

Contents

Company Information	02
Directors' Report to the Members	03
Auditor's Report to the Members on Review of Condensed Interim Financial Information	05
Condensed Interim Balance Sheet	06
Condensed Interim Profit & Loss Account	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12

Company Information

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

Directors' Report to the Members

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

The summarized results are set out below:

	Six months ended	
	June 30, 2015	June 30, 2014
	------(Rupees)-----	
Profit before tax	195,583,187	154,099,388
Profit after tax	116,716,385	107,005,138
Earnings per share	2.33	2.14

ECONOMIC REVIEW

Performance of Pakistan's economy over January - June 2015 (1HCY15) was mostly encouraging with soft inflation statistics, improving external account outlook and contained fiscal deficit. CPI inflation in 1HCY15 clocked in at 3.0% YoY, with CPI inflation during July 14 – June 15 (FY15) averaging at 4.5% YoY. Softening of inflation was led by (1) sharp decline in oil prices and (2) soft commodity prices, whereas external account recorded improvement on account of lower oil import bill, rising home remittances and receipt of IMF & CSF tranches. As a result, Pakistan foreign exchange reserves improved to ~US\$18.7 bn by June 2015. Real interest rates increased above 3.0% for the country. The State Bank of Pakistan (SBP) opted to cut the discount rate by 250 bps to 7.0% & introduced policy rate at 6.5% during 1HCY15. However, GDP growth clocked in lower-than-expected at 4.2% in FY15 with energy shortages and law & order situation remaining key impediments to growth.

STOCK MARKET REVIEW

The Karachi Stock Exchange (KSE) witnessed an uptrend during 1HCY15, as the benchmark KSE-100 index closed up by 7.1% (vis-à-vis average 5% gains in regional markets), driven by (1) improving macro-economic outlook and (2) presence of liquidity in the market. Average trading volumes also improved, clocking in at 258 mn shares/day, 9% higher compared to the corresponding period last year. In value terms also, activity improved by 34% to US\$126 mn/day. Market is expected to maintain its upward trajectory given strong fundamentals and attractive valuations.

MONEY MARKET REVIEW

During 1HCY15, money market closed with improvement in economic indicators with Consumer Price Index (CPI) for FY15 closing at a level of 4.5% which is 11 year low and therefore provided ample room for SBP to take an aggressive monetary easing stance. During 1HCY15, an effective 250bps cut in discount rate to 7% with a consensus on positive macro-economic outlook have kept long tenor papers in limelight. As a result, portfolios have reported massive returns on the back of significant gains on PIBs holdings. In this tenor, money market traded at top levels and most trades were witnessed above SBP target rate.

Expectation of changes in the macroeconomic (U-turn in inflation) and structural (shift in budgetary borrowing from SBP to commercial banks) factors, intensified pressure on yields across the board. Resultantly, there was an uptick in cut off yields (both T-bills and PIBs). Coupled with year-end (June 30, 2015) liquidity crunch, investors preferred short term papers and sizeable participation was witnessed in both 3 months T-bill and 3 years bond during the auctions. As yields rose in the secondary market, investors participated in auctions at higher levels which led to an increase in cut off yields. Moving ahead, yields are expected to ease off owing to fresh SBP injections as year-end liquidity pressures subside. We expect PIB yields will decline especially at the short end of the yield curve due to large maturities and controlled supply in upcoming auctions.

FOREIGN EXCHANGE MARKET

During 1H CY15, USD/PKR parity opened with 100.4 as compared to corresponding period last year of 105.6. During this period, Pak Rupee appreciated by approx 5% as compared to corresponding period last year. Highest USD/PKR parity was witnessed at 102.2 whereas lowest parity was recorded at 100.6 and it closed at 101.7 as on June 30, 2015.

