



**Interim Financial Statements
(Un-Audited)**

For the Quarter Ended March 31, 2013



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COMPANY INFORMATION

Board of Directors:

Syed Asghar Ali Shah - Chairman
Nadir Rahman - Chief Executive Officer
Saeed Yousuf Chinoy
Irfan Nadeem
Salman Naqvi
Mahmood Ali Shah Bukhari
Asad Mustafa Shafqat - Chief Financial Officer

Audit Committee:

Saeed Yousuf Chinoy - Chairman
Syed Asghar Ali Shah
Irfan Nadeem
Zia-ul-Haq - Secretary

Company Secretary:

Zia-ul-Haq

Auditors:

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
Karachi, Pakistan

Bankers:

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Legal Advisor:

Bawaney & Partners
Advocates & Investment &
Corporate Advisers
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Karachi, Pakistan
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E-mail: bawaney@cyber.net.pk

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Ph : (92-21) 111-222-000
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E-mail: kasbho@kasb.com

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Fax: (92-21) 34980761
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Multan

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Fax: (92-91) 5273683
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Rahim Yar Khan

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Ph: (92-68) 5873252 and 5873254
Fax: (92-68) 5873251
E-mail: rahimyarkhan@kasb.com

Website:

www.kasb.com

Share Registrar:

THK Associates (Private) Limited
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DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of KASB Securities Limited, I am pleased to present the unaudited standalone and consolidated financial statements of the Company, and review for the quarter ended March 31, 2013.

Economic Review

The first quarter of 2013 has been dominated by concerns over the upcoming general elections. Economic reforms were limited to stop gap measures including amnesty schemes for different sectors. Consumer Price Index readings during the period continued on the softer side, growing at an average of 7.4% compared to the same period in 2012, allowing the State Bank of Pakistan (SBP) to maintain the discount rate at 9.5%, despite growing external account pressures and expectations that inflation would rebound in the latter half of the calendar year. Core inflation stickiness also remained a concern, with core inflation averaging 9.5% for the quarter. On the external front, the current account deficit worsened during the quarter, growing by US\$ 1.22 billion as compared to US\$ 0.16 billion in the previous quarter. In addition, the country repaid US\$ 630 million to IMF during the quarter. As a result, the total reserves dipped from US\$ 13.9 billion in December 2012 to US\$ 12.2 billion in March 2013, of which the SBP held only US\$ 7.1 billion.

Equity Market Review

The KSE-100 enjoyed a fruitful first quarter of the year as the benchmark index climbed 6.7%, with the base set by two positive monthly closings for January (a gain of 2% from December 2012) and February (a gain of 5.4% from January 2013). Average daily volumes over the quarter touched 136 million shares, down 20% from the last quarter of 2012. Interest from foreign investors remained robust with Foreign Portfolio Inflows (FPI) touching US\$ 70 million over three months, lifting domestic sentiments. Although the government successfully concluded its five-year mandate, the delay in appointment of the caretaker Prime Minister and his cabinet restricted market performance during March, resulting in a loss of 0.7% from February 2013.

Debt and Currency Market Review

Money market conditions remained tight during the quarter, with the SBP continuing to support the market via weekly liquidity injections. Following the reduction in the interest rate corridor mandated by the SBP to 250 basis points from the earlier 300 basis points, the interest rate in the money market inched up by 25 basis points and is now hovering close to the benchmark discount rate (9.5%). T-bill auction patterns also reflect expectations of monetary tightening in the near-term, with the majority of participation skewed towards shorter tenors. The Pak rupee lost another 1.33% against the US dollar to close the quarter at PKR 98.44. The pressure on the currency emanated mainly from the IMF repayment made during the quarter, which continued to take a toll on the foreign exchange reserves position. The market's concerns were exacerbated by the delay in signing a fresh loan program with the IMF, as the outgoing government handed the task over to the caretaker government.

