

Internal and Confidential
NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2015

	Note	March 31, 2015 Unaudited	June 30, 2014 Audited
----- Rupees in '000 -----			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	147,326	112,091
Intangible assets	5	63,314	61,689
Long-term loans and prepayments		12,249	11,168
Long-term deposits		2,983	2,833
CURRENT ASSETS			
Trade debts	6	56,565	74,868
Loans and advances		3,218	3,270
Short-term prepayments and other receivables		40,575	29,181
Interest / markup accrued		12,481	14,869
Investments	7	806,454	378,501
Advance tax - net		8,837	23,997
Cash and bank balances	8	807,123	963,970
Cash and bank balances - CGT Collected on behalf of Federal Board of Revenue (FBR)		4,119,514	1,592,897
		<u>5,854,767</u>	<u>3,081,553</u>
TOTAL ASSETS		<u>6,080,639</u>	<u>3,269,334</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized			
30,000,000 ordinary shares of Rs. 10 each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed and paid-up			
22,412,111 (June 30, 2014: 14,941,407) ordinary shares of Rs. 10 each	9	224,121	149,414
Unappropriated profit		362,782	341,485
		<u>586,903</u>	490,899
Unrealised gain on remeasurement of investments - available-for-sale		7,500	-
		<u>594,403</u>	490,899
NON-CURRENT LIABILITIES			
Long-term deposits from clearing members		393,301	379,501
Deferred tax - net		24,048	8,070
		<u>417,349</u>	387,571
CURRENT LIABILITIES			
Deposits, accrued and other liabilities	10	949,373	797,967
CGT payable to FBR		4,119,514	1,592,897
		<u>6,080,639</u>	<u>3,269,334</u>
COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		<u>6,080,639</u>	<u>3,269,334</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Chairman

Chief Executive Officer

Internal and Confidential

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

Note	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
-----Rupees in '000-----				
Operating income - net	389,675	254,821	142,010	97,763
Operating and administrative expenses	(255,880)	(225,266)	(84,945)	(81,807)
	133,794	29,555	57,065	15,956
Other income	28,858	16,895	6,525	5,094
Other charges	(4,958)	(2,255)	(1,908)	(923)
Profit before taxation	157,695	44,195	61,683	20,127
Taxation				
Current tax	(34,812)	(11,932)	(17,419)	(4,901)
Deferred tax	(11,939)	(3,698)	1,285	(3,862)
	(46,751)	(15,630)	(16,134)	(8,763)
Profit after taxation	110,944	28,565	45,549	11,364
		Restated		Restated
Earnings per share - basic and diluted	4.95	1.27	2.03	0.51

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Chairman

Chief Executive Officer

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

Note	Nine months ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
-----Rupees in '000-----				
Profit for the period	110,944	28,565	45,549	11,364
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit and loss account</i>				
Net change in fair value of available-for-sale investments	11,539	17,627	3,203	6,276
Related deferred tax	(4,039)	-	(1,121)	-
Net change in fair value of available-for-sale reclassified to profit and loss account	-	-	-	-
	7,500	17,627	2,082	6,276
Total comprehensive income	118,444	46,192	47,631	17,640

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Chairman

Chief Executive Officer

**NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Nine months ended	
	March 31, 2015	March 31, 2014
	-----Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilised) / generated from operations	106,104	382,904
Cash Margins from Clearing Members	149,457	-
Long-term loans and prepayments	(1,081)	3
Long-term deposits	(150)	-
Long-term deposits from clearing members	13,800	8,650
Finance cost paid	(1,638)	(1,301)
Income tax paid	(22,972)	(4,317)
Net cash (utilised) / generated from operating activities	243,520	385,939
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(55,856)	(18,429)
Purchase of intangible assets	(11,740)	(15,621)
Sale proceeds from disposal of property and equipment	531	986
Investments (purchased) / sold-net	(384,316)	(114,186)
Interest / markup received	65,954	46,800
Net cash utilised in investing activities	(385,427)	(100,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(89,648)	(19,922)
Proceeds from issuance of Right shares	74,707	-
Net cash used in financing activities	(14,941)	(19,922)
Net (decrease) / increase in cash and cash equivalents	(156,848)	265,568
Payable to FBR - CGT	2,526,617	-
Cash and cash equivalents at the beginning of the period	2,556,867	1,376,163
Cash and cash equivalents at the end of the period	4,926,636	1,641,731