Moreover, the average SWAPS opened in January for 1 Month, 3 Month & 6 Month were at 0.42, 1.03 & 1.97 paisa respectively. During 1H CY15, there was an increase in SWAPS mainly in the month of March approximately 5 to 11 paisa in shorter tenors (1 month to 3 months) and 12 to 22 paisa in longer tenors (4 months to 6 months). Although, SWAPS premium declined slightly during the month of April & May but regained back in June and on average they closed at 0.38, 1.18 and 2.03 paisa for 1 Month, 3 Month & 6 Month respectively.

Furthermore, foreign exchange reserves gained from \$15.3 bn to \$18.7 bn during 1H CY15. Current Account (C/A) also posted a deficit of \$473 mn during May where deterioration in the C/A was largely down to widening gap in balance of trade (goods) by US\$1536 mn. Cumulative Remittances also witnessed an increase from \$8.05bn to \$9.47bn during 1H CY15 as compared to corresponding period last year.

COMMODITIES REVIEW

During 1H CY15 significant volatility was witnessed in the commodity prices. This, in part was attributed to the stronger US dollar, crises in the China (slowing of growth & down-trending stock market) and possible "Grexit" (Greece exit) from the euro zone due to its potential default on repayments to IMF. Other significant factors were negotiations between Iran and U.S & other world powers over Iran's nuclear program and Middle East (ME) warring factions. Expectations of increase in the interest rate by U.S Federal Reserve sooner- than-later also added fuel to fire by affecting commodity prices.

It was a difficult period for commodity brokerage as the value of commodities traded at Pakistan Mercantile Exchange Limited ('PMEX') declined to PKR 327.2 bn in 1H CY15 from PKR 467 bn in the corresponding period last year. However, market share of JS Global remained strong with the Company maintaining its position amongst the top industry players.

COMPANY PERFORMANCE REVIEW

The Company earned net income of PKR 116.7 mn for the six months ended June 30, 2015 vis-à-vis net income of PKR 107 mn in comparative period last year clocking a growth of 9.1% over the same period. Operating revenue of the Company increased by 57.7% 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.

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

Karachi: August 10, 2015

 JS Global

Basir Shamsie
Chairman

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, 2015, 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 presentation of this condensed interim financial information in accordance with the 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 period ended June 30, 2015 is not prepared, in all material respects, in accordance with the 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 quarter ended June 30, 2015, have not been reviewed, as we are required to review only the cumulative figures for the six months ended June 30, 2015

Chartered Accountants

Karachi: August 10, 2015

Engagement Partner:
Naresh Kumar

 **JS Global**

Condensed Interim Balance Sheet

As at June 30, 2015

	June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
Note	(Rupees)	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised : 150,000,000 (Dec 31, 2014: 150,000,000) ordinary shares of Rs. 10 each	1,500,000,000	1,500,000,000
Issued, subscribed and paid -up share capital	500,000,000	500,000,000
Reserves	2,250,321,464	2,126,261,451
	2,750,321,464	2,626,261,451
LIABILITIES		
Current liabilities		
Creditors, accrued expenses and other liabilities	5 709,191,698	766,706,461
Provision for taxation	50,714,442	34,400,184
	759,906,140	801,106,645
	3,510,227,604	3,427,368,096
Contingencies and commitments	6	

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

Condensed Interim Balance Sheet

As at June 30, 2015

		June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
Note		(Rupees)	
ASSETS			
Non current assets			
	7	54,070,951	41,868,786
Property and equipment			
	8	16,488,657	16,247,023
Intangible assets			
	9	15,272,670	15,272,670
Long term investment			
		15,343,922	11,915,024
Long term loans, advances and deposits			
	10	114,206,365	130,476,432
Deferred taxation-net			
		215,382,565	215,779,935
Current assets			
	11	1,044,567,858	1,093,226,034
Short term investments			
	12	900,141,950	647,233,857
Trade debts			
		15,684,897	15,140,321
Loans and advances - considered good			
		187,607,337	118,346,188
Deposits and short-term prepayments			
	13	20,585,366	18,092,685
Interest and markup accrued			
		4,276,188	19,421,730
Other receivables			
	14	1,121,981,443	1,300,127,346
Cash and bank balances			
		3,294,845,039	3,211,588,161
		3,510,227,604	3,427,368,096