Operating and Financial Performance

The company remains focused on building market share. This has resulted in KSL being named the Best Broker for 2012 by PMEX and consistently ranking in the top 2 brokers on the weekly PMEX rankings. The higher volumes in the equity market compared to Management's expectations have also resulted in growth in earnings compared to the first quarter of 2013.

The company is also pleased to announce that it has been serving as Purchase Agent in the largest delisting transaction seen in the Pakistani equity markets.

Details of financial performance for the quarter are as follows:

	QUARTER ENDED MARCH 31,	
	2013 PKR mn	2012 PKR mn
Operating revenue	86.90	75.50
Mark-up / profit on bank deposits, investments and other receivables	7.84	9.67
Gain on Sale of Investments-net	3.69	11.38
Dividend Income	0.37	0.09
Unrealized gain on investments	3.19	2.87
Other Income	2.22	2.00
Total Income	104.21	101.51
Operating and Admin Expenses	(85.62)	(76.91)
Financial Cost	(1.65)	(7.45)
Total Expenses	(87.27)	(84.36)
Net Profit (before provision)	16.94	17.15
Reversal of provision	-	10.90
Taxation	(5.27)	(2.34)
Net Profit after tax	11.67	25.71

Future Outlook

Going forward, the company persists with efforts to build client base. Focus remains dedicated on existing branches acquiring new clients and opening new branches in relatively unexplored cities in Pakistan with sizeable potential. At the same time, the company is exploring options for inorganic growth within Pakistan and the region via strategic acquisitions.

While the political and economic situation is currently overshadowed by concerns over the upcoming general elections, the Management expects greater stability during the rest of the year after the elections, leading to greater market activity and increased revenues.

Acknowledgement

The Directors wish to record their gratitude to the Company's valued clients, shareholders, business partners and other stakeholders for their continued trust that they have reposed in the Company. The Board would also like to record their appreciation to the employees of the Company for their commitment and dedication.

On behalf of the Board of Directors



Syed Asghar Ali Shah
Chairman

Karachi: April 24, 2013

INTERIM CONDENSED BALANCE SHEET AS AT MARCH 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
ASSETS			
Non-current assets			
Property and equipment	4	35,990	35,838
Intangible assets	5	12,588	12,736
Investment properties		7,260	7,429
Long-term investments	6	856,046	866,372
Long-term loans and advances		2,597	1,448
Long-term deposits and prepayments		3,616	3,616
Long-term receivable	7	23,480	23,480
Deferred tax asset - net		49,867	53,538
		991,444	1,004,457
Current assets			
Short-term investments	8	247,025	175,978
Trade debts	9	461,701	298,133
Advances, deposits, prepayments and other receivables		125,145	147,078
Taxation - net		22,392	18,278
Cash and bank balances	10	27,683	363,088
		883,946	1,002,555
TOTAL ASSETS		1,875,390	2,007,012
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		1,000,000	1,000,000
General reserve		18,752	18,752
Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net		129,795	140,121
Unappropriated profit		26,352	14,679
		1,174,899	1,173,552
Current liabilities			
Trade and other payables		700,362	580,748
Short-term running finance	11	103	-
Short-term borrowing		-	250,000
Accrued mark-up		26	2,712
		700,491	833,460
TOTAL EQUITY AND LIABILITIES		1,875,390	2,007,012
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The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

	Note	Quarter ended March 31,	
		2013	2012
..... (Rupees in '000)			
Operating revenue	13	86,898	75,497
Net gain on investments 'at fair value through profit and loss'			
Net gain on sale of equity investments		3,693	11,379
Net unrealised gain on re-measurement of investments		3,193	2,876
		6,886	14,255
Dividend income		368	94
Mark-up / profit on bank deposits, investments and other receivables	14	7,835	9,668
		101,987	99,514
Operating and administrative expenses		(85,620)	(76,905)
Reversal of provision against doubtful debts		-	10,904
		(85,620)	(66,001)
Operating profit		16,367	33,513
Finance cost		(1,651)	(7,455)
		14,716	26,058
Other income		2,229	1,995
Profit before taxation		16,945	28,053
Taxation			
Current - for the period		(1,601)	(2,447)
Deferred		(3,671)	102
		(5,272)	(2,345)
Profit after taxation		11,673	25,708
Other comprehensive income:			
Net unrealised (loss) / gain arising during the period on re-measurement of 'available-for-sale' investments - net		(10,326)	40,314
Other comprehensive (loss) / income for the period		(10,326)	40,314
Total comprehensive income for the period		1,347	66,022
..... (Rupees)			
Earnings per share - basic		0.12	0.26

