
	<b>4,575,390</b>	<b>7,235,394</b>

## 10. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC) from Karachi Stock Exchange Limited

10.1

-	21,000,000
<b>2,500,000</b>	<b>2,500,000</b>
<b>2,500,000</b>	<b>23,500,000</b>
<b>189,579</b>	<b>216,663</b>
<b>2,689,579</b>	<b>23,716,663</b>

Pakistan Merchantile Exchange Limited (formerly "National Commodity Exchange Limited")

Software

10.1 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. The TREC have been recorded at Nil value. For details, refer note 11.1.

## 11. LONG TERM INVESTMENT

### Available for sale

Shares in Karachi Stock Exchange Limited

11.1

**21,000,000**

11.1 These represent shares received from Karachi Stock Exchange Limited (KSE) in pursuance of corporatisation and demutualisation of KSE as public company limited by shares in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act). In addition, the Company has also received Trading Right Entitlement Certificate (TREC) from KSE.

Accordingly, the Company has been allotted 4,007,383 shares of KSE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The Company has received 40% equity shares i.e. 1,602,953 shares of KSE. The remaining 60% shares are transferred to CDC sub-account in Company's name under KSE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor(s), general public and financial institutions. As the fair value of both the asset transferred and asset obtained cannot be determined with reasonable accuracy, the investment in shares has been recorded at the carrying value of Stock Exchange Membership Cards of KSE in the Company's book. Further, as the carrying value of these shares is less than face value of shares, no value has been allocated to TREC (refer note 10.1).

## 12. DEFERRED TAXATION - net

	March 31, 2013 (Un-audited)		
	Opening	(Charge) / reversal to profit and loss account	Closing
	------(Rupees)-----		
<b>Taxable temporary difference</b>			
Revaluation of investments	(6,203,165)	5,276,154	(927,011)
<b>Deductible temporary differences</b>			
Accelerated depreciation for tax purposes	1,686,834	(1,010,979)	675,855
Difference in accounting and tax base of intangible assets	2,287	(2,285)	2
Provision for doubtful debts	138,731,010	-	138,731,010
	<u>134,216,966</u>	<u>4,262,890</u>	<u>138,479,856</u>
	December 31, 2012 (Audited)		
	Opening	(Charge) / reversal to profit and loss account	Closing
	------(Rupees)-----		
<b>Taxable temporary difference</b>			
Revaluation of investments	(6,000,769)	(202,396)	(6,203,165)
<b>Deductible temporary difference</b>			
Accelerated depreciation for tax purposes	(43,362)	1,730,196	1,686,834
Difference in accounting and tax base of intangible assets	-	2,287	2,287
Provision for doubtful debts	147,630,351	(8,899,341)	138,731,010
	<u>141,586,220</u>	<u>(7,369,254)</u>	<u>134,216,966</u>

		March 31 2013 (Un-audited)	December 31 2012 (Audited)
13. SHORT TERM INVESTMENTS	Note	(Rupees)	
<b>At fair value through profit or loss - held for trading</b>			
Quoted Equity Securities	13.1	87,200,305	-
Units of mutual funds	13.2	726,364,305	940,616,060
Term Finance Certificates and Sukuk Bonds	13.3	123,162,982	92,805,973
Government Securities	13.4	519,360,051	922,175,050
Engro Rupiya Certificate - unquoted	13.5	40,587,574	39,143,243
		<u>1,496,675,217</u>	<u>1,994,740,326</u>
<b>Available for sale</b>			
Privately Placed Term Finance Certificates - Unsecured	13.6	43,015,035	43,015,035
Unlisted Term Finance Certificates - Secured	13.7	15,000,000	20,000,000
		<u>1,554,690,252</u>	<u>2,057,755,361</u>