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

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

Condensed Interim Profit and Loss Account (Un-audited)

For the six months ended June 30, 2015

	Note	Six months ended		Quarter ended	
		June 30, 2015	June 30, 2014	June 30, 2015 (Un-reviewed)	June 30, 2014
		(Rupees)		(Rupees)	
Operating revenue	15	256,152,271	162,389,428	135,017,759	88,756,376
Capital gain on sale of investments		43,736,678	68,850,627	15,694,270	62,060,493
Gain/ (loss) on remeasurement of investments at fair value through profit or loss - net		3,806,055	(1,029,243)	(2,292,866)	(27,195,226)
		303,695,004	230,210,812	148,419,163	123,621,643
Administrative and operating expenses		(236,316,778)	(151,508,551)	(120,147,323)	(79,025,067)
		67,378,226	78,702,261	28,271,840	44,596,576
Other Income		135,371,657	79,104,774	59,124,587	43,665,606
		202,749,883	157,807,035	87,396,427	88,262,182
Provision for Workers' Welfare Fund		(3,991,514)	(3,144,885)	(1,734,528)	(1,754,939)
Finance cost		(3,175,182)	(562,762)	(671,041)	(382,194)
Profit before taxation		195,583,187	154,099,388	84,990,858	86,125,049
Taxation - current	16	(64,882,499)	(38,901,119)	(26,235,116)	(26,228,264)
- deferred		(13,984,303)	(8,193,131)	(17,964,006)	(8,124,399)
		(78,866,802)	(47,094,250)	(44,199,122)	(34,352,663)
Profit after taxation		116,716,385	107,005,138	40,791,736	51,772,386
Earnings per share - basic and diluted	17	2.33	2.14	0.82	1.04

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months ended June 30, 2015

	Six months ended		Quarter ended	
	June 30, 2015	June 30, 2014	June 30, 2015 (Un-reviewed)	June 30, 2014
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	116,716,385	107,005,138	40,791,736	51,772,386
Other comprehensive income				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account				
Gain / (loss) on revaluation of available for sale investments during the period	9,629,391	-	(2,853,059)	-
Less: Related tax	(2,285,763)	-	2,083,095	-
	7,343,628	-	(769,964)	-
Total comprehensive income for the period	124,060,013	107,005,138	40,021,772	51,772,386

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

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

Condensed Interim Cash Flow Statement (Un-audited)

For the six months ended June 30, 2015

	Six months ended	
	June 30, 2015	June 30, 2014
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	195,583,187	154,099,388
Adjustments for:		
Depreciation	7,324,900	4,298,212
Amortization of software	1,847,475	708,332
Gain on sale of items of property and equipment	(13,520)	(3,439,150)
(Gain) / loss on remeasurement of investments carried at fair value through profit or loss - net	(3,806,055)	1,029,243
Provision for Workers' Welfare Fund	3,991,514	3,144,885
Finance cost	3,175,182	562,762
	12,519,496	6,304,284
Cash generated from operating activities before working capital changes	208,102,683	160,403,672
Decrease / (increase) in current assets		
Trade debts	(252,908,093)	(127,031,544)
Loans and advances - considered good	(544,576)	(5,464,770)
Deposits and short term prepayments	(69,261,149)	(47,314,474)
Interest and markup accrued	(2,492,681)	479,679
Other receivables	15,145,542	222,654
	(310,060,957)	(179,108,455)
(Decrease) / increase in current liabilities		
Creditors, accrued expenses and other liabilities	(61,332,112)	88,688,198
Cash (used in) / generated from operations	(163,290,386)	69,983,415
Finance cost paid	(3,175,182)	(257,469)
Taxes paid	(48,568,240)	(44,969,150)
Net cash flows (used in) / generated from operating activities	(215,033,808)	24,756,796
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for purchase of property and equipment	(19,555,545)	(4,771,472)
Payments made for purchase of software	(2,089,109)	(3,800,000)
Proceeds from disposal of items of property and equipment	42,000	3,466,801
Long term loans, advances and deposits	(3,428,898)	(1,789,701)
Short term investments - net	62,093,622	(559,860,969)
Net cash generated from / (used in) investing activities	37,062,070	(566,755,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(174,165)	(49,847,273)
Net cash used in financing activities	(174,165)	(49,847,273)
Decrease in cash and cash equivalents during the period	(178,145,903)	(591,845,818)
Cash and cash equivalents at beginning of the period	1,300,127,346	839,211,687
Cash and cash equivalents at end of the period	1,121,981,443	247,365,869