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

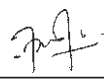
INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2013

Note	Quarter ended March 31,	
	2013	2012
 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,945	28,053
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	2,324	2,134
Amortisation	148	213
Gain on sale of investments - net	(3,693)	(11,379)
Gain on sale of property and equipment	(3)	(14)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	(3,193)	(2,876)
Reversal of provision against doubtful debts	-	(10,904)
Finance cost	1,651	7,455
Dividend income	(368)	(94)
	(3,134)	(15,465)
	13,811	12,588
Working capital adjustments: (Increase) / decrease in assets		
Trade debts	(163,568)	(934,899)
Advances, deposits, prepayments and other receivables	22,245	(119,540)
	(141,323)	(1,054,439)
Increase in current liabilities		
Trade and other payables	119,614	964,305
	(7,898)	(77,546)
Finance cost paid	(4,337)	(2,649)
Income tax paid	(5,715)	(5,246)
	(17,950)	(85,441)
	(17,950)	(85,441)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(64,161)	4,524
Purchase of property and equipment	(2,342)	(1,018)
Proceeds from disposal of property and equipment	38	72
Dividend received	56	76
	(66,409)	3,654
	(66,409)	3,654
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(1,149)	(59)
Long-term deposits and prepayments	-	(84)
Short-term running finance	103	-
Repayment of short-term borrowing	(250,000)	-
Short-term borrowing (Repo)	-	46,655
Long-term receivable	-	(21,760)
	(251,046)	24,752
	(251,046)	24,752
Net decrease in cash and cash equivalents		
	(335,405)	(57,035)
Cash and cash equivalents at the beginning of the period	363,088	142,308
Cash and cash equivalents at the end of the period	10 27,683	85,273

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

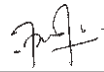
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

	Share capital	General reserve	Unappropriated profit / (accumulated loss)	Unrealised gain / (loss) on remeasurement of 'available-for-sale' investments to fair value - net	Total
..... (Rupees in '000)					
Balance as at January 01, 2012	1,000,000	18,752	(116,717)	88,229	990,264
Total comprehensive income for the period	-	-	25,708	40,314	66,022
Balance as at March 31, 2012	1,000,000	18,752	(91,009)	128,543	1,056,286
Total comprehensive income for the period	-	-	105,688	11,578	117,266
Balance as at December 31, 2012	1,000,000	18,752	14,679	140,121	1,173,552
Total comprehensive income for the period	-	-	11,673	(10,326)	1,347
Balance as at March 31, 2013	<u>1,000,000</u>	<u>18,752</u>	<u>26,352</u>	<u>129,795</u>	<u>1,174,899</u>

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2013

1. STATUS AND NATURE OF BUSINESS

- 1.1 KASB Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a scheme of arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Karachi Stock Exchange Limited (KSE) [formerly: Karachi Stock Exchange (Guarantee) Limited]. The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Company is a subsidiary of KASB Bank Limited (the Parent company) which holds 77.12% of the shares of the Company. The ultimate parent of the Group is KASB Finance (Private) Limited.
- 1.3 The Company has corporate membership of the KSE and Pakistan Mercantile Exchange Limited (PMEL) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.
- 1.4 These are separate interim condensed financial statements of the Company in which investment in subsidiary is reported on the basis of direct equity interest and is not consolidated.

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company for the quarter ended March 31, 2013 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.

The disclosures made in these interim condensed financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2012.

These interim condensed financial statements are un-audited.

