



Quarterly Report  
September 30, 2010  
(Un-audited)



# Contents

Company Information	02
Chairman's Statement To The Shareholders	03
Condensed Interim Balance Sheet	06
Condensed Interim Profit and Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Statements	11
Condensed Interim Consolidated Balance Sheet	18
Condensed Interim Consolidated Profit and Loss Account	19
Condensed Interim Consolidated Statement of Comprehensive Income	20
Condensed Interim Consolidated Cash Flow Statement	21
Condensed Interim Consolidated Statement of Changes in Equity	22
Notes to the Condensed Interim Consolidated Financial Statements	23



# Company Information

## Board Of Directors

**Mazharul Haq Siddiqui**  
**Syed Nizam Ahmed Shah**  
**Chief Justice (R) Mahboob Ahmed**  
**Ali J. Siddiqui**  
**Ali Raza Siddiqui**  
**Ali Hussain**  
**Stephen Christopher Smith**  
**Munaf Ibrahim**

Chairman  
Independent Director  
Independent Director  
Director  
Director  
Director  
Director  
Chief Executive Officer & Director

## Audit Committee

**Syed Nizam Ahmed Shah**  
**Chief Justice (R) Mahboob Ahmed**  
**Ali J. Siddiqui**  
**Farah Qureshi**

Chairman  
Member  
Member  
Secretary

## Executive Committee

**Munaf Ibrahim**  
**Ali J. Siddiqui**  
**Ali Raza Siddiqui**

## Executive Compensation Committee

**Syed Nizam Ahmed Shah**  
**Chief Justice (R) Mahboob Ahmed**

## Company Secretary

**Farah Qureshi**

## Chief Financial Officer

**Kamran Qadir**

## Auditors

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

## Legal Advisors

**Bawaney & Partners**  
**Sayeed & Sayeed**

## Share Registrar

**Technology Trade (Pvt.) Ltd.**  
241-C, Block-2, P.E.C.H.S., Karachi

## Registered Office

6th Floor, Faysal House Shahra-e-Faisal  
Karachi-75530, Pakistan

## Website

[www.js.com](http://www.js.com)





## CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Dear Shareholder

On behalf of the Board of Directors, I present the un-audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") along with consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the three month period ended September 30, 2010.

### Stock Market Review

The KSE-100 index gained 3% during the 1QFY11, but was outperformed by its regional peers by a notable 10%. Average daily volumes stood at 62 million shares in the period, significantly lower than the 132 million shares recorded in the previous quarter. Foreign investors continued to accumulate shares worth US\$ 106 million during the quarter as compared to US\$ 136 million in the previous quarter. Overall, a selective buying pattern was witnessed, as no particular sector made any prominent headway during the period. The banking sector continued its poor performance, losing 6.4% in the quarter, as a harsh economic outlook post floods led investors to switch to the defensive Oil & Gas segment.

### Brief review of results

The Company has reported an after tax loss of PKR 132.3 million for the three month period September 30, 2010 as against profit after tax of PKR 892.6 million for the comparative period i.e. September 30, 2009. Overall revenue for the three month was PKR 51.4 million as compared to PKR 1.1 billion during 2009.

	(Rupees in '000)
(Loss) before taxation	(131,952)
- Less: Taxation	
- Current	320
(Loss) for the period after taxation	<u>(132,272)</u>

The basic loss per share is PKR 0.17.

The revenue of the Company suffered heavily on account of low/negligible returns from major sources of income. However, the operating and administrative expenses have reduced to PKR 183 million from PKR 201 million for the same period last year.



## Credit Rating

The Directors are pleased to inform you that the Company has a long term rating AA (Double A) and short term rating of A1+ (A one plus) assigned to it by Pakistan Credit Rating Agency Limited. The long term rating denotes a very low expectation of credit risk and indicates a very strong capacity for timely payment of financial commitments. The short term rating denotes that obligations are supported by the highest capacity for timely repayment.

## Future Outlook

Improvement in activity and volumes on the local securities market will have a positive impact although it will take some time for the Company to generate strong capital gains. Further a positive impact on the future earnings of the Company can be expected from improvement in returns from the strategic investments.

## Acknowledgement

We express our sincere gratitude to our clients and business partners for their continued patronage to the Company and our management and employees for their dedication and hard work.

We would also like to acknowledge the work of Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Federal Board of Revenue for their efforts to strengthen the financial markets and measures to safeguard investor rights.