The annexed notes 1 to 21 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, 2015

	Issued, subscribed and paid up share capital	Share premium	Unrealised gain on revaluation of available for sale investments- net	Reserves		Total
				Revenue Reserves Unappropriated profit	Sub-total	
						(Rupees)
Balance as on January 01, 2014	500,000,000	1,810,104,900	-	225,749,594	2,035,854,494	2,535,854,494
Total comprehensive income for the period						
Profit for the six months ended June 30, 2014	-	-	-	107,005,138	107,005,138	107,005,138
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	107,005,138	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)	(50,000,000)
Balance as at June 30, 2014	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>-</u>	<u>282,754,732</u>	<u>2,092,859,632</u>	<u>2,592,859,632</u>
Balance as on January 01, 2015	500,000,000	1,810,104,900	7,840,273	308,316,278	2,126,261,451	2,626,261,451
Total comprehensive income for the period						
Profit for the six months ended June 30, 2015	-	-	-	116,716,385	116,716,385	116,716,385
Other comprehensive income	-	-	7,343,628	-	7,343,628	7,343,628
Total comprehensive income for the period	-	-	7,343,628	116,716,385	124,060,013	124,060,013
Balance as at June 30, 2015	<u>500,000,000</u>	<u>1,810,104,900</u>	<u>15,183,901</u>	<u>425,032,663</u>	<u>2,250,321,464</u>	<u>2,750,321,464</u>

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

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

JS Global

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

1. STATUS AND NATURE OF BUSINESS

JS Global Capital Limited ('the Company') was incorporated as a private limited company on June 28, 2000. However, the Company commenced operations in May 2003 and name of the Company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the Company was converted into a public unquoted company and the holding company Jahangir Siddiqui and Company Limited (JSCL) offered its 25% shareholding to the general public for subscription in December 2004 and the Company obtained listing on Karachi Stock Exchange Limited 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.

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

JS Global Capital Limited is a Trading Right Entitlement Certificate (TREC) holder of Karachi Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited. The principal activities of the Company are share brokerage, money market, forex and commodity brokerage, advisory, underwriting and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the Company is situated at 6th floor, Faysal House, 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, 2014.

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, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2014. The profit and loss account, statement of comprehensive income and cash flow statement of the Company for the comparative period have been extracted from the condensed interim financial information for the period ended June 30, 2014 whereas the balance sheet for the comparative period has been extracted from financial statements for the year ended December 31, 2014.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

5. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	----- (Rupees) -----	
Creditors for sale of shares on behalf of clients	548,233,102	641,682,823
Accrued expenses	65,505,957	63,467,256
Provision for staff bonus	28,855,950	24,353,950
Unclaimed dividend	3,439,792	3,613,957
Retention money - Softech	40,600	40,600
Advance fee from client	5,877,413	5,877,413
Provision for Workers' Welfare Fund	24,084,075	20,092,561
Others	33,154,809	7,577,901
	709,191,698	766,706,461

6. CONTINGENCIES AND COMMITMENTS

6.1 Commitments

	June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	----- (Rupees) -----	
Royalty Payment	<u>5,000,000</u>	<u>10,000,000</u>
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, 2015 (December 31, 2014)	<u>763,160,380</u>	<u>718,263,495</u>
Forward Contracts in respect of purchase of Pakistan Investment Bonds	<u>-</u>	<u>1,184,056,813</u>

6.2 Tax related contingencies have been disclosed in note 16 to the condensed interim financial information.

7. PROPERTY & EQUIPMENT

Following is the cost of property and equipment that have been added to / disposed of during the six months ended June 30, 2015.