### 13.1 Quoted equity securities

Number of shares		Name of Company	March 31, 2013		December 31, 2012
March 31 2013	December 31 2012		Average Cost	Fair Value (Rupees)	Fair Value
291,000	-	Adamjee Insurance Company Limited	21,172,132	20,442,750	-
71,500	-	Dawood Hercules Corporation	3,703,850	3,705,845	-
71,500	-	D.G. Khan Cement Limited	4,965,125	4,952,805	-
42,000	-	Efoods	5,412,126	5,339,460	-
165,000	-	Engro Corporation	21,523,426	21,285,000	-
70,000	-	Fauji Cement Company Limited	596,850	588,700	-
72,500	-	Fauji Fertilizer Company Limited	7,894,873	7,967,750	-
53,500	-	National Bank of Pakistan	2,096,951	2,087,570	-
26,000	-	Nishat Chunian	1,263,856	1,254,500	-
74,000	-	Nishat Mills Limited	6,212,180	6,237,460	-
12,500	-	Pakistan Petroleum Limited	2,173,014	2,190,125	-
28,000	-	Pakistan State Oil	5,711,398	5,687,640	-
269,000	-	Pakistan Telecommunication Limited	5,346,347	5,460,700	-
			<u>88,072,128</u>	<u>87,200,305</u>	-
		Unrealized (loss) on remeasurement at fair value	(871,823)	-	-
			<u>87,200,305</u>	<u>87,200,305</u>	-

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

### 13.2 Units of mutual funds

Number of units		Name of Funds	March 31, 2013		December 31, 2012
March 31 2013	December 31 2012		Average Cost	Fair Value (Rupees)	Fair Value
298,604	292,288	UBL Government Securities Fund	29,449,724	29,942,214	29,449,724
2,857,304	2,829,734	JS Cash Fund- related party	289,085,605	294,330,935	289,085,605
339,111	332,751	UBL Liquidity Plus Fund	33,367,506	33,979,249	33,367,500
2,712,080	2,661,123	NAFA Government Securities Liquid Fund	26,753,600	27,229,557	26,753,606
517,707	517,707	PRIMUS Cash Fund	51,882,506	52,843,422	51,882,506
3,148,703	3,141,780	JS Income Fund - related party	284,802,353	287,759,988	284,802,353
-	2,020,372	Primus Daily Reserve Fund	-	-	200,000,000
2,692	2,692	UBL Islamic Cash Fund	274,766	278,940	274,766
2,419,409	2,419,409	NAFA Financial Sector Income Fund	-	-	25,000,000
			<u>715,616,060</u>	<u>726,364,305</u>	<u>940,616,060</u>
		Un realized gain on remeasurement at fair value	10,748,245	-	-
			<u>726,364,305</u>	<u>726,364,305</u>	-

**13.3 Term Finance Certificates and Sukuk Bonds**

Number of certificates		Name of Term Finance Certificates	March 31, 2013		December 31, 2012
March 31 2013	December 31 2012		Average Cost	Fair Value	Fair Value
			(Rupees)		
Listed					
600	1,500	Engro Fertilizers Pakistan Limited IV	2,690,001	2,671,500	6,725,003
1,600	-	United Bank Limited TFC III	4,055,792	4,042,115	-
1,000	-	United Bank Limited TFC IV	5,094,811	5,098,307	-
6,125	-	Bank Al Falah Limited TFC V	30,625,000	30,445,660	-
100	100	Orix Leasing Pakistan Limited	4,957,250	4,992,835	5,957,250
400	800	Pakistan Mobile Communication Limited (Oct 28, 2008)	1,960,000	1,999,842	3,980,332
200	200	Pakistan Mobile Communication Limited (April 18, 2012)	18,078,143	18,246,661	18,578,143
400	-	Engro Fertilizer Pakistan Limited	1,839,200	1,728,890	-
2,000	2,000	Tameer Sarmaya Certificates I	9,996,000	9,996,000	10,000,000
2,000	2,000	Tameer Sarmaya Certificates II	9,996,000	9,996,000	10,000,000
1,000	-	Allied Bank Limited I	5,242,700	5,058,743	-
1,000	-	Allied Bank Limited II	5,082,772	4,823,568	-
3,000	3,000	Jahangir Siddiqui & Company Limited VII - related party	15,000,000	15,000,000	15,000,000
600	-	Engro Fertilizer Pakistan Limited III	2,906,176	2,848,327	-
-	400	Bank Al Habib Limited II	-	-	2,057,148
			117,523,845	116,948,448	72,297,876
Un-Listed					
-	3,000	Faysal Bank Limited	-	-	15,348,671
950	950	Bank Al Falah Limited - Fixed	5,159,427	5,147,646	5,159,426
200	-	Bank Al Habib Limited III	1,071,775	1,066,888	-
			6,231,202	6,214,534	20,508,097
			123,755,047	123,162,982	92,805,973
Un realized (loss) on remeasurement at fair value			(592,065)		
			123,162,982		