For and on behalf of the  
Board of Directors

Karachi: October 27, 2010

**Mazharul Haq Siddiqui**  
Chairman



# CONDENSED INTERIM FINANCIAL STATEMENTS

## Condensed Interim Balance Sheet

As at September 30, 2010

	Note	September 30, 2010 (Un-audited) .....(Rupees in '000).....	June 30, 2010 (Audited)
<b>ASSETS ■</b>			
<b>Non-Current Assets</b>			
Property and equipment	5	14,640	17,482
Investment properties		2,251	2,411
Stock exchange membership cards and room		12,201	12,201
Long term investments	6	12,820,643	13,515,269
Long term loans and advance		1,553	1,562
Long term security deposits		1,493	1,493
		<u>12,852,781</u>	<u>13,550,418</u>
<b>Current Assets</b>			
Trade debts		4,085	-
Loans and advances		1,472	1,668
Prepayments, interest accrued and other receivables		3,518	4,108
Short term investments	7	44,220	1,593,152
Taxation - net		217,182	222,720
Cash and bank balances		6,130	11,627
		<u>276,607</u>	<u>1,833,275</u>
		<u>13,129,388</u>	<u>15,383,693</u>
<b>EQUITY AND LIABILITIES ■</b>			
<b>Share Capital and Reserves</b>			
Share Capital		7,632,853	7,632,853
Reserves		1,658,132	2,494,877
		<u>9,290,985</u>	<u>10,127,730</u>
<b>Non-Current Liability</b>			
Long term financing		2,839,603	2,839,287
<b>Current Liability</b>			
Trade and other payables		80,642	95,328
Accrued interest / mark-up on borrowings		159,107	229,460
Short term borrowings	8	757,911	1,716,218
Current portion of long term financing		1,140	375,670
		<u>998,800</u>	<u>2,416,676</u>
<b>Commitments</b>			
	9	<u>13,129,388</u>	<u>15,383,693</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Profit and Loss Account

For the Quarter ended September 30, 2010  
(Un-audited)

	Note	July 01, to September 30, 2010	July 01, to September 30, 2009
..... (Rupees in '000) .....			
<b>INCOME ■</b>			
Return on investments		9,847	129,002
Gain on sale of investments - net		33,031	429,973
Income from long-term loans and fund placements		90	1,647
Other income		7,475	58,637
Gain on revaluation of investments carried at fair value through profit and loss-net		962	476,103
		<u>51,405</u>	<u>1,095,362</u>
<b>EXPENDITURE ■</b>			
Operating and administrative expenses		34,916	50,210
Finance cost		148,441	151,152
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<u>183,357</u> <u>(131,952)</u>	<u>201,362</u> <u>894,000</u>
<b>TAXATION</b>			
Current		320	1,401
<b>(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION ■</b>		<u>(132,272)</u>	<u>892,599</u>
..... (Rupees) .....			
<b>(LOSS) / EARNINGS PER SHARE ■</b>			
	10		
Basic		<u>(0.17)</u>	<u>1.17</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive





## Condensed Interim Statement of Comprehensive Income

For the Quarter ended September 30, 2010  
(Un-audited)

	July 01, to September 30, 2010	July 01, to September 30, 2009
	..... (Rupees in '000) .....	
<b>(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION ■</b>	<b>(132,272)</b>	892,599
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>		
Revaluation of available for sale investments	<b>(704,473)</b>	2,071,498
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ■</b>	<b><u>(836,745)</u></b>	<b><u>2,964,097</u></b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Cash Flow Statement

For the Quarter ended September 30, 2010  
(Un-audited)

	July 01, to September 30, 2010	July 01, to September 30, 2009
Note	..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES ■</b>		
(Loss) / profit before taxation for the period	(131,952)	894,000
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	2,719	3,649
Gain on sale of property and equipment	(554)	-
Gain on sale of NCEL membership card	-	(1,650)
Amortisation of transaction costs on term finance certificates	661	1,097
Interest income from special and defence saving certificates	(9,847)	(11,000)
Gain on revaluation of investments carried at fair value through profit or loss - net	(962)	(476,103)
Liability written back	-	(50,000)
Finance cost	147,780	150,055
	<u>139,797</u>	<u>(383,952)</u>
<b>Operating profit before working capital changes</b>	<b>7,845</b>	<b>510,048</b>
<b>Decrease / (increase) in operating assets:</b>		
Trade debts	(4,085)	(210,096)
Loans and advances	196	(27,681)
Prepayments, accrued mark-up and other receivables	590	(123,940)
Short term investments	1,549,894	(3,280,311)
Long term loans, advance and security deposits	9	74
	<u>1,546,604</u>	<u>(3,641,954)</u>
<b>(Decrease) / increase in trade and other payables</b>	<b>(14,497)</b>	<b>264,753</b>
<b>Net cash generated from / (used in) operations</b>	<b>1,539,952</b>	<b>(2,867,153)</b>
Mark-up paid	(218,133)	(141,694)
Taxes refund / (paid) - net	5,218	(6,498)
Dividend paid	(189)	-
<b>Net cash generated from / (used in) operating activities</b>	<b>1,326,848</b>	<b>(3,015,345)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES ■</b>		
Capital expenditure incurred	(13)	(151)
Proceeds from sale of property and equipment	850	-
Proceeds from sale of NCEL membership card and room	-	5,000
Investments acquired - net of sale	-	952,239
<b>Net cash generated from investing activities</b>	<b>837</b>	<b>957,088</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES ■</b>		
Redemption of term finance certificates	(374,875)	(31,468)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>952,810</b>	<b>(2,089,725)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(1,704,591)	1,363
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD ■</b>	<b>(751,781)</b>	<b>(2,088,362)</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Statement of Changes in Equity