	June 30, 2015 (Un-audited)	June 30, 2014 (Un-audited)
	----- (Rupees) -----	
Additions:		
Office equipment	<u>2,285,036</u>	<u>1,153,271</u>
Office furniture	<u>520,361</u>	<u>-</u>
Motor vehicles	<u>16,750,148</u>	<u>3,616,660</u>
	<u>19,555,545</u>	<u>4,769,931</u>
Disposals:		
Office equipment	<u>92,700</u>	<u>260,500</u>
Motor vehicles	<u>-</u>	<u>4,959,574</u>
	<u>92,700</u>	<u>5,220,074</u>

8. INTANGIBLE ASSETS

		June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	Note	----- (Rupees) -----	
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	8.2	8,261,327	8,019,693
		16,488,657	16,247,023

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.

8.2 During the Period, total additions to the software amount to Rs. 2.3 million (June 30, 2014: Rs. 3.8 million) and disposals amount to Rs. Nil (June 30, 2014 : Rs. Nil)

9. LONG TERM INVESTMENT

		June 30, 2015 (Un-audited)	December 31, 2014 (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 the Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and Trading Right Entitlement Certificate (TREC) from the KSE against its membership card which was carried at Rs. 21 million in the books of the Company.

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

10. DEFERRED TAXATION - net

		June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
		----- (Rupees) -----	
Taxable temporary difference			
Revaluation of investments		(6,778,879)	(9,801,224)
Deductible temporary differences			
Accelerated depreciation for tax purposes		1,546,226	1,041,814
Difference in accounting and tax base of intangible assets		137,000	50,154
Provision for doubtful debts		119,302,018	139,185,688
		120,985,244	140,277,656
		114,206,365	130,476,432

		June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
	Note	----- (Rupees) -----	
11. SHORT TERM INVESTMENTS			
At fair value through profit or loss - held for trading			
Quoted equity securities	11.1	753,685,220	709,834,630
Term Finance Certificates and Sukuk Bonds	11.2	57,095,564	159,184,954
		810,780,784	869,019,584
Available for sale			
Government Securities	11.3	233,787,074	224,206,450
Privately Placed Term Finance Certificates - Unsecured	11.4	-	-
		1,044,567,858	1,093,226,034

11.1 Quoted Equity Securities

Quoted Equity Securities			June 30, 2015	December 31, 2014
Number of shares		Name of Company	Average Cost	Fair Value
June 30, 2015	December 31, 2014		(Rupees)	
893,500	922,000	Adamjee Insurance Company Limited	43,354,980	42,548,470
-	101,500	Attock Refinery Limited	-	-
553,500	754,000	D.G. Khan Cement Limited	77,782,704	79,023,195
1,146,000	-	Engro Fertilizer Limited	101,077,474	101,638,740
519,500	257,500	Engro Foods Limited	77,299,982	78,673,080
357,000	473,500	Engro Corporation	106,069,520	105,957,600
428,000	98,500	Fauji Cement Company Limited	14,890,084	14,924,360
955,500	54,500	Fauji Fertilizer Bin Qasim Limited	53,401,570	52,858,260
45,000	5,500	Fauji Fertilizer Company Limited	6,783,650	6,723,900
2,721,000	10,000	K-Electric Limited	23,354,925	22,910,820
5,000	-	Lucky Cement Limited	2,468,785	2,598,100
291,500	847,000	National Bank of Pakistan	15,552,625	15,504,885
106,000	209,000	Nishat Mills Limited	12,077,576	12,108,380
217,500	280,000	Maple Leaf Cement Factory Limited	16,472,022	17,086,800
11,500	177,000	Oil and Gas Development Company Limited	2,113,296	2,061,260
919,000	-	Pak Elektron Limited	74,179,805	76,038,060
327,500	310,500	Pioneer Cement Limited	27,648,280	27,932,475
199,500	200,500	Pakistan Petroleum Limited	33,421,474	32,769,870
133,500	616,000	Pakistan State Oil Limited	51,647,444	51,502,965
528,000	334,000	Pakistan Telecommunication Company Limited	10,921,607	10,824,000
-	200,000	United Bank Limited	-	-
-	125,000	Bank Of Punjab Limited	-	-
-	28,000	Fatima Fertilizers Company Limited	-	-
			750,517,803	753,685,220
Unrealised gain on remeasurement at fair value			3,167,417	-
			753,685,220	753,685,220