3. ACCOUNTING POLICIES

The accounting policies adopted for the purpose of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2012 except as follows:

The Company has adopted the following new amended IAS and IFRS which became effective during the period:

- IFRS 7 - Financial Instruments : Disclosures – (Amendments)
 - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
- IAS 19 - Employee Benefits - (Revised)

The adoption of the above amendments did not have any effect on the interim condensed financial statements.

4. PROPERTY AND EQUIPMENT

The details of additions and disposals during the period are as follows:

	Quarter ended (Un-audited)			
	March 31, 2013		March 31, 2012	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000')			
Computers and office equipment	957	228	669	1,327
Furniture and fixtures	42	-	349	-
Motor vehicles - owned	1,343	-	-	-
	<u>2,342</u>	<u>228</u>	<u>1,018</u>	<u>1,327</u>

	Note	(Un-audited)	(Audited)
		March 31, 2013	December 31, 2012
		(Rupees in '000)	
5. INTANGIBLE ASSETS			
Written down value of:			
- Membership card of KSE	5.1	4,945	4,945
- Membership card of PMEL		500	500
- Rooms at KSE		5,804	5,804
- Booths at KSE		950	950
- Computer software		389	537
		<u>12,588</u>	<u>12,736</u>

5.1 In accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the Company has received equity shares of KSE and a trading right entitlement (TRE) in lieu of its membership card of KSE. The Company's entitlement in respect of KSE's shares is determined on the basis of valuation of assets and liabilities of KSE as approved by the SECP and the Company has been allotted 4,007,383 shares of the face value of Rs 10/- each, out of which 2,404,430 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization. The allocation of the carrying value of the composite asset (KSE shares and TRE) will be made in due course based on the recommendation of the professional Standards and Technical Committee of the Institute of Chartered Accountants of Pakistan.

6. LONG-TERM INVESTMENTS

Subsidiary company		488,581	488,581
'Available-for-sale' investments	6.1	367,465	377,791
		<u>856,046</u>	<u>866,372</u>

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
6.1 Description of 'available-for-sale' investments			
Name of the entity			
Quoted shares			
KASB Bank Limited - (Parent company)	6.1.1	37,930	48,256
Unquoted shares			
Al Jomaih Power Limited		297,906	297,906
New Horizon Exploration & Production Limited - (Related Party)			
-Class 'A' ordinary shares		31,629	31,629
		<u>367,465</u>	<u>377,791</u>

6.1.1 These shares have been blocked by the Central Depository Company of Pakistan Limited in compliance with BPRD Circular No.4 dated May 22, 2008 issued by the State Bank of Pakistan. No activity (including pledge and withdrawal) in these shares is allowed without prior written permission of the State Bank of Pakistan.

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
7. LONG-TERM RECEIVABLE			
Receivable from client	7.1	66,468	79,268
Less: current maturity shown in current assets		(29,000)	(41,800)
		37,468	37,468
Less: provision against long-term receivable		(13,988)	(13,988)
		<u>23,480</u>	<u>23,480</u>

7.1 On February 01, 2011, the Company has entered into a settlement agreement with three customers in respect of their liabilities owed to the Company, amounting to Rs. 99,638 million (as of the date of the agreement) in respect of the securities transactions undertaken by them through the Company.

Under the agreement, the obligations of these three customers have been taken over by another customer, who has agreed to pay an aggregate sum of Rs. 99,638 million to the Company along with the mark-up at the rate used in (three months) KIBOR ask rate plus 3.28% per annum, in monthly installments over a period up to January 2015. In accordance with the terms of the agreement, the customer was required to pay principal of Rs. 15.60 million and mark-up of Rs. 4.40 million aggregating to Rs. 20 million by the quarter ended March 31, 2013 (December 31, 2012: Rs. 23,417 million). Against the said amount, the Company has received an aggregate amount of Rs. principal of Rs. 16.5 million (December 31, 2012: Rs. 17.70 million). Subsequent to the quarter end, the Company has received Rs. 3.50 million from the customer. However, as a matter of prudence, the Company has retained provision to the extent of Rs. 13.98 million after considering the market value of securities held by the Company in respect of the said account.

