



KARACHI STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

Phones: 111-00-11-22,

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2014
(UN-AUDITED)**

**DIRECTORS' REVIEW
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

The Board of Directors of **Karachi Stock Exchange Limited** (KSE/Exchange) is pleased to present the financial statements of the Exchange for the quarter ending September 30, 2014

FINANCIAL REVIEW

The Profit after tax of the Exchange rose by 52% Year on Year in 1QFY15 versus 1QFY14 to reach PkR73.6million. Total Revenue increased by 16% to PkR286.7million in 1QFY14 versus PkR246.6million.

Revenue growth would have been higher but for the fact that trading fee, at PkR36.9 million during 1QFY15, was 10% lower YoY versus the same period last year. This was directly the result of sharply lower volume of shares traded. In 1QFY15, average daily volume in the ready market was down by nearly 42% YoY at 144 million shares versus 247 million shares. Although average price per share was higher at Rs51 versus Rs40, lower volume led to overall lower average value traded at PkR 7.0 billion in 1QFY15 versus PkR 10.0 billion – a decline of 30% YoY. The fall off in trading activity can be attributed primarily to political uncertainty in 1QFY15 causing investors to sit on the sidelines. The change in capital gains tax regime in the last budget whereby tax-exemption was moved to holding period of over two years, versus over one year previously, also negatively impacted investor confidence and activity. The domestic investors pullback was somewhat neutralized by continued robust activity by foreign portfolio investors where, net foreign portfolio investment inflow in Pakistan's Capital Market was US\$157million in 1QFY15, as compared to an outflow of US\$94million in 1QFY14. But this was still not enough to fully compensate for the lack of interest depicted by domestic participants.

Listing fee maintained almost the same level as last year in 1QFY15 at PkR 53million versus PkR54million. Number of IPOs in 1QFY15 was 1 versus 1 in 1QFY14. Other fees rose by 37% YoY, on the back of increased revenue from data vending, reaching almost PkR25million in 1QFY15 versus PkR18million in 1QFY14.

Other income depicted a healthy rise of 38% YoY coming in at PkR121million in 1QFY15 as against PkR88million in 1QFY14. Within this head Net Treasury Income grew by 27% YoY to PkR65million driven by higher average yields at almost 10% p.a. versus 8.25% p.a. in the same period last year. Management Fee rose to PkR41million in 1QFY15 compared to PkR22million in 1QFY14.

Share of profit from associates (primarily Central Depository Company Limited (CDC) and National Clearing Company of Pakistan Limited (NCCPL) rose by 13% YoY to PkR51million as against PkR46million in the same period last year, where share of profit from CDC increased by 5% YoY to PkR40million while share of profit from NCCPL increased by 37% to PkR11million in 1QFY15.

Thus, Total Income of the Exchange rose by 16% YoY to reach PkR286.7million in 1QFY15 versus PkR246.5million in the same period last year.

Total Expenses (including other charges) in 1QFY15 were PkR201million showing a rise of 3% YoY versus PkR195million in 1QFY14. Within this head, HR Cost was higher by 9% at PkR89million, Fuel & Power expense grew by 30% to PkR17million, Legal & Professional charges were higher by 144% to almost PkR5.0million and Advertisement & Marketing expenses rose by 46% to PkR2million. Depreciation & Amortization expense rose by 3% YoY to PkR58.6million in 1QFY15. A notable expense was I.T. Operating Cost, which was lower by 79% as several projects remained under development and related expenses were pushed forward.

Based on the above, earnings before interest, taxation, depreciation & amortization (EBITDA), and excluding share of profit of associates, increased by 2.3 times YoY to PkR28million in 1QFY15 versus PkR12million in 1QFY14.

In sum, pretax profit of the Exchange in 1QFY15 rose by 65% Year-on-Year to PkR85.7million versus PkR52million in 1QFY14 and Profit after tax increased by 52% to reach PkR73.6million versus PkR48.6million last year in the first quarter. The Exchange achieved earnings per share of PkR0.09 in 1QFY15 versus PkR0.06 in 1QFY14.