For the Quarter ended September 30, 2010  
(Un-audited)

	Reserves					Total
	Capital	Revenue		Other		
	Ordinary share capital	Ordinary share premium	General	Unappropriated profit/(accumulated loss)	Unrealised gain/(loss) on revaluation of available for sale investments - net	
(Rupees in '000)						
<b>Balance as at July 1, 2009</b>	7,632,853	4,497,894	10,000,000	(2,827,373)	(24,380)	19,278,994
Profit for the period after taxation	-	-	-	892,599	-	892,599
Other comprehensive income	-	-	-	-	2,071,498	2,071,498
<b>Balance as at September 30, 2009</b>	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(1,934,774)</u>	<u>2,047,118</u>	<u>22,243,091</u>
<b>Balance as at July 1, 2010</b>	7,632,853	4,497,894	10,000,000	(12,574,484)	571,467	10,127,730
Loss for the period after taxation	-	-	-	(132,272)	-	(132,272)
Other comprehensive loss	-	-	-	-	(704,473)	(704,473)
<b>Balance as at September 30, 2010</b> ■	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(12,706,756)</u>	<u>(133,006)</u>	<u>9,290,985</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive





## Notes to the Condensed Interim Financial Statements

For the Quarter ended September 30, 2010  
(Un-audited)

### 1. THE COMPANY AND ITS OPERATIONS ■

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Company is presently listed on Karachi Stock Exchange (Guarantee) Limited. The Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited. The registered office of the Company is situated at 6th Floor, Faysal House, Main Shakra-e-Faisal, Karachi. The principal activities of the Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

### 2. BASIS OF PREPARATION ■

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. 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 Company's annual financial statements for the year ended June 30, 2010.

These condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are stated at cost less impairment if any and have not been accounted for on the basis of reported results and net assets of the investees.

### 3. ACCOUNTING POLICIES ■

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES ■

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were same as those applied to the financial statements for the year ended June 30, 2010.

## 5. PROPERTY AND EQUIPMENT ■

The details of additions and disposals during the quarter ended September 30, 2010 are as follows:

	September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
Note	.....(Rupees in '000).....	
<b>Additions – cost</b>		
Leasehold improvements	-	225
Office equipment	13	555
Office furniture and fixtures	-	83
Motor vehicles	-	2,029
	<b>13</b>	<b>2,892</b>
<b>Disposals – cost</b>		
Office equipment	-	4,966
Motor vehicles	846	6,589
	<b>846</b>	<b>11,555</b>

## 6. LONG TERM INVESTMENTS ■

### Investment in related parties:

Investment in subsidiaries	6.1	<b>4,163,417</b>	4,163,417
Investment in associates	6.2	<b>1,303,215</b>	1,303,215
Other related parties	6.3	<b>6,984,438</b>	7,688,911
		<b>12,451,070</b>	13,155,543

### Other investments

<b>369,573</b>	359,726
<b>12,820,643</b>	13,515,269

### 6.1 Investment in subsidiaries - at cost

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
September 30, 2010	June 30, 2010		September 30, 2010 %	June 30, 2010 %	September 30, 2010	June 30, 2010	
			.....(Rupees in '000).....				
<b>Quoted</b>							
395,162,551*	395,162,551	<b>JS Bank Limited</b> Market value Rs. 968.15 (June 30, 2010: Rs. 1,110.41) million	Commercial Banking	64.49	64.49	2,596,056	2,596,056
52,023,617**	52,023,617	<b>JS Investments Limited</b> Market value Rs. 296.01 (June 30, 2010: Rs. 388.10) million  Less: Impairment	Asset Management & Investment Advisor	52.02	52.02	<b>3,046,057</b>	3,046,057
						<b>(2,657,961)</b>	(2,657,961)
						<b>388,096</b>	388,096
21,245,184***	21,245,184	<b>Network Microfinance Bank Limited</b> Market value Rs. 24.86 (June 30, 2010: Rs. 27.83) million Less: Impairment	Microfinance Banking	70.82	70.82	<b>212,452</b>	212,452
						<b>(53,113)</b>	(53,113)
						<b>159,339</b>	159,339
<b>Un-quoted</b>							
73,736,250	73,736,250	<b>JS Infocom Limited</b> Net assets value Rs. 442.92 (June 30, 2010: Rs. 441.83) million based on un-audited financial statements for the period ended September 30, 2010 Less: Impairment	Telecom Media & Technology	100.00	100.00	<b>708,490</b>	708,490
						<b>(266,657)</b>	(266,657)
						<b>441,833</b>	441,833
		<b>Balance carried forward</b>				<b>3,585,324</b>	3,585,324

\*These represent sponsor shares which are blocked for trading as per the requirements of the State Bank of Pakistan.

\*\*These represent sponsor shares which are blocked for trading as per the requirements of the Securities and Exchange Commission of Pakistan.