The above receivable is secured against marketable securities of the customers, held by the Company. The market value of such securities as at quarter ended March 31, 2013 was Rs. 101.46 million (December 31, 2012: Rs. 117.67 million).

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
8. SHORT-TERM INVESTMENTS			
'At fair value through profit or loss' - held for trading			
Open end mutual funds units	8.1	216,997	163,428
Listed shares	8.2	6,829	-
Term finance certificates		23,199	12,550
		247,025	175,978

8.1 This includes investment in mutual fund units of a related party amounting to Rs. 73.753 million (December 31, 2012: Rs. 72.315 million). Further Mutual Fund Units valued at Rs. 216.650 million (December 31, 2012: 160.727) are pledged with KSE against exposure margin.

8.2 This includes shares valued at Rs. 6.470 (at the rates quoted on KSE) (December 31, 2012: Rs. nil) pledged with KSE against exposure margin.

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
9. TRADE DEBTS			
Receivable against purchase of marketable securities - net of provisions	9.1	457,974	293,527
Inter-bank brokerage		1,586	2,124
Fees		2,141	2,482
		461,701	298,133

9.1 Considered good

Secured		400,685	236,446
Unsecured		416	187
		401,101	236,633
Considered doubtful		172,768	172,789
		573,869	409,422
Less: Provision for doubtful debts	9.2	(115,895)	(115,895)
		457,974	293,527

9.2 Reconciliation of provisions against trade debts

Opening balance		115,895	149,349
Reversal of provision during the period / year		-	(33,454)
		115,895	115,895

9.2.1 Provisions against doubtful debts have been made after considering the market value of listed shares amounting to Rs. 56.879 million (December 31, 2012: Rs. 56.894 million) held in custody by the Company against respective customer accounts.

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			
10. CASH AND BANK BALANCES			
Cash at bank in:			
- Current accounts		4,171	19,928
- Saving accounts	10.1	23,190	343,159
		27,361	363,087
Cash in hand		296	-
Stamps in hand		26	1
		27,683	363,088

10.1 These carry profit at the rates ranging from 1% to 8.35% (December 31, 2012: 1% to 11.25%) per annum.

11. SHORT-TERM RUNNING FINANCE

KASB Bank Limited (the parent company)	11.1	103	-
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11.1 Running finance facility of Rs. 299 million (December 31, 2012: Rs. 299 million) is available to the Company from the Parent Company. This facility is subject to mark-up at the rate of 12% (December 31, 2012: 12.70% to 14.49%) per annum during the quarter / year and is required to be secured by first ranking charge over all present and future current assets of the Company.

11.2 Further, the facilities for short-term running finances available from various other banks amounted to Rs. 750 million (December 31, 2012: Rs. 850 million) which remained unutilised as at the quarter end. These facilities are subject to mark-up at rates ranging from 12.02% to 12.46% (December 31, 2012: 12.38% to 15.14%) per annum and is required to be secured by pledge of securities for the purposes of utilisation of finance.

		(Un-audited) March 31, 2013	(Audited) December 31, 2012
..... (Rupees in '000)			

12. CONTINGENCIES AND COMMITMENTS

Contingencies

There were no material contingencies as at period / year end.

Commitments

Following commitments are outstanding as at period / year end:

- Outstanding purchases against commodities futures	7,396	-
- Outstanding sales against commodities futures	116,567	-

13. OPERATING REVENUE

Brokerage	85,319	72,851
Subscription research income	452	1,356
Financial advisory fee	570	870
Custody services	272	167
Profit on margin trading system	285	253
	86,898	75,497

14. MARK-UP / PROFIT ON BANK DEPOSITS, INVESTMENTS AND OTHER RECEIVABLES

Profit on bank deposits	4,286	5,423
Profit on term finance certificates	254	684
Profit on long-term receivable	2,940	3,561
Mark-up on receivable from related party	355	-
	<u>7,835</u>	<u>9,668</u>

15. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of KASB Bank Limited (the Parent company), associated undertakings (including companies under common directorship), employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2013 and transactions with related parties during the quarter ended March 31, 2013 are as follows:

	(Un-audited)				(Audited)	
	As at March 31, 2013				As at December 31, 2012	
	Parent company	Subsidiary / associated	Key management personnel	Others	Total	Total
	(Rupees in '000)					
BALANCES						
Long-term deposits	-	142	-	-	142	142
Trade debts	76	13	23	87	199	1,419
Other receivables	-	-	-	12,784	12,784	12,806
Prepaid rent	182	-	-	-	182	332
Profit receivable on bank deposit	579	-	-	-	579	1,059
Receivable against expenses	664	192	52	7	915	480
Bank balances	20,191	-	-	-	20,191	339,980
Trade payables	-	2	3,154	-	3,156	4,031
Short-term running finance	103	-	-	-	103	-
Short-term borrowing	-	-	-	-	-	250,000
Payable against expenses	1,793	1,876	-	-	3,669	7,410
Accrued mark-up	26	-	-	-	26	2,712
Rent payable	315	-	-	-	315	631
OFF BALANCE SHEET ITEM						
Bank guarantee	51,000	-	-	-	51,000	51,000

	(Un-audited)				(Un-audited)	
	Quarter ended March 31, 2013				Quarter ended March 31, 2012	
	Parent company	Subsidiary / associated	Key management personnel	Others	Total	Total
TRANSACTIONS						
Income						
Brokerage income earned	924	-	438	90	1,452	478
Custody services	1	33	5	-	39	22
Profit on bank deposits	3,405	-	-	-	3,405	2,050
Rent income	1,352	714	-	-	2,066	1,879
Other	-	-	-	355	355	-
Expenses						
Bank charges	1,067	-	-	-	1,067	767
Charge in respect of contributory plan	-	-	-	1,553	1,553	1,485
Communication expenses	-	1,321	-	-	1,321	2,093
Donation	-	-	-	510	510	510
Mark-up expense	478	-	-	-	478	224
Reimbursement of expenses	871	1,148	-	12	2,031	7,502
Remuneration to management personnel	-	-	22,806	-	22,806	22,432
Rent expense	151	-	-	-	151	143
Salary expense reimbursed	-	-	-	-	-	12
Service level agreement	-	-	-	-	-	617
Other transactions						
Loans disbursed	-	-	2,210	-	2,210	724
Loans repayment	-	-	1,037	-	1,037	1,307
Mutual fund's bonus units issued	-	-	-	1,362	1,362	2,824

16. DATE OF AUTHORISATION

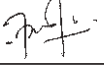
These interim condensed financial statements have been authorised for issue by the Board of Directors of the Company on April 24, 2013.

17. GENERAL

- 17.1 Corresponding figures have been rearranged and re-classified, wherever necessary, for the purpose of comparison. However, there are no material reclassification to report.
- 17.2 The Board of Directors of the Company proposed a cash dividend of Re. 0.50 per share for the year ended December 31, 2012 amounting to Rs. 50 million at its meeting held on March 15, 2013 for the approval of members at the Annual General Meeting to be held on April 24, 2013.
- 17.3 Figures have been rounded off to the nearest thousands.


 Syed Asghar Ali Shah
 Chairman


 Nadir Rahman
 Chief Executive Officer


 Asad Mustafa Shafqat
 Chief Financial Officer

**Consolidated Interim
Condensed Financial Statements**

CONSOLIDATED INTERIM CONDENSED BALANCE SHEET AS AT MARCH 31, 2013

(Un-audited) (Audited)
March 31, December 31,
2013 2012
..... (Rupees in '000).....