MARKET DYNAMICS & OUTLOOK

The financial performance of the Exchange is significantly driven by trading and listing revenue which, in turn, are themselves a function of macro economic and political environment. In 1QFY15, both the macro factors displayed elevated levels of uncertainty thus negatively impacting the Exchange's financial performance. Unless this overarching uncertainty reduces, investor interest in the capital market is likely to remain relatively subdued as against a normal operating environment. Further, as noted before, recent changes in capital gains tax regime as well as imposition of tax on bonus shares have negatively impacted investors' behavior and dampened enthusiasm in the stock market. The positive impact of continued healthy earnings performance of listed companies has thus been blunted by the above-noted negative developments.

Despite the above, the inherent strength of the stock market can be gauged by the fact that KSE-100 Index, after the initial shock of political uncertainty in mid August, which led to a 10% decrease to 27,774 level from its all time peak of 30,475 in July 24, 2014, recovered back to 29,726 level by September 30, 2014.

Going forward, the sharp fall in global oil prices by around 15% between June 30, 2014 and September 30, 2014 and continuing to remain under downward pressure, is likely to create opposing tensions within different sectors of the stock market. While some sectors may witness margin squeeze, others may experience improved margins. At the same time, lower oil price should be positive for the trade account and curtail the trade gap that showed deterioration in 1QFY15.

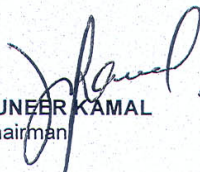
From policy perspective, forex reserves are likely to be stable along with the Rupee. Further, if inflationary pressures remain subdued, interest rate hike is not likely to be on the cards in the near term which, in turn, would be positive for equities.


ACKNOWLEDGEMENT

The Board wishes to express its gratitude to State Bank of Pakistan, members and other stakeholders for their continued commitment and support to KSE and the capital markets. The Board is also grateful to Securities and Exchange Commission of Pakistan, Federal Board of Revenue and the Ministry of Finance, Revenue & Economic Affairs, Government of Pakistan, for their active support and guidance to KSE at all times.

Furthermore, the Board would like to thank all Committee members for their guidance and support. The Board acknowledges and appreciates the professional expertise, diligence and dedication of all KSE staff members who were instrumental in achieving the desired milestones during the period.

For and on behalf of the Board of Directors


MUNEER KAMAL
Chairman


NADEEM NAQVI
Managing Director

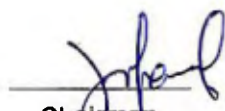
Karachi
October 27, 2014

KARACHI STOCK EXCHANGE LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014

		September 30, 2014 (Un-audited)	June 30, 2014 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	3,453,960	3,480,698
Intangibles	5	81,507	85,044
Investment property		680,729	680,729
Investment in associates	6	1,218,156	1,166,771
Long term investments	7	2,029,801	1,850,471
Long term deposits		37,209	37,184
Long term loans		808	835
Deferred tax asset		55,643	62,850
		7,557,813	7,364,582
CURRENT ASSETS			
Trade Debts		93,470	27,127
Loans and advances		17,207	13,699
Prepayments		21,304	9,665
Other receivables		110,730	106,721
Short term investments		-	162,286
Taxation – net		435,418	436,989
Cash and bank balances	8	2,663,720	4,015,160
		3,341,849	4,771,647
TOTAL ASSETS		10,899,662	12,136,229
EQUITY AND LIABILITIES			
Share Capital		8,014,766	8,014,766
Reserves		134,411	60,764
Total equity		8,149,177	8,075,530
NON-CURRENT LIABILITIES			
Deferred liability – Agent Welfare Fund		1,322	1,319
Dara F. Dastoor Scholarship Fund		2,000	2,000
Long term deposits		46,803	39,003
		50,125	42,322
CURRENT LIABILITIES			
Provision for wealth tax		1,684	1,684
Deposits from members against exposures and losses		2,073,392	3,573,591
Trade and other payables		625,284	443,102
		2,700,360	4,018,377
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	9	10,899,662	12,136,229

The annexed notes from 1 to 18 form an integral part of these financial statements.