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

11.2 Term finance Certificates

Term finance Certificates			June 30, 2015	December 31, 2014	
Number of Certificates		Name of Term finance Certificates	Average Cost	Fair Value	
June 30, 2015	December 31, 2014	Listed	(Rupees)		
400	400	Allied Bank Limited II	1,952,224	1,952,232	1,952,623
-	400	Engro Fertilizer Pakistan Limited	-	-	1,368,000
1,505	1,505	Engro Corp Ltd (Islamic Rupiya Sukuk I)	7,993,303	8,137,008	7,993,303
500	505	Engro Corp Ltd (Islamic Rupiya Sukuk II)	2,653,455	2,746,532	2,679,990
		Jahangir Siddiqui & Company Limited			
2,100	2,100	VII - related party	3,938,372	3,847,032	5,250,872
200	200	Pakistan Mobile Communication Limited TFC VII	8,149,875	8,081,760	11,149,875
6,400	8,000	Engro Fertilizer Limited Sukuk	31,769,696	32,331,000	40,712,120
			56,456,925	57,095,564	71,106,783
		Un-listed			
-	9,000	Askari TFC V	-	-	45,000,000
-	7,000	Bank Al Habib Limited IV	-	-	40,078,172
-	3	Al Baraka Bank Ltd. Sukuk	-	-	3,000,000
			56,456,925	57,095,564	159,184,955
		Unrealised gain on remeasurement at fair value	638,639	-	-
			57,095,564	57,095,564	159,184,955

11.3 Government securities - Available for sale

		June 30, 2015	December 31, 2014	
	Note	Average Cost	Fair Value	
		(Rupees)		
Pakistan Investment Bonds	11.3.1	224,157,683	233,787,074	224,206,450
Unrealized gain on remeasurement at fair value		9,629,391	-	-
		233,787,074	233,787,074	224,206,450

11.3.1 These PIBs have a tenure ranging from 3 to 10 years with maturity ranging from July 17, 2017 to July 17, 2024. Return on these PIBs ranges from 11.25% to 12.00% payable on half-yearly basis with redemption on maturity.

11.4 Privately Placed Term Finance Certificates - Unsecured

June 30, 2015					
Number of certificate	Markup rate (%)	Name of Company	Note	Maturity date	Cost (Rupees)
12	11.00%	Azgard Nine Limited (privately placed term finance certificates)	11.4.1	October 19, 2020	326,456,184
		Impairment of investment in TFC			(326,456,184)
December 31, 2014					
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)
					-

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

June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
----- (Rupees) -----	

12. TRADE DEBTS

Considered good

Purchase of shares on behalf of clients	233,804,590	362,765,208
Receivable against margin finance (purchase of shares)	589,635,885	221,859,812
Advisory services	1,264,002	627,500
Forex and fixed income commission	18,470,826	15,082,245
Commodity	56,966,647	46,899,092
	900,141,950	647,233,857
Considered doubtful	397,673,393	397,673,393
	1,297,815,343	1,044,907,250
Provision for doubtful debts	(397,673,393)	(397,673,393)
	900,141,950	647,233,857

12.1 Included herein is a sum of Rs. 4,458,857 (2014: Rs. 2,057,688) receivable from related parties.

13. INTEREST AND MARK-UP ACCRUED

Accrued markup on Pakistan Investment Bonds	11,153,853	11,289,640
Accrued markup on term finance certificates	2,569,414	4,824,381
Profit receivable on bank deposits	6,862,099	1,978,664
	20,585,366	18,092,685