\*\*\*Included herein are 9 million sponsor shares which are blocked for trading as per the requirements of the State Bank of Pakistan.

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
September 30, 2010	June 30, 2010		September 30, 2010 %	June 30, 2010 %	September 30, 2010	June 30, 2010	
						.....(Rupees in '000).....	
<b>Balance brought forward</b>					<b>3,585,324</b>	3,585,324	
<b>10,000</b>	10,000	<b>JS International Limited</b> Ordinary Shares of US\$ 1/- each having net assets value Rs. 160.97 (March 31, 2010: Rs. 144.17) million based on un-audited financial statements for the period ended June 30, 2010 Less: Impairment	Investment services	<b>100.00</b>	100.00	<b>294,882</b>	294,882
						<b>(150,716)</b>	(150,716)
						<b>144,166</b>	144,166
<b>1,895,000</b>	1,895,000	<b>Credit Chex (Private) Limited</b> Ordinary Shares of Rs. 100/- each having negative equity balance of Rs. 23.89 (June 30, 2010: Rs. 19.73) million based on un-audited financial statements for the period ended September 30, 2010 Less: Impairment	Credit information & credit rating	<b>82.84</b>	82.84	<b>189,500</b>	189,500
						<b>(185,369)</b>	(185,369)
						<b>4,131</b>	4,131
<b>63,000,000</b>	63,000,000	<b>Energy Infrastructure Holding (Private) Limited</b> Net assets value Rs. 431.50 (June 30, 2010: 429.80) million based on un-audited financial statements for the period ended September 30, 2010. Less: Impairment	Power Generation & Distribution	<b>100.00</b>	100.00	<b>630,000</b>	630,000
						<b>(200,204)</b>	(200,204)
						<b>429,796</b>	429,796
					<b>4,163,417</b>	4,163,417	

## 6.2 Investment in associates - at cost

These shares are Ordinary shares of Rs.10/- each, unless stated otherwise.

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
September 30, 2010	June 30, 2010		September 30, 2010 %	June 30, 2010 %	September 30, 2010	June 30, 2010	
						.....(Rupees in '000).....	
<b>Quoted</b>							
<b>21,734,826</b>	21,734,826	<b>JS Global Capital Limited</b> Market value Rs. 737.46 (June 30, 2010: Rs. 795.71) million Less: Impairment	Dealing in & brokerage of marketable securities	<b>43.47</b>	43.47	<b>3,701,314</b>	3,701,314
						<b>(2,493,292)</b>	(2,493,292)
						<b>1,208,022</b>	1,208,022
<b>11,238,812</b>	11,238,812	<b>JS Value Fund Limited</b> Net asset value Rs. 95.98 (June 30, 2010: Rs. 95.19) million Less: Impairment	Closed end Mutual Fund	<b>9.48</b>	9.48	<b>135,566</b>	135,566
						<b>(40,373)</b>	(40,373)
						<b>95,193</b>	95,193
					<b>1,303,215</b>	1,303,215	

## 6.3 Other related parties

### Available for sale

These shares are Ordinary shares of Rs.10 each unless stated otherwise.

Number of shares		Activity	Holding		(Un-audited) September 30, 2010	(Audited) June 30, 2010	
September 30, 2010	June 30, 2010		September 30, 2010 %	June 30, 2010 %			
<b>Quoted - at fair value</b>							
7,000,000	7,000,000	Eye Television Network Limited	Television Network	14.00	14.00	142,170	162,540
111,256,116*	111,256,116	BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	369,370	357,132
20,299,455	20,299,455	EFU General Insurance Limited	General Insurance	16.24	16.24	762,853	997,515
17,040,552	17,040,552	EFU Life Assurance Limited	Life Assurance	20.05	20.05	1,005,052	1,327,629
25,040,389	25,040,389	Lucky Cement Limited	Cement Manufacturing	7.74	7.74	1,731,793	1,556,010
405,000	405,000	Attock Petroleum Limited	Oil Marketing	0.70	0.70	137,927	117,349
24,000,000	24,000,000	Pakistan International Container Terminal Limited	Container Terminal	21.99	21.99	1,587,120	1,800,000
5,933,780	5,933,780	Singer Pakistan Limited	Electrical Goods	17.39	17.39	104,494	111,555
112,157,863	112,157,863	Azgard Nine Limited	Textile Composite	24.96	24.96	1,136,159	1,251,681
<b>Un-quoted - at cost</b>							
750,000	750,000	EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500
						<b>6,984,438</b>	<b>7,688,911</b>

\* These represents sponsor shares which are blocked for trading as per the requirements of the State Bank of Pakistan.

## 7. SHORT TERM INVESTMENTS ■

### Assets at fair value through profit or loss

- Listed equity securities

September 30,  
2010  
(Un-audited)

June 30,  
2010  
(Audited)

.....(Rupees in '000).....