Chairman


Managing Director

KARACHI STOCK EXCHANGE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014
(UN-AUDITED)

		Quarter Ended	
		September 30,	September 30,
	Note	2014	2013
		----- (Rupees in '000) -----	
Revenue			
Listing fee	10	52,850	54,342
Income from exchange operations	11	61,887	59,066
Management fee		41,125	21,993
Mark-up / interest income		101,193	81,797
Rental income from investment property		12,641	11,522
		269,696	228,720
Operating cost			
Administrative expenses	12	(199,168)	(193,408)
Financial and other charges		(38,364)	(32,140)
		(237,532)	(225,548)
Operating profit		32,164	3,172
Other income		2,200	3,286
Share of profit from associates	6	51,385	45,618
Profit before taxation		85,749	52,076
Taxation	13	(12,102)	(3,495)
Profit after taxation		73,647	48,581
----- (Rupees) -----			
Basic and diluted earnings per share	14	0.09	0.06

The annexed notes from 1 to 18 form an integral part of these financial statements.


Chairman


Managing Director

KARACHI STOCK EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014
(UN-AUDITED)

	Quarter Ended	
	September 30, 2014	September 30, 2013
Note	(Rupees in '000)	
Net profit for the period	73,647	48,581
Other comprehensive income / (loss)		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive (loss) / income from associates' in respect of surplus / (deficit) on revaluation of available-for-sale investments	6	818
Total comprehensive income for the period	<u>73,647</u>	<u>49,399</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.




Chairman


Managing Director

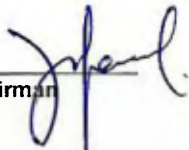
KARACHI STOCK EXCHANGE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014
(UN-AUDITED)

	September 30, 2014 ----- (Rupees in '000) -----	September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	85,749	52,076
Non-cash adjustments to reconcile income before tax to net cash flows		
Depreciation on tangible assets	46,298	42,666
Amortisation of intangibles	12,274	14,113
Provision for gratuity	3,435	3,513
Mark-up / interest income	(101,193)	(81,797)
Discount on PIBs	(2,936)	-
Loss on disposal of fixed assets	346	60
Reversal of provision against receivables on recovery	-	(484)
Share of profit from associates	(51,385)	(45,618)
	(93,161)	(67,547)
	(7,412)	(15,471)
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade Debts	(66,343)	(32,125)
Loans and advances	(3,508)	(3,455)
Prepayments	(11,639)	(6,596)
Other receivables	(3,561)	25,572
	(85,051)	(16,604)
(Decrease) / Increase in current liabilities		
Deposits from members against exposures and losses	(1,500,199)	(823,106)
Trade and other payables	178,748	129,885
	(1,413,914)	(725,296)
Gratuity paid	-	(13,919)
Income tax paid	(3,325)	(3,331)
Increase in Dara F. Dastoor Scholarship Fund	-	40
Increase in deferred liability	3	3
Increase / (Decrease) in long term deposits	7,800	(13,975)
Mark-up / interest received	141,411	87,881
	145,889	56,699
Net cash utilised in operations	(1,268,025)	(668,597)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(11,572)	(9,085)
Capital work-in-progress	(17,455)	(1,407)
Proceeds from sale of fixed assets	300	159
Investments sold	157,179	1,367,116
Investments purchased	(211,869)	(1,340,936)
Increase in long term deposits	(25)	-
Decrease in long term loans	27	433
Net cash (utilised in) / generated from investing activities	(83,415)	16,280
Net decrease in cash and cash equivalents	(1,351,440)	(652,317)
Cash and cash equivalents at the beginning of the period	4,015,160	2,842,524
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,663,720	2,190,207

The annexed notes from 1 to 18 form an integral part of these financial statements.