**13.4 Government Securities****Note**

Treasury Bills	13.4.1	468,992,025	467,982,875	718,231,250
Pakistan Investment Bonds	13.4.2	51,934,462	51,377,176	203,743,800
National Saving Bonds		-	-	200,000
		<b>520,926,487</b>	<b>519,360,051</b>	<b>922,175,050</b>
Un realized (loss) on remeasurement at fair value on T-Bills		(1,009,150)		
Un realized (loss) on remeasurement at fair value on PIB's		(557,286)		
		<b>519,360,051</b>		

**13.4.1** These treasury bills have a tenor of 6 months and one year with maturity on November 14, 2013 and January 23, 2014 respectively. They carry an effective yield of 9.35% per annum.

**13.4.2** These Pakistan Investment Bonds have a tenor of three years and five years with maturity on July 19, 2015 & August 18, 2016 and carry an effective yield of 10.39% to 11.55% per annum.

**13.5 Engro Rupiya Certificates**

These represent 3,120 & 4,575 secured certificates having face value of Rs. 4,996 & 5,000 per certificate respectively. These certificates carry fixed markup at the rate of 14.5% payable semi annually and mature on January 31, 2014 & September 15, 2014. These certificates have a credit rating of A+.

### 13.6 Privately Placed Term Finance Certificates - Unsecured

March 31, 2013					
Number of certificate	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (Privately Placed Term Finance Certificates)	13.6.1	October 19, 2020	326,456,184
		Impairment of investment in PPTFC			(283,441,149)
					<u>43,015,035</u>
December 31, 2012					
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 PPTFC			(283,441,149)
					<u>43,015,035</u>

### 13.7 Unlisted Term Finance Certificates - Secured

March 31, 2013					
Number of certificate	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	TPL Trakker Limited (Formerly Trakker (Private) Limited)	13.7.1	October 31, 2009	15,000,000
					<u>15,000,000</u>
December 31, 2012					
Number of certificate	Markup rate (%)	Name of Company		Maturity date	Cost (Rupees)
1	6 month KIBOR Plus 3.50%	TPL Trakker Limited (Formerly Trakker (Private) Limited)		October 31, 2009	15,000,000
					<u>15,000,000</u>

**13.6.1** The Company has received these Privately Placed Term Finance Certificates (PPTFCs) of Rs. 326.46 million as settlement for its investment in quoted Preference Shares of Azgard Nine Limited (the issuer). The Settlement Agreement between the Company and the issuer stipulates that the entire outstanding amount inclusive of accrued dividend and other charges due from the issuer will be converted into PPTFCs with a tenor of 8 years inclusive of grace period of 2 years and carrying interest at the rate of 11.00%. These certificates are redeemable in 12 equal semi annual installments with first such redemption falling due on April 19, 2015. Further, in accordance with the said agreement, the issuer shall grant the Company an option to convert the PPTFCs into ordinary shares of the issuer within 175 days of the completion failing which the entire amount of the PPTFCs shall be due within 7 days after the expiry of the said period of 175 days.

Considering the financial position of ANL, the management has recognised the PPTFCs at the same amount which was receivable against Preference Shares.

**13.7.1** These unlisted Term Finance Certificates were due to mature on October 31, 2009. However, owing to the financial difficulties being faced by the issuer, the issuer was unable to fully redeem the said certificates. Till last balance sheet date (December 31, 2012), the Company had received an aggregate sum of Rs. 36 million against the principal whereas a further sum of Rs. 5 million has been received till March 31, 2013. Markup at the rate of 17.95% per annum (last coupon rate) has been paid on a monthly basis. The Company also holds 23.6 million ordinary shares of TPL Direct Insurance limited as a security against the exposure having market value of 232.70 million as at March 31, 2013.