ASSETS

Non-current assets

Property and equipment	35,990	35,838
Intangible assets	12,588	12,736
Investment properties	382,260	382,429
Long-term investments	410,836	421,162
Long-term loans and advances	2,597	1,448
Long-term deposits and prepayments	3,616	3,616
Long-term receivable	23,480	23,480
Deferred tax asset - net	49,867	53,538
	921,234	934,247

Current assets

Short-term investments	247,025	175,978
Trade debts	461,701	298,133
Advances, deposits, prepayments and other receivables	125,165	147,078
Taxation - net	22,548	18,430
Cash and bank balances	31,138	366,663
	887,577	1,006,282
TOTAL ASSETS	1,808,811	1,940,529

EQUITY AND LIABILITIES

Share capital and reserves

Issued, subscribed and paid-up capital	1,000,000	1,000,000
General reserve	18,752	18,752
Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net	129,795	140,121
Accumulated loss	(41,358)	(53,029)
	1,107,189	1,105,844

Current liabilities

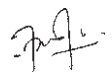
Trade and other payables	701,493	581,973
Short-term running finance	103	-
Short-term borrowing	-	250,000
Accrued mark-up	26	2,712
	701,622	834,685
TOTAL EQUITY AND LIABILITIES	1,808,811	1,940,529

CONTINGENCIES AND COMMITMENTS

The annexed notes form an integral part of these consolidated interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

**CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS
ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

	Quarter ended March 31,	
	2013	2012
 (Rupees in '000)	
Operating revenue	86,898	75,497
Net gain on investments 'at fair value through profit and loss'		
Net gain on sale of equity investments	3,693	11,379
Net unrealised gain on re-measurement of investments	3,193	2,876
	6,886	14,255
Dividend income	368	94
Mark-up / profit on bank deposits, investments and other receivables	7,893	9,738
	102,045	99,584
Operating and administrative expenses	(85,680)	(76,986)
Reversal of provision against doubtful debts	-	10,904
	(85,680)	(66,082)
Operating profit	16,365	33,502
Finance cost	(1,651)	(7,455)
	14,714	26,047
Other income	2,229	1,995
Profit before taxation	16,943	28,042
Taxation		
Current - for the period	(1,601)	(2,448)
Deferred	(3,671)	102
	(5,272)	(2,346)
Profit after taxation	11,671	25,696
Other comprehensive income:		
Net unrealised (loss) / gain arising during the period on re-measurement of 'available-for-sale' investments - net	(10,326)	40,314
Other comprehensive (loss) / income for the period	(10,326)	40,314
Total comprehensive income for the period	1,345	66,010
 (Rupees)	
Earnings per share - basic	0.12	0.26

The annexed notes form an integral part of these consolidated interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

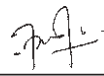
**CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

	Quarter ended March 31,	
	2013	2012
 (Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,943	28,042
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	2,324	2,134
Amortisation	148	213
Gain on sale of investments - net	(3,693)	(11,379)
Gain on sale of property and equipment	(3)	(14)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	(3,193)	(2,876)
Reversal of provision against doubtful debts	-	(10,904)
Finance cost	1,651	7,455
Dividend income	(368)	(94)
	(3,134)	(15,465)
	13,809	12,577
Working capital adjustments: (Increase) / decrease in assets		
Trade debts	(163,568)	(934,899)
Advances, deposits, prepayments and other receivables	22,225	(119,540)
	(141,343)	(1,054,439)
Increase in current liabilities		
Trade and other payables	119,520	964,295
	(8,014)	(77,567)
Finance cost paid	(4,337)	(2,649)
Income tax paid	(5,719)	(5,253)
Net cash flows used in operating activities	(18,070)	(85,469)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(64,161)	4,524
Purchase of property and equipment	(2,342)	(1,018)
Proceeds from disposal of property and equipment	38	72
Dividend received	56	76
Net cash flows (used in) / generated from investing activities	(66,409)	3,654
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(1,149)	(59)
Long-term deposits and prepayments	-	(134)
Short-term running finance	103	-
Repayment of short-term borrowing	(250,000)	-
Short-term borrowing (Repo)	-	46,655
Long-term receivable	-	(21,760)
Net cash flows (used in) / generated from financing activities	(251,046)	24,702
Net decrease in cash and cash equivalents	(335,525)	(57,113)
Cash and cash equivalents at the beginning of the period	366,663	145,835
Cash and cash equivalents at the end of the period	31,138	88,722