Chairman




Managing Director

KARACHI STOCK EXCHANGE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014
(UN-AUDITED)

	Reserves				Total
	Share Capital	General Reserves	Un-appropriated profit / (loss)	Share of Associates' Reserves	
	(Rupees in '000)				
Balance as at July 1, 2013	8,014,766	-	66,785	(3,297)	8,078,254
Profit for the for the three months period	-	-	48,581	-	48,581
Other comprehensive income	-	-	-	818	818
Total comprehensive income	-	-	48,581	818	49,399
Balance as at September 30, 2013	8,014,766	-	115,366	(2,479)	8,127,653
Balance as at July 1, 2014	8,014,766	-	72,974	(12,210)	8,075,530
Profit for the for the three months period	-	-	73,647	-	73,647
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	73,647	-	73,647
Balance as at September 30, 2014	8,014,766	-	146,621	(12,210)	8,149,177

The annexed notes from 1 to 18 form an integral part of these financial statements.

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Chairman

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Managing Director

KARACHI STOCK EXCHANGE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF OPERATIONS

Karachi Stock Exchange Limited (the Company or KSE) was incorporated under the Companies Act, 1913 on March 10, 1949 as a Company Limited by Guarantee. However, on August 27, 2012 the Company was re-registered as public company limited by shares under the Stock Exchanges (Corporatisation, Demutualisation and Integration) Act 2012 (XV of 2012).

The Company is engaged in conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, modaraba certificates, stocks, bonds, debentures stock, government papers, loans, and any other instruments and securities of like nature including, but not limited to, special national fund bonds, bearer national fund bonds, foreign exchange bearer certificates and documents of similar nature, issued by the Government of Pakistan or any other agency authorised by the Government of Pakistan.

The registered office of the Company is situated at Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the three months ended September 30, 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim financial Reporting" and provisions of the Companies Ordinance, 1984 and directives issued by the SECP. Wherever the requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.
- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

3. ACCOUNTING POLICIES

- 3.1** The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

- IAS 19 – Employee Benefits –(Revised)
- IFRS 7 – Financial Instruments : Disclosures – (Amendment)
 - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Improvements to Accounting Standards Issued by the IASB

- IAS 1 – Presentation of Financial Statements – Clarification of the requirements for comparative information
- IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment
- IAS 32 – Financial Instruments : Presentation – Tax Effects of Distribution to Holders of Equity Instruments
- IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

	Note	September 30, 2014 (Un-audited) ----- (Rupees in '000) -----	June 30, 2014 (Audited)
4. PROPERTY AND EQUIPMENT			
Operating fixed assets - Tangible	4.1	3,388,459	3,427,995
Capital work-in-progress	4.2	65,501	52,703
		<u>3,453,960</u>	<u>3,480,698</u>

4.1 Operating fixed assets - Tangible

	For the Quarter Ended September 30, 2014 (Un-audited)		For the Year Ended June 30, 2014 (Audited)	
	Additions (Cost)	Deletions (Cost)	Additions/ Transfers (Cost)	Deletions/ Transfers (Cost)
	----- (Rupees in '000') -----			
Building on leasehold land	915	-	839	
Lift, generators and electric installation	3,957	1,371	45,609	3,394
Furniture and fixtures	76	-	450	68
Office equipment	2,179	-	2,184	6
Computers and related accessories	365	-	25,884	1,456
Vehicles	-	89	1,321	2,415
	<u>7,492</u>	<u>1,460</u>	<u>76,287</u>	<u>7,339</u>

4.1.1 Additions during the period includes Rs. 5.983 million transferred from capital work-in-progress.

	Note	September 30, 2014 (Un-audited) ----- (Rupees in '000) -----	June 30, 2014 (Audited)
4.2 Capital work-in-progress			
Advances against:			
- Computer hardware		243	-
- Construction of Building		61,287	48,714
- Vehicle		3,971	-
- Office Equipment		-	800
- Civil Works		-	221
- Lift, generator and electric installation		-	2,968
		<u>65,501</u>	<u>52,703</u>