	March 31 2013 (Un-audited)	December 31 2012 (Audited)
<b>14 TRADE DEBTS -unsecured, considered good</b>	<b>------(Rupees)-----</b>	
-Purchase of shares on behalf of clients	<b>466,136,461</b>	501,955,183
-Advisory services	<b>5,000,000</b>	5,000,000
-Forex and fixed income commission	<b>13,057,563</b>	13,659,270
-Commodity	<b>45,693,562</b>	44,141,642
	<b>529,887,586</b>	564,756,095
Considered doubtful or bad	<b>396,374,315</b>	396,374,315
	<b>926,261,901</b>	961,130,410
Provision for doubtful debts	<b>(396,374,315)</b>	(396,374,315)
	<b>529,887,586</b>	564,756,095

**15 INTEREST AND MARK-UP ACCRUED**

Accrued markup on Pakistan Investment Bonds	<b>1,399,904</b>	10,232,877
Accrued markup on Term Finance Certificates	<b>3,713,618</b>	4,049,146
Profit receivable on bank deposits	<b>1,075,103</b>	287,086
	<b>6,188,625</b>	14,569,109

**16 CASH AND BANK BALANCES**

Cash with banks:

- Current accounts	16.1	<b>9,715,003</b>	3,859,759
- Profit and loss / deposit accounts	16.2	<b>739,525,109</b>	613,061,184
- Foreign currency deposit accounts	16.3	<b>4,988,770</b>	4,857,087
		<b>754,228,882</b>	621,778,030
Cash in hand		<b>94,002</b>	74,970
		<b>754,322,884</b>	621,853,000

**16.1** Included in the current accounts is the amount kept with related party amounting to Rs. 5.54 million.**16.2** Profit and loss / deposit accounts carry profit ranging from 5% to 9.25% per annum. Included in these balances is the amount kept with related party amounting to Rs. 730.64 million.**16.3** Included in the foreign currency deposit accounts is the amount kept with related party amounting to Rs. 4.82 million.

	<b>Three months period ended</b>	
	<b>March 31 2013 (Un-audited)</b>	<b>March 31 2012</b>
	<b>------(Rupees)-----</b>	

**17. OPERATING REVENUE**

Brokerage and operating income	<b>54,287,928</b>	47,839,678
Advisory and consultancy fee	<b>3,700,000</b>	3,838,356
	<b>57,987,928</b>	51,678,034

## 18. OTHER OPERATING INCOME

### Income from financial assets:

	Three months period ended	
	March 31 2013	March 31 2012
	(Un-audited)	
	(Rupees)	
Profit on Term Finance Certificates, Treasury Bills, Pakistan Investment Bonds and National Savings Bonds	34,177,389	44,246,900
Dividend income	1,729,125	1,737,365
Profit on Term Deposit Receipts	-	410,959
Return on cash margin on future contracts	155,637	86,207
Exchange gain on foreign currency deposit accounts	37,939	80,460
Late payment charges	3,127,171	541,683
Profit on PLS / deposit accounts	9,003,391	9,720,737
Mark-up on ANL-PPTFC	12,691,692	-
	<u>60,922,344</u>	<u>56,824,311</u>

### Income from non-financial assets:

Gain on sale of property and equipment	920,682	677,874
Other income	1,201,433	348,877
	<u>2,122,115</u>	<u>1,026,751</u>
	<u>63,044,459</u>	<u>57,851,062</u>

## 19. FINANCE COST

Mark-up on repurchase transactions	5,440,714	3,310,817
Bank and other charges	61,904	904,325
	<u>5,502,618</u>	<u>4,215,142</u>

## 20. EARNINGS PER SHARE -basic and diluted

	(Rupees)	
Profit after taxation	<u>50,579,709</u>	<u>40,105,143</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>1.01</u>	<u>0.80</u>

## 21. 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, 2013 (Un-audited)		December 31, 2012 (Audited)	
	Key management personnel	Related parties other than parent company	Key management personnel	Related parties other than parent company
	(Rupees)			

**Trade debts**

Opening balance	818	13,626,534	-	2,000,523
Invoice during the period	-	840,554	818	13,626,534
Received during the period	(818)	(12,456,945)	-	(2,000,523)
Closing balance	-	2,010,143	818	13,626,534

	March 31, 2013 (Un-audited)		December 31, 2012 (Audited)	
	Key management personnel	Related parties other than parent company	Key management personnel	Related parties other than parent company
	(Rupees)			