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Chairman

Chief Executive

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Share capital	Unrealized gain on remeasurement of investments 'available for sale'	Unappropriated profit	Total
----- Rupees in '000 -----				
Balance as at July 01, 2013	99,609	55	326,092	425,756
Comprehensive income				
Profit for the year	-	-	31,115	31,115
Other comprehensive income	-	-	-	-
	-	-	31,115	31,115
Transaction with owners				
Issue of bonus share for the year ended June 30, 2013 in the ratio of 1 share for every 2 shares held	49,805	-	(49,805)	-
Final dividend for the year ended June 30, 2013 @ Rs. 2 per share	-	-	(19,922)	(19,922)
Balance as at March 31, 2014	149,414	55	287,480	436,949
Balance as at July 01, 2014	149,414	-	341,485	490,899
Comprehensive income				
Profit for the period	-	-	110,944	110,944
Other comprehensive income	-	7,500	-	7,500
	-	7,500	110,944	118,445
Transaction with owners				
Issue of right shares for the year ended June 30, 2014 in the ratio of 1 share for every 2 shares held	74,707	-	-	74,707
Final dividend for the year ended June 30, 2014 @ Rs. 6 per share	-	-	(89,648)	(89,648)
Balance as at March 31, 2015	224,121	7,500	362,781	594,403

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Chairman

Chief Executive Officer

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

1 THE COMPANY AND ITS OPERATIONS

National Clearing Company of Pakistan Limited (the Company) was incorporated in Pakistan as an unlisted public limited company on July 3, 2001 under the Companies Ordinance, 1984. The registered office of the Company is situated at 8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi, Pakistan.

The Company is principally engaged in the business of clearing and settlement of securities through the National Clearing and Settlement System (NCSS). In addition, the Company administers the working and function of NCSS.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information has been prepared in condensed form in accordance with the requirements of International Accountant Standard 34 'Interim Financial Reporting' and approved accounting standards as applicable in Pakistan for 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.

This condensed interim financial information does not include all the information and disclosures required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.

Although the provisions pertaining to the Code of Corporate Governance (the Code) in the listing regulations of Stock Exchanges are mandatory for listed companies only, the Company has voluntarily adopted the Code as disclosed in the annual financial statements for the year ended June 30, 2014. Consequently, this condensed interim financial information is unaudited and is being submitted to the shareholders to comply with the requirements of the Code of Corporate Governance.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The significant accounting policies, estimates, judgements and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2014.

4 PROPERTY AND EQUIPMENT

<u>Additions</u>		<u>Disposals</u>	
For the nine months ended March 31, 2015	For the nine months ended March 31, 2014	For the nine months ended March 31, 2015	For the nine months ended March 31,
----- Unaudited -----		----- Unaudited -----	
----- Rupees in '000 -----		----- Rupees in '000 -----	

4.1 Operating fixed assets - cost

Motor Vehicles	2,591	1,821	1,967	952
Furniture and fixtures	128	94	-	59
Office equipment	4,165	3,589	354	271
Computers and ancillary equipment	19,328	10,296	885	437
	<u>26,211</u>	<u>15,799</u>	<u>3,206</u>	<u>1,720</u>

For the nine months ended March 31, 2015 (Unaudited)	For the nine months ended March 31, (Unaudited)
----- Rupees in '000 -----	

4.2 Capital work-in-progress

Additions / (transfers) to operating fixed assets - net	<u>29,645</u>	<u>2,630</u>
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5 INTANGIBLE ASSETS

Additions to computer software	135	5,049
Additions to Software under development	11,605	10,573
	<u>11,605</u>	<u>15,621</u>

March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
----- Rupees in '000 -----	