**44,220**

1,593,152

**44,220**

1,593,152

## 8. SHORT TERM BORROWINGS ■

- Short term running finance under mark-up arrangements

8.1

**757,911**

1,683,775

**8.1** The Company has short-term running finance facilities under mark-up arrangements aggregating to Rs. 6,850 million (June 30, 2010: Rs. 7,350 million) from various commercial banks carrying mark-up ranging between 14.59% and 15.09% (June 30, 2010: 13.84% and 17.77%) per annum. The unavailed aggregate credit facility of running finances amounts to Rs. 6,092.09 million (June 30, 2010: Rs. 5,633.78 million).

## 9. COMMITMENTS ■

Commitment in respect of:

- Future purchase transactions of equity securities - net

September 30,  
2010  
(Un-audited)

June 30,  
2010  
(Audited)

.....(Rupees in '000).....

**126,497**

211,429

## 10. BASIC (LOSS) / EARNINGS PER SHARE ■

(Loss) / profit after taxation attributable to ordinary shareholders

September 30, 2010  
 ..... (Un-audited) .....  
 ..... (Rupees in '000) .....

(132,272)      892,599

..... (Number in '000) .....

Weighted average number of Ordinary shares outstanding during the period

763,285      763,285

..... (Rupees) .....

(Loss) / earnings per share  
 Basic

(0.17)      1.17

September 30, 2010      September 30, 2009  
 ..... (Un-audited) .....  
 ..... (Rupees in '000) .....

## 11. CASH AND CASH EQUIVALENTS ■

Cash and bank balances  
 Short term running finance utilised under mark-up arrangement

6,130      7,696  
(757,911)      (2,096,058)  
(751,781)      (2,088,362)

## 12. RELATED PARTY TRANSACTIONS ■

Related parties comprise subsidiaries, associates, joint venture, directors, key management personnel and provident fund scheme. Significant transactions with related parties during the quarter ended September 30, 2010 are as follows:

September 30, 2010      September 30, 2009  
 ..... (Un-audited) .....  
 ..... (Rupees in '000) .....

### Subsidiary Companies

Rent expense      -      1,803  
 Profit received on fund placements and deposit accounts      31      1  
 Subscription of shares      -      27,719  
 Right shares received (No. of shares)      -      5,370,000

### Associates

Dividend income      -      2,751  
 Brokerage expense      1,372      9,543  
 Rental income      6,704      5,866

### Common Directorship

Dividend income      -      85,635





	<b>September 30, 2010</b>	September 30, 2009
	..... (Un-audited) .....	
	..... (Rupees in '000) .....	
<b>Other Related Parties</b>		
Contributions to Staff Provident Fund	<b>735</b>	692
Interest / markup paid	<b>3,351</b>	4,071
Principal redemptions made against TFCs	<b>16,977</b>	1,420
Insurance premium paid	<b>1,433</b>	-
Royalty paid	<b>2,475</b>	2,475
Advisory fee paid	<b>1,500</b>	1,500
<b>Key management personnel:</b>		
Remuneration to Chief Executive Officer	<b>3,375</b>	3,323
Advisory fee to Director	<b>1,500</b>	1,500
Remuneration to Executives	<b>8,743</b>	6,723
Interest on long term loans to executives	<b>48</b>	52
Loan repayments from executives	<b>242</b>	38

The Company continues to have policy whereby all transactions with related parties are entered into arm's length prices using admissible valuation method.

### 13. DATE OF AUTHORISATION ■

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on October 27, 2010.

### 14. GENERAL ■

Figures have been rounded off to the nearest thousand rupees.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Condensed Interim Consolidated Balance Sheet

As at September 30, 2010

	Note	September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
		.....(Rupees in '000).....	
<b>ASSETS</b> ■			
<b>Non-Current Assets</b>			
Property and equipment	4	1,590,460	1,648,309
Intangible assets		1,487,772	1,493,649
Investment properties		2,251	2,411
Stock exchange membership cards and room		35,701	35,701
Long term investments	5	8,817,307	9,492,112
Long term loans, advances and other receivables		2,072,177	2,810,449
Long term deposits		1,524	30,025
Deferred taxation		1,073,125	1,074,532
		<b>15,080,317</b>	<b>16,587,188</b>
<b>Current Assets</b>			
Short term investments	6	14,732,632	16,320,716
Trade debts - unsecured		4,194	261
Loans and advances		9,755,337	8,741,005
Accrued markup		531,151	520,418
Deposits, prepayments and other receivables		423,788	287,397
Fund placements		3,584,167	4,630,298
Taxation - net		340,952	383,507
Cash and bank balances		2,383,863	2,310,691
		<b>31,756,084</b>	<b>33,194,293</b>
		<b>46,836,401</b>	<b>49,781,481</b>
<b>EQUITY AND LIABILITIES</b> ■			
<b>Share Capital and Reserves</b>			
Share Capital		7,632,853	7,632,853
Reserves		609,138	1,480,293
Equity attributable to equity holders' of the parent		<b>8,241,991</b>	<b>9,113,146</b>
Non-controlling interests		<b>3,532,511</b>	<b>3,563,239</b>
<b>Total equity</b>		<b>11,774,502</b>	<b>12,676,385</b>
<b>Non-Current Liabilities</b>			
Long term financing		3,173,398	3,229,291
Deposits and other accounts		19,054	34,154
Employee benefit liability		63,949	56,199
		<b>3,256,401</b>	<b>3,319,644</b>
<b>Current Liabilities</b>			
Trade and other payables		1,140,764	916,380
Accrued interest / mark-up on borrowings		466,599	627,282
Short term borrowings		6,545,542	7,649,966
Current portion of non-current liabilities	7	23,652,593	24,591,824
		<b>31,805,498</b>	<b>33,785,452</b>
<b>Contingencies and Commitments</b>	8	<b>46,836,401</b>	<b>49,781,481</b>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Consolidated Profit and Loss Account