**Trade payable**

Opening balance	578,156	831,322	3,557,783	12,657,212
Invoice during the period	2,634	120,523,189	578,156	831,322
Paid during the period	(573,777)	(355,040)	(3,557,783)	(12,657,212)
Closing balance	7,014	120,999,472	578,156	831,322

	March 31 2013 (Un-audited)	December 31 2012 (Audited)
	(Rupees)	
<b>Balances with parent company</b>		
Trade debts	82,357	756,949
Repurchase borrowing	-	200,000,000
Bank deposits	740,995,823	608,993,898

**Transactions with related parties,  
other than parent company**

**Nature of transactions**

	<b>Three months period ended March 31, 2013 (Un-audited)</b>	<b>Eighteen months period ended December 31, 2012 (Audited)</b>
	------(Rupees)-----	
Sale of units of JS Cash Fund	-	25,000,000
Rent received from related Parties	-	689,824
Directors' remuneration	<b>500,000</b>	4,050,000
Purchase of units of JS Cash Fund	-	75,000,000
Purchase of units of JS Income Fund	-	275,000,000
Royalty Expenses	<b>2,500,000</b>	15,000,000
Brokerage Income	<b>2,309,163</b>	13,357,966
Contributions to staff provident fund	<b>950,447</b>	6,025,839
Payment on account of expenses to associated companies	<b>9,166,424</b>	55,282,544
Dividend income on preference shares	-	6,949,320
Capital gain on sale of units of - JS Cash Fund	-	215,945

**Transactions with Parent Company**

**Nature of transactions**

	<b>Three months period ended March 31, 2013 (Un-audited)</b>	<b>Eighteen months period ended December 31, 2012 (Audited)</b>
	------(Rupees)-----	
Sale of Term Finance Certificates - net	-	263,050,604
Sale of Treasury Bills - net	<b>205,527,739</b>	1,677,843,653
Sale of Pakistan Investment Bonds - net	<b>103,692,250</b>	11,904,249
Brokerage income	<b>1,398,518</b>	8,363,109
Payment for rent and utilities	-	1,843,905
Rent received	-	846,253
Financial charges	<b>31,939</b>	4,595,053
Profit on Term Deposit Receipt	-	2,356,849
Profit on PLS account	<b>8,765,935</b>	60,661,489
Exchange gain on foreign currency deposit accounts	<b>59,045</b>	549,205

## 22. OPERATING SEGMENT

	March 31, 2013 (Un-audited)			
	Brokerage	Investment and Treasury	Other	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)
Provision for Workers' Welfare Fund	17,134,585	70,582,931	(21,873,176)	65,844,340
Taxation				(1,240,942)
Profit after tax				(14,023,689)

### 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

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

	March 31, 2012 (Un-audited)			
	Brokerage	Investment and Treasury	Other Operations	Total
(Rupees)				
Segment revenues	48,063,672	73,163,822	3,838,356	125,065,850
Intersegment revenues	-	-	-	-
Total segment revenues	48,063,672	73,163,822	3,838,356	125,065,850
Administrative and operating expenses	(34,039,227)	(2,800,509)	(29,802,945)	(66,642,681)
Depreciation	(1,127,220)	(142,560)	(788,105)	(2,057,885)
Amortization of intangible assets	-	-	(27,084)	(27,084)
Finance cost	-	(3,310,817)	(904,325,00)	(4,215,142)
	12,897,225	66,909,936	(27,684,103)	52,123,058
Provision for Workers' Welfare Fund				(1,187,037)
Taxation				(10,830,878)
Loss after tax				40,105,143
<b>Other information</b>				
Segment assets	594,483,937	2,970,610,575	7,282,141	3,572,376,653
Segment liabilities	332,155,811	523,678,501	5,883,963	861,718,275

**23. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors of the Company have approved cash dividend of Nil (December 31, 2012 :30%) amounting to Rs.Nil (December 31, 2012 :150 million) and bonus of Nil (December 31, 2012 :Nil) for the three months period ended March 31, 2013 in their meeting held on April 22, 2013.

**24. DATE OF AUTHORISATION**

These condensed interim financial information were authorized for issue on April 22, 2013 by the Board of Directors of the Company.

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**Basir Shamsie**  
Chairman

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**Muhammad Kamran Nasir**  
Chief Executive

 **JS Global**



**JS Global Capital Limited**

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