5. INTANGIBLES

Operating intangibles	5.1	63,252	71,446
Intangibles under development	5.2	18,255	13,598
		<u>81,507</u>	<u>85,044</u>

5.1 Operating Intangibles

Opening balance - cost		406,628	381,034
Additions during the period			
Computer software acquired		-	1,284
Internally developed software		4,080	24,310
	5.1.1	<u>4,080</u>	<u>25,594</u>
		410,708	406,628
Less: Accumulated Depreciation		<u>(347,456)</u>	<u>(335,182)</u>
		<u>63,252</u>	<u>71,446</u>

5.1.1 Additions during the period includes Rs. 3.140 million transferred from capital work-in-progress.

	Note	September 30, 2014 (Un-audited) ----- (Rupees in '000) -----	June 30, 2014 (Audited)
5.2 Intangibles under development			
Internally developed software		5,701	6,044
Internally developed market products		6,554	6,554
Computer software		<u>16,150</u>	<u>11,150</u>
		28,405	23,748
Provision for impairment		<u>(10,150)</u>	<u>(10,150)</u>
		<u>18,255</u>	<u>13,598</u>

6. INVESTMENT IN ASSOCIATES - under equity method of accounting

	September 30, 2014 (Un-Audited)		June 30, 2014 (Audited)	
	Central Depository Company of Pakistan	National Clearing Company of Pakistan	Total	Total
	(Rupees in '000)			
Opening Balance	935,754	231,017	1,166,771	1,086,313
Share of profit for the period	39,923	11,462	51,385	172,314
Deficit/(Surplus) on revaluation of associates' available-for-sale investments	-	-	-	(1,829)
Dividend received during the period	-	-	-	(3,032)
Closing balance	975,677	242,479	1,218,156	(86,995)
			September 30, 2014 (Un-audited)	June 30, 2014 (Audited)
		Note	(Rupees in '000)	

7. LONG TERM INVESTMENTS

Available for sale - unquoted

JCR VIS Credit Rating Company Limited, a related party
250,000 (June 30, 2014: 250,000) Ordinary shares of Rs. 10 each, representing 12.50% (June 30, 2014: 12.50%) shareholding.

2,500 2,500

Pakistan Mercantile Exchange Limited (PMEX), a related party
- 3,636,356 (June 30, 2014: 3,636,356) Ordinary shares of Rs. 10 each, representing 19.14% (June 30, 2014: 19.14%) shareholding.

22,091 22,091

- Advance against further issue of shares

7.1

52,727 52,727

74,818 74,818

Held to maturity

Pakistan Investment Bonds (PIBs)

1,952,483 1,773,153

2,029,801 1,850,471

- 7.1 KSE in addition to existing investment of Rs. 22.091 million for 3,636,356 Ordinary shares of Rs. 10 each, representing 19.14% made a further investment of Rs.52.727 million in Pakistan Mercantile Exchange Limited (PMEX) by accepting the offer of 145% right issue of PMEX and accordingly subscribing to 5,272,704 ordinary shares of Rs.10 each at par, which shall rank *pari passu* with existing ordinary shares of PMEX in all respects as approved under special resolution passed at KSE's Extra Ordinary General Meeting held on March 25, 2014.

As of the quarter ended September 30, 2014, the process of allotment of shares by PMEX was not completed and therefore, the subscription paid by the Company is disclosed as 'Advance against further issue of shares'. The cumulative shareholding of the Company in PMEX after taking into account the latest right issue, subject to the completion of allotment of shares, will be 32.32%.

As per the Un-audited financial statements of PMEX duly approved by the Board for the three months period ended September 30, 2014, the total comprehensive loss for the said period is Rs. 4.834 (2013: Rs. 8.784) million and accumulated loss as at September 30, 2014 is Rs. 417.583 (June 30, 2014: Rs. 412.749) million.