For the Quarter ended September 30, 2010  
(Un-audited)

	July 01, to September 30, 2010	July 01, to September 30, 2009
Note	..... (Rupees in '000) .....	
<b>INCOME ■</b>		
Return on investments	438,590	393,588
Gain on sale of investments - net	56,814	405,319
Income from long term loans and fund placements	491,020	418,169
Fee, commission and brokerage	143,552	125,267
Other income	32,881	100,497
Gain on revaluation of investments carried at fair value through profit and loss - net	1,717	509,728
	<u>1,164,574</u>	<u>1,952,568</u>
<b>EXPENDITURE ■</b>		
Operating and administrative expenses	633,897	819,243
Finance cost	741,807	693,749
Provision for impairment against investments	-	11,899
	<u>1,375,704</u>	<u>1,524,891</u>
	(211,130)	427,677
<b>Share of profit / (loss) from:</b>		
- associates	21,996	304,109
- joint ventures	(91)	(1,361)
	<u>21,905</u>	<u>302,748</u>
<b>(LOSS) / PROFIT FOR THE PERIOD BEFORE TAXATION ■</b>		
	(189,225)	730,425
<b>Taxation</b>		
- Current	12,517	12,750
- Prior	(1,601)	-
- Deferred	(927)	(1,439)
	<u>9,989</u>	<u>11,311</u>
<b>(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION ■</b>		
	(199,214)	719,114
<b>Attributable to:</b>		
Equity holders of the parent	(163,692)	891,026
Non-controlling interests	(35,522)	(171,912)
	<u>(199,214)</u>	<u>719,114</u>
<b>(LOSS) / EARNINGS PER SHARE ■</b>		
- Basic	9	..... (Rupees) .....
	<u>(0.21)</u>	<u>1.17</u>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Consolidated Statement of Comprehensive Income

For the Quarter ended September 30, 2010

(Un-audited)

	September 30, 2010	September 30, 2009
	..... (Rupees in '000) .....	
<b>(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION ■</b>	<b>(199,214)</b>	719,114
<b>OTHER COMPREHENSIVE (LOSS) / INCOME ■</b>		
Revaluation of available for sale investments	<b>(701,722)</b>	2,539,120
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	<b>1,136</b>	7,981
Share of other comprehensive (loss) / income of associates	<b>(2,084)</b>	101,511
	<b>(702,670)</b>	2,648,612
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ■</b>	<b>(901,884)</b>	3,367,726
<b>Attributable to:</b>		
Equity holders of the parent	<b>(871,156)</b>	3,342,866
Non-controlling interest	<b>(30,728)</b>	24,860
	<b>(901,884)</b>	3,367,726

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Condensed Interim Consolidated Cash Flow Statement

For the Quarter ended September 30, 2010  
(Un-audited)