14. CASH AND BANK BALANCES**Cash with banks:**

- Current accounts
- Savings accounts
- Foreign currency accounts

Cash in hand

June 30, 2015 (Un-audited)	December 31, 2014 (Audited)
----- (Rupees) -----	
4,573,737	1,430,755
1,117,141,958	1,298,478,191
76,748	44,400
1,121,792,443	1,299,953,346
189,000	174,000
<u>1,121,981,443</u>	<u>1,300,127,346</u>

15. OPERATING REVENUE

- Brokerage and operating income
- Advisory and consultancy fee

Six months ended June 30, 2015 (un-audited)	Six months ended June 30, 2014
----- (Rupees) -----	
243,764,271	155,663,692
12,388,000	6,725,736
<u>256,152,271</u>	<u>162,389,428</u>

16. TAXATION

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

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

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

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

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

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

16.4 During the period, the Deputy Commissioner Inland Revenue has issued an order to the Company, (among other brokerage houses) for tax demand amounting to Rs. 78 million on account of non payment of Federal Excise Duty (FED) for tax period from 2010 to 2013. The Company has filed a rectification appeal amounting to Rs. 54.3 million against the said order on account of certain computational errors. The Company has also filed an appeal in the Sindh High Court, through KSE Stockbrokers Association (of which the Company is also the member) against the aforementioned order on the grounds that after 18th amendment to the Constitution the services that were previously subject to FED under the federal laws are now subject to provincial sales tax and the Company has accordingly discharged its tax obligations in the respective provinces. The Sindh High Court has stayed Federal Board of Revenue from demanding sales tax on services from stock brokers. Further, management of the Company and its tax advisors are of the view that because provincial sales tax on services has already been paid after constitutional dispensation, no further charge is expected to arise in respect of this matter.

17. EARNINGS PER SHARE -basic and diluted

	Six months ended June 30, 2015	Six months ended June 30, 2014
	(un-audited)	
	----- (Rupees) -----	
Profit after taxation	<u>116,716,385</u>	<u>107,005,138</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>2.33</u>	<u>2.14</u>

18. RELATED PARTY TRANSACTIONS

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

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

	June 30, 2015		December 31, 2014	
	Key management personnel	Associated entities other than parent company	Key management personnel	Associated entities other than parent company
Trade debts	----- (Rupees) -----			
Opening balance	-	837,530	73,311	551,492
Invoiced during the period / year	46,448	2,925,147,703	-	2,770,415,457
Received during the period / year	(46,343)	(2,924,500,601)	(73,311)	(2,770,129,419)
Closing balance	105	1,484,632	-	837,530

Transactions during the six months ended June 30, 2014

	Key management personnel	Associated entities other than parent company
Invoiced during the period	83,957	861,386
Received during the period	130,460	552,229

	June 30, 2015		December 31, 2014	
	Key management personnel	Associated entities other than parent company	Key management personnel	Associated entities other than parent company
Trade payable	----- (Rupees) -----			
Opening balance	101,301	3,676,161	55,780	17,638,067
Invoiced during the period / year	5,919,885	5,472,211,579	11,151,002	7,678,465,167
Paid during the period / year	(5,019,505)	(5,474,801,948)	(11,105,481)	(7,692,427,073)
Closing balance	1,001,681	1,085,792	101,301	3,676,161

Transactions during the six months ended June 30, 2014

	Key management personnel	Associated entities other than parent company
Invoiced during the period	31,410	32,544
Paid during the period	-	16,669,097