8. CASH AND BANK BALANCES

In hand		190	59
With banks on			
Current accounts	8.1& 8.3	104	104
PLS accounts in:			
foreign currency		57,065	48,519
local currency	8.1 to 8.5	2,606,361	3,966,478
		2,663,720	4,015,160

- 8.1 Included in 'current accounts' and 'PLS accounts' are Rs.0.06 (June 30, 2014: Rs.0.06) million and Rs.2,073.392 (June 30, 2014: Rs.3,573.531) million, respectively, aggregating to Rs. 2,073.452 (June 30, 2014: Rs.3,573.591) million, representing deposits from members against exposures and losses. These deposits are utilised by the Company in the event of default of members to recover losses there from, as provided for in the relevant regulations of the Company. Rate of return on PLS accounts varies from 5.40 % to 8.75 % (June 30, 2014: 3.50 % to 8.75 %). However, the effective rate for the period is 8.25% (June 30, 2014: 7.97%).

- 8.2 Included herein are funds earmarked by the Company against the outstanding balance in the Dara F. Dastoor Scholarship Fund, amounting to Rs.2.0581 (June 30, 2014: Rs.2.152) million.
- 8.3 Included herein are balances, aggregating to Rs.8.402 (June 30, 2014: Rs. 9.326) million, deposited with the Company by members and an ex-member with respect to certain arbitration cases pending settlement.
- 8.4 Included herein is Rs 274.616 (June 30, 2014: Rs 258.242) million held by the Company on account of disposal of membership cards of defaulting / expelled members.
- 8.5 Included herein Rs. 60.689 and 344.536 (June 30, 2014: Rs. 111.050 and 244.222) million deposited with KASB Bank Limited and Barclays Bank PLC, Pakistan (related parties) respectively.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- 9.1.1 There were no change in the status of contingencies, except as mentioned in note 9.1.2, as reported in notes 26.1 to 26.20 to the annual financial statements of the Company for the year ended June 30, 2014.
- 9.1.2 As disclosed in note 26.3 to the financial statements for the year ended June 30, 2014, the said appeal was fixed on September 30, 2014 in the Honourable High Court when the legal counsel of the Commercial Bank moved an application for withdrawal of the appeal. The court allowed the said withdrawal application and consequently the subject appeal has been disposed off.

9.2 Commitments

9.2.1 Capital expenditure

Aggregate commitments for capital expenditure at the end of the period were Rs. 59.266 (June 30, 2014: Rs. 63.667) million.

Quarter Ended	
September 30, 2014	September 30, 2013
----- (Rupees in '000) -----	
----- (Un-audited) -----	

10. LISTING FEE

Annual fees
Initial fees

42,603	39,573
10,247	14,769
<u>52,850</u>	<u>54,342</u>

Quarter Ended	
September 30, 2014	September 30, 2013
----- (Rupees in '000) -----	
----- (Un-audited) -----	

11. INCOME FROM EXCHANGE OPERATIONS

Trading fee
Facilities and equipment fee
Income from non-trading facilities
Membership fee
Other fee

36,930	40,888
10,761	11,902
9,608	5,001
495	492
4,093	783
<u>61,887</u>	<u>59,066</u>

APK

	Quarter Ended	
	September 30,	September 30,
	2014	2013
	----- (Rupees in '000) -----	
Note	----- (Un-audited) -----	

12. ADMINISTRATIVE EXPENSES

Salaries and other benefits	89,582	82,327
Rent, rates and taxes	222	324
Fuel and power	17,376	13,338
Repairs and maintenance	6,897	4,713
Computer maintenance and related expenses	3,726	17,516
Insurance	2,419	1,953
Telephone, courier and postage	736	860
Printing and stationery	1,659	2,273
Donations	-	400
Audit fee	356	274
Legal and professional charges	4,910	2,009
Depreciation - operating fixed assets	46,298	42,666
Amortisation of intangibles	12,274	14,113
Travelling and conveyance	693	641
Entertainment expenses	955	1,396
Reception meetings and functions	3,470	3,111
Advertisement, marketing and development	2,041	1,399
Security expenses	3,292	2,917
Subscription fee	1,108	672
SECP supervision fee	529	-
Loss on sale of property and equipment	346	60
Other expenses	279	446
	<u>199,168</u>	<u>193,408</u>