	Note	September 30, 2010	September 30, 2009
..... (Rupees in '000) .....			
<b>CASH FLOWS FROM OPERATING ACTIVITIES ■</b>			
(Loss) / profit for the period before taxation		(189,225)	730,425
<b>Adjustment for non cash charges and other items:</b>			
Depreciation		69,403	64,019
Amortisation on intangible assets		7,433	16,667
Amortisation of transaction cost on term finance certificates		661	1,097
Profit on sale of property and equipment		(3,148)	(288)
Interest income from national saving schemes		(9,847)	(11,000)
Share of profit from associates and joint ventures		(21,905)	(302,748)
Charge for defined benefit plan		7,750	6,818
Liabilities no longer payable written back		-	(50,000)
Provision for impairment against investments		-	11,899
Gain on revaluation of investments carried at fair value through profit or loss - net		(1,717)	(509,728)
Finance cost		741,146	692,652
		<u>789,776</u>	<u>(80,612)</u>
<b>Operating profit before working capital changes</b>		<b>600,551</b>	<b>649,813</b>
<b>Decrease / (increase) in operating assets :</b>			
Short term investments		542,015	(3,197,611)
Trade debts		(3,933)	(210,096)
Loans and advances		(1,014,332)	(559,706)
Long term loans, advances, deposits and other receivables		766,773	(298,529)
Fund placements		1,046,131	389,198
Deposits, prepayments, accrued mark-up and other receivables		(147,124)	18,349
		<u>1,189,530</u>	<u>(3,858,395)</u>
<b>Increase / (decrease) in operating liabilities:</b>			
Trade and other payables		224,576	65,884
Deposits and other accounts		(560,059)	(56,361)
<b>Net cash generated from / (used in) operations</b>		<b>1,454,598</b>	<b>(3,199,059)</b>
Interest / mark-up paid		(901,829)	(704,302)
Taxes refund / (paid) - net		31,639	(12,129)
Dividend paid		(192)	(20)
<b>Net cash generated from / (used in) operating activities</b>		<b>584,216</b>	<b>(3,915,510)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES ■</b>			
Capital expenditure incurred		(15,843)	(157,608)
Intangible assets acquired		(1,556)	-
Proceeds from sale of property and equipment		7,597	1,470
Investment acquired - net of sale		1,054,008	596,526
<b>Net cash generated from investing activities</b>		<b>1,044,206</b>	<b>440,388</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES ■</b>			
Redemption of term finance certificates		(458,533)	(86,357)
Long term loans – net of repayment		7,707	-
Securities sold under repurchase agreements		3,378,850	1,256,399
<b>Net cash generated from financing activities</b>		<b>2,928,024</b>	<b>1,170,042</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>4,556,446</b>	<b>(2,305,080)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(5,339,275)	380,970
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	10	<b>(782,829)</b>	<b>(1,924,110)</b>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive

# Condensed Interim Consolidated Statement Of Changes In Equity

For the Quarter ended September 30, 2010  
(Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT											
	Capital			Revenue			Reserves				NON-CONTROLLING INTERESTS	TOTAL
	Ordinary share capital	Ordinary share premium	General	Foreign exchange translation	Unappropriated profit / (accumulated loss)	Unrealised (loss) / gain on revaluation of available for sale investment - net	Statutory	Hedging	Preference share redemption	Sub-total		
<b>Balance as at July 1, 2009</b>	7,632,853	5,951,464	10,000,000	29,052	(2,578,541)	(102,636)	69,226	16,423	111,430	21,129,271	3,543,608	24,672,879
Loss for the period	-	-	-	-	891,026	-	-	-	-	891,026	(171,912)	719,114
Other comprehensive income	-	64,434	-	28,413	-	2,351,607	-	525	6,861	2,451,840	196,772	2,648,612
Statutory reserve	-	-	-	-	-	-	(436)	-	-	(436)	-	(436)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	(11,268)	(11,268)
<b>Balance as at September 30, 2009</b>	<u>7,632,853</u>	<u>6,015,898</u>	<u>10,000,000</u>	<u>57,465</u>	<u>(1,687,515)</u>	<u>2,248,971</u>	<u>68,790</u>	<u>16,948</u>	<u>118,291</u>	<u>24,471,701</u>	<u>3,557,200</u>	<u>28,028,901</u>
<b>Balance as at July 1, 2010</b>	7,632,853	5,284,746	10,000,000	23,072	(14,494,479)	588,114	68,841	-	-	9,113,147	3,563,239	12,676,386
Profit for the period	-	-	-	-	(163,692)	-	-	-	-	(163,692)	(35,522)	(199,214)
Other comprehensive (loss) / income	-	-	-	1,136	-	(708,600)	-	-	-	(707,464)	4,794	(702,670)
<b>Balance as at September 30, 2010</b>	<u>7,632,853</u>	<u>5,284,746</u>	<u>10,000,000</u>	<u>24,208</u>	<u>(14,658,171)</u>	<u>(110,486)</u>	<u>68,841</u>	<u>-</u>	<u>-</u>	<u>8,241,991</u>	<u>3,532,511</u>	<u>11,774,502</u>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive

# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter ended September 30, 2010  
(Un-audited)

## 1. THE GROUP AND ITS OPERATIONS ■

**1.1** Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies (together the Group) are involved in trading of securities, maintaining strategic investments, investment advisory, asset management, agency telecommunication, commercial banking, power generation and other businesses.

The Holding Company was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Karachi Stock Exchange (Guarantee) Limited. The Holding Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shakra-e-Faisal, Karachi. The principal activities of the Holding Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

**1.2** The Group comprises of the Holding Company and the following subsidiary companies that have been consolidated in these financial statements on the line by line basis. All material inter company balances, transactions and resulting unrealised profits / losses have been eliminated:

Subsidiary Companies	Nature of Business	Date of Acquisition /Disposal	Holding (including indirect holding)	
			September 30, 2010	June 30, 2010
JS Investments Limited (JSIL)	Investment Advisor, Asset Manager and Investment Banking	July 31, 2000	52.02%	52.02%
JS Infocom Limited	Telecom, Media and Technology	August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services	July 14, 2005	100.00%	100.00%
JS International LLP (Sub-subsidiary)	Investment Advisory Services	April 11, 2006	100.00%	100.00%
JS Bank Limited (JSBL)	Commercial Banking	December 30, 2006	64.49%	64.49%
JS Fund Management (Mauritius) Limited (Sub-subsidiary)	Investment Advisory & Investment Management Services	April 04, 2007	100.00%	100.00%
Credit Chex (Private) Limited	Credit Information and Credit Rating Services	October 8, 2007	82.84%	82.84%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage	December 12, 2007	52.02%	52.02%
Energy Infrastructure Holding (Private) Limited	Power generation	July 07, 2008	100.00%	100.00%
Network Microfinance Bank Limited	Microfinance Services	March 11, 2009	70.82%	70.82%

## 2. BASIS OF PREPARATION ■

These condensed interim consolidated financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. These condensed interim consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2010.