The annexed notes form an integral part of these consolidated interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

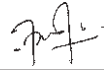
**CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES
IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

	Share capital	General reserve	Unappro- priated profit / (accumulated loss)	Unrealised gain / (loss) on remeasurement of 'available- for-sale' investments to fair value - net	Total
..... (Rupees in '000)					
Balance as at January 01, 2012	1,000,000	18,752	(184,497)	88,229	922,484
Total comprehensive income for the period	-	-	25,696	40,314	66,010
Balance as at March 31, 2012	1,000,000	18,752	(158,801)	128,543	988,494
Total comprehensive income for the period	-	-	105,772	11,578	117,350
Balance as at December 31, 2012	1,000,000	18,752	(53,029)	140,121	1,105,844
Total comprehensive income for the period	-	-	11,671	(10,326)	1,345
Balance as at March 31, 2013	<u>1,000,000</u>	<u>18,752</u>	<u>(41,358)</u>	<u>129,795</u>	<u>1,107,189</u>

The annexed notes form an integral part of these consolidated interim condensed financial statements.


Syed Asghar Ali Shah
Chairman


Nadir Rahman
Chief Executive Officer


Asad Mustafa Shafqat
Chief Financial Officer

**NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013**

1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

Holding company

-KASB Securities Limited

Subsidiary company

-Structured Venture (Private) Limited

- 1.1 KASB Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a scheme of arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Karachi Stock Exchange Limited (KSE) [formerly: Karachi Stock Exchange (Guarantee) Limited]. The registered office of the Group is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

The Holding Company is a subsidiary of KASB Bank Limited which holds 77.12% of the shares of the Group. The ultimate parent of the Group is KASB Finance (Private) Limited.

The Holding Company has corporate membership of the KSE and Pakistan Mercantile Exchange Limited (PMEL) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.

- 1.2 Structured Venture (Private) Limited (the subsidiary) was incorporated in Pakistan on June 25, 2010 under the Companies Ordinance, 1984. The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

The subsidiary is wholly owned by KASB Securities Limited.

The subsidiary's core objective is to capitalize on opportunities across different asset classes, including but not limited to, commodities, structured products, real estate etc. In addition, the subsidiary can, subject to regulatory approvals, invest / participate in selected local and foreign business ventures.

2. BASIS OF PREPARATION

These consolidated interim condensed financial statements have been prepared under the historical cost convention except for investments which are carried at fair value.

3. STATEMENT OF COMPLIANCE

These consolidated interim condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these consolidated interim condensed financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the annual published financial statements of the Group for the year ended December 31, 2012.

These Consolidated interim condensed financial statements are un-audited.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these consolidated interim condensed financial statements are consistent with those followed in the preparation of the Group consolidated annual published financial statements for the year ended December 31, 2012.

5. BASIS OF CONSOLIDATION

The financial statements of the subsidiary are included in the consolidated interim condensed financial statements from the date the control commences until the date the control ceases. In preparing consolidated interim condensed financial statements, the financial statements of the Holding Company and subsidiary are consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses. Significant intercompany transactions have been eliminated.

6. DATE OF AUTHORISATION

These consolidated interim condensed financial statements have been authorised for issue by the Board of Directors of the Group on April 24, 2013.

7. GENERAL

- 7.1 Corresponding figures have been rearranged and re-classified, wherever necessary, for the purpose of comparison. However, there are no material reclassification to report.
- 7.2 The Board of Directors of the Group proposed a cash dividend of Re. 0.50 per share for the year ended December 31, 2012, amounting to Rs. 50 million at its meeting held on March 15, 2013 for the approval of members at the Annual General Meeting to be held on April 24, 2013.
- 7.3 Figures have been rounded off to the nearest thousands.



Syed Asghar Ali Shah
Chairman



Nadir Rahman
Chief Executive Officer



Asad Mustafa Shafqat
Chief Financial Officer





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