	June 30, 2015	December 31, 2014
	----- (Rupees) -----	
Balances with parent company		
Trade payables	-	70,407
Trade debts	<u>1,182,564</u>	<u>1,220,158</u>
Balances with parent company (Bank balances in Saving and current accounts)	<u>1,039,789,731</u>	<u>1,280,858,579</u>
Balances with ultimate parent company		
Trade debts	<u>1,791,556</u>	-
Trade payables	<u>-</u>	<u>72,523</u>
Transactions with associated companies		
Nature of transactions		
Dividend paid to Global Investment House	-	86,939,328
Payment on account of expenses to associated companies	<u>566,721</u>	<u>125,784</u>
Transactions with funds managed by associated companies		
Nature of transactions		
Brokerage income	<u>10,397,472</u>	<u>13,863,700</u>
Sale of units of JS Cash Fund	-	997,724,991
Purchase of units of JS Cash Fund	-	700,000,000
Purchase of units of JS Income Fund	-	1,255,000,000
Sales of units of JS Income Fund	-	1,576,475,347
Bonus units received from JS Income Fund	-	97,233
Bonus units received from JS Cash Fund	-	422,231
Transactions with the parent company		
Nature of transactions		
Sale of term finance certificates - net	-	59,685,002
Purchase of Treasury Bills - net	<u>4,191,312,500</u>	-
Sale of Treasury Bills - net	-	3,184,678
Purchase of Pakistan Investment Bonds-net	<u>354,146,214</u>	<u>256,170,424</u>
Sale of Pakistan Investment Bonds - net	-	-
Brokerage income	<u>2,696,760</u>	<u>4,230,478</u>
Payment for rent and utilities and consultancy charges	<u>1,630,482</u>	<u>2,950,145</u>
Bank charges	<u>235,211</u>	<u>265,225</u>
Dividend Paid	-	102,100,676
Profit on PLS account	<u>31,611,167</u>	<u>69,023,486</u>
Exchange (loss) / gain on foreign currency deposit accounts	<u>-</u>	<u>(121,534)</u>
Transactions with ultimate parent company		
Nature of transactions		
Brokerage income	<u>7,499,748</u>	<u>450,214</u>
Reimbursement of expenses against rent and utilities	<u>23,495,955</u>	<u>42,065,280</u>
Purchase of Term Finance Certificates (TFCs)	-	40,000,000
Transactions with other related parties		
Nature of transactions	Relationship	
Royalty expense	Key management personnel of the parent	<u>5,000,000</u>
Brokerage income	Key management personnel	<u>142,918</u>
Contributions to staff provident fund	Post-employment benefit plan	<u>3,384,237</u>
		<u>10,000,000</u>
		<u>1,613,505</u>
		<u>4,784,857</u>

19. OPERATING SEGMENTS

	June 30, 2015 (Un-audited)			
	Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenue	243,764,271	183,865,888	11,436,502	439,066,661
Administrative and operating expenses	(127,218,679)	(15,463,320)	(84,462,404)	(227,144,403)
Depreciation	(3,354,676)	(51,597)	(3,918,627)	(7,324,900)
Amortization of intangible assets	-	-	(1,847,475)	(1,847,475)
Finance cost	-	(3,175,182)	-	(3,175,182)
Total profit before tax and Workers' Welfare Fund for all segments	113,190,916	165,175,789	(78,792,004)	199,574,701

Reconciliation of reportable segments to profit and loss account

Total profit before tax and Workers' Welfare Fund for all segments				199,574,701
Provision for Workers' Welfare Fund				(3,991,514)
Taxation				(78,866,802)
Profit after tax				116,716,385
Other information				
Segment assets	931,135,298	2,539,880,491	39,211,815	3,510,227,604
Segment liabilities	548,233,102	172,640,816	39,032,222	759,906,140

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

	June 30, 2014 (Un-audited)			
	Brokerage	Investment and Treasury	Other Operations	Total
	(Rupees)			
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)	157,244,278
Reconciliation of reportable segment 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	521,463,488

20 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of Nil (December 31, 2014 : Nil) amounting to Nil (December 31, 2014: Nil) and bonus of Nil (December 31, 2014: Nil) in their meeting held on August 10, 2015.

21 Date Of Authorization

This condensed interim financial information was authorised for issue in the Board of Directors meeting held on August 10, 2015 .

Basir Shamsie
Chairman

Muhammad Kamran Nasir
Chief Executive

 **JS Global**