6 TRADE DEBTS

Receivable against		
Exchange trade fee	9,827	9,536
Non Exchange transaction fee	5,813	6,390
Capital Gain Tax (CGT) Fee	29,505	49,062
Unique Identification Number (UIN) maintenance Fee	5,898	4,581
MTS Laga fee	3,190	2,995
Receivable from Non Broker Clearing Members (NBCM)	2,304	2,304
	<u>56,565</u>	<u>74,868</u>

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
----- Rupees in '000 -----			
7 INVESTMENTS			
At fair value through profit or loss (held-for-trading)			
Pakistan Investment Bonds (PIBs)	7.1	184,061	198,501
Units of Mutual funds		290,000	-
Available-for-Sale			
Pakistan Investment Bonds (PIBs)	7.1	232,818	-
Market Treasury Bills (MTBs)		55,938	-
Term Deposit Receipts (TDR)		-	140,000
Certificates of Investment (COI)		-	40,000
		<u>762,817</u>	<u>378,501</u>
Unrealized gain on remeasurement of investments			
- at fair value through profit or loss (held-for-trading)		32,098	-
- available-for-sale		11,539	-
		<u>806,454</u>	<u>378,501</u>

7.1 These carry effective interest rate ranging from 11.65% to 12% per annum (2014: 11.65%) and are due to mature in July 2016.

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
----- Rupees in '000 -----			
8 CASH AND BANK BALANCES			
Cash in hand		85	78
With banks in:			
deposit and saving accounts			
Owned		6,738	312,953
CM's Cash margins		799,839	650,382
		<u>4,926,091</u>	<u>2,556,232</u>
current accounts		462	557
		<u>807,123</u>	<u>963,970</u>

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

March 31, 2015 (Unaudited)	June 30, 2014 (Audited)		March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
----- No. of Shares in '000 -----			----- Rupees in '000 -----	
13,846	6,375	Ordinary shares of Rs 10 each fully paid in cash	138,457	63,750
8,566	8,566	Ordinary shares of Rs 10 each issued as bonus shares	85,664	85,664
<u>22,412</u>	<u>14,941</u>		<u>224,121</u>	<u>149,414</u>

10 DEPOSITS, ACCRUED AND OTHER LIABILITIES

Cash Margins from Clearing Members (CMs)	799,839	650,382
Accrued Liabilities	28,320	29,308
Other Liabilities		
- Payable to NCC Clearing and Settlement fund	2,969	2,996
- Staff related benefits	21,087	27,685
- Unearned income	19,948	13,208
- Refundable to CMs	-	5,625
- Current Portion of long-term deposits from CMs	56,400	55,225
- Others	20,810	13,538
	<u>949,373</u>	<u>797,967</u>

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, staff retirement benefit funds, directors and key management personnel. Transactions carried out with the related parties during the period are as follows:

	For the nine months ended March 31, 2015	For the nine months ended March 31, 2014
	----- Rupees in '000 -----	
Associated Undertakings		
Reimbursement of expenses to:		
- Central Depository Company of Pakistan Limited (CDC)	7,170	6,733
- Karachi Stock Exchange Limited (KSE)	10,128	9,083
- Lahore Stock Exchange Limited (LSE)	1,880	2,635
- Islamabad Stock Exchange Limited (ISE)	1,028	1,064
Facilities Management fee		
- Karachi Stock Exchange Limited (KSE)	15,577	11,623
Payment to Lahore Stock Exchange for the Development of:		
- Securities Lending and Borrowing (SLB) system	173	3,278
COIs of Pakistan Kuwait Investment Company (Pvt.) Limited (PKIC):		
- Redeemed	-	25,000
- Interest income	-	239
Units of Mutual Fund purchased - Atlas Asset Management	35,000	-
Trade fee charged to Directors	767	363
Director meeting fees	1,180	1,420
Contribution to post employment benefit plans	11,819	10,441
Key management personnel:		
- Compensation		
Salaries and benefits	36,559	26,472
Post employment benefits	4,486	3,477
- Sale proceeds from disposal of vehicles	-	393
- Repayment of long-term loans	900	900
NCC Clearing and Settlement Fund		
Contribution	17,184	13,370
Management fee	3,531	3,024

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on _____ by the Board of Directors of the Company.

Chairman

Chief Executive