12.1 Included herein a sum of Rs. 3,435 (September 30, 2013: Rs. 3,513) in respect of retirement benefits.

	Quarter Ended	
	September 30,	September 30,
	2014	2013
	----- (Rupees in '000) -----	
Note	----- (Un-audited) -----	

13. TAXATION

Current	4,896	1,137
Deferred	7,206	2,358
	<u>12,102</u>	<u>3,495</u>

14. BASIC AND DILUTED EARNINGS PER SHARE

	----- (Rupees in '000) -----	
Profit after taxation	<u>73,647</u>	<u>48,581</u>
	(Numbers in '000)	
Weighted average number of ordinary shares outstanding during the period	<u>801,476</u>	<u>800,015</u>
	----- (Rupees) -----	
Basic and diluted earnings per share	<u>0.09</u>	<u>0.06</u>

15. RELATED PARTY TRANSACTIONS

The related parties comprise of associates, companies with common directorship, staff gratuity fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

Following are the details of transactions with related parties during the Quarter ended 30 September 2014 and 30 September 2013:

	Quarter Ended	
	September 30, 2014	September 30, 2013
	----- (Rupees in '000) -----	
	----- (Un-audited) -----	
Management fee		
KSE Clearing House Protection Fund	37,272	17,459
KSE investors Protection Fund	3,853	4,534
	<u>41,125</u>	<u>21,993</u>
Income from investment property		
Central Depository Company of Pakistan (CDC)	1,382	1,256
National Clearing Company of Pakistan Limited (NCCPL)	3,194	2,904
	<u>4,576</u>	<u>4,160</u>
Income from margin trading system - NCCPL	<u>4,887</u>	<u>3,912</u>
CDC Fee	<u>420</u>	<u>219</u>
Trading fees		
Aba Ali Habib Securities (Private) Limited	1,146	1,289
Adam Securities (Private) Limited	1,839	1,382
Lakhani Securities (Private) Limited	38	61
Topline Securities (Private) Limited	433	443
	<u>3,456</u>	<u>3,175</u>
Facilities and equipment fees		
Aba Ali Habib Securities (Private) Limited	357	306
Adam Securities (Private) Limited	1,026	764
Lakhani Securities (Private) Limited	12	12
Topline Securities (Private) Limited	224	220
	<u>1,619</u>	<u>1,302</u>
Profit on PLS account		
Barclays Bank PLC, Pakistan	5,702	4,785
KASB Bank Limited	5,061	1,833
	<u>10,763</u>	<u>6,618</u>
Listing fees		
National Bank of Pakistan	898	840
Tri-Pack Films Limited	485	470
Thal Limited	585	561
Descon Oxychem Limited	274	256
KASB Bank Limited	424	434
Engro Corporation Limited	-	725
Engro Polymer & Chemicals Limited	-	515
	<u>2,666</u>	<u>3,801</u>
Retirement benefit plan		
Payment made to gratuity fund during the period	-	13,919

16. NON - ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The shareholders of the Company approved the final cash dividend at the rate of 1.5% (2013: 1.25%) i.e. Rs. 0.15 (2013: Rs. 0.125) per share, for the financial year ended June 30, 2014, amounting to Rs. 120.221 (2013: Rs. 100.185) million in Annual General Meeting held on October 20, 2014.

17. DATE OF AUTHORISATION FOR ISSUE**27 OCT 2014**

These condensed interim financial statements have been authorised for issue on _____ by the Board of Directors of the Company.

18. GENERAL

18.1 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, there are no material reclassifications to report.

18.2 Figures have been rounded off to the nearest thousand rupees.


Chairman
Managing Director