The comparative balance sheet presented in these condensed interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended June 30, 2010, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2009.

### 3. ACCOUNTING POLICIES ■

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2010.

### 4. PROPERTY AND EQUIPMENT ■

The details of additions in and disposals of operating assets during the three months period ended September 30, 2010 are as follows:

Note	September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
<b>Additions - cost</b>		
- Office premises - leasehold	-	53,768
- Leasehold improvements	496	120,954
- Office equipment	6,765	188,445
- Office furniture and fixtures	904	38,842
- Motor vehicles	9,201	26,968
	<u>17,366</u>	<u>428,977</u>
<b>Disposals - cost</b>		
- Office premises - leasehold	-	8,574
- Leasehold improvements	-	28,591
- Office equipment	835	27,910
- Office furniture and fixtures	-	8,581
- Motor vehicles	8,083	14,949
	<u>8,918</u>	<u>88,605</u>

### 5. LONG TERM INVESTMENTS ■

#### Related parties:

- Investment in associates
- Investment in joint venture
- Other related parties - Available for sale

8.1.1

1,315,372	1,295,460
66,996	67,087
6,984,438	7,688,911
<b>8,366,806</b>	9,051,458

#### Other investments:

- Available for sale
- Held to maturity

80,928	80,928
369,573	359,726
<b>8,817,307</b>	<b>9,492,112</b>

### 6. SHORT TERM INVESTMENTS ■

Assets at fair value through profit or loss  
Available for sale

339,001	1,887,457
14,275,109	14,360,560
<b>14,732,632</b>	<b>16,248,017</b>

September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....	

## 7. CURRENT PORTION OF NON-CURRENT LIABILITIES ■

### Long term financing:

- Term finance certificates	1,140	375,670
- Liability against Class A, B & C TFCs	109,344	129,086
- Deposits and other accounts	<u>23,542,109</u>	<u>24,087,068</u>
	<u>23,652,593</u>	<u>24,591,824</u>

## 8. CONTINGENCIES AND COMMITMENTS ■

### 8.1 Contingencies

**8.1.1(a)** Gujranwala Energy Limited (GEL) - a joint venture of the Group in order to achieve the financial close, had mandated National Bank of Pakistan ("NBP") to arrange PKR 14,135 million. The aforesaid mandate was executed on 14 April 2008. However, due to deteriorating law and order situation, circular debt issue, etc., the financial close could not be achieved within the envisaged time period. The Venture, as a result thereof, approached Private Power and Infrastructure Board ("PPIB") with the request to make certain amendments in the power purchase agreement to facilitate the financial close but PPIB did not respond positively towards the Venture's request and as consequence thereof the Company has filed a petition in the Honorable High Court of Sindh to protect itself from the repercussions of non achieving the financial close within the stipulated time period including encashment of performance guarantee amounting to US \$ 1,000,000 extended to PPIB. The Honorable High Court of Sindh has ordered the plaintiff (the Company) to keep the guarantee alive and have restricted PPIB from encashing the guarantee till the adjudication of the application filed by the Company. The stay order is still filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

**(b)** With reference to Note 8.1.1, the Joint Venture has also extended commitment bank guarantee amounting to 3,000,000 Euro in favour of Wartsila Finland (supplier of engines). During the year 2009, the Venture could not raise the requisite funds and deposit initial mobilization advance with Wartsila and accordingly, Wartsila had approached the concerned bank for encashment of guarantee. However, the Company filed a petition in Honourable High Court of Sindh to protect encashment of such guarantee. The Honorable High Court of Sindh has restricted Wartsila from en-cashing the guarantee till the adjudication of the application filed by the Venture. The stay order is still in filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

### 8.1.2 Transaction-related Contingent Liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.

September 30, 2010 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....	

- Government	541,020	510,776
- Banking companies and other financial institutions	14,293	18,866
- Others	<u>649,523</u>	<u>632,664</u>
	<u>1,204,836</u>	<u>1,162,306</u>

### 8.1.3 Trade related contingent liabilities

Documentary credits	<u>1,097,019</u>	<u>1,750,888</u>
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### 8.1.4 Other contingencies

Claims not acknowledged as debts	<u>67,429</u>	<u>66,463</u>
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	<b>September 30, 2010 (Un-audited)</b>	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
<b>8.2 Commitments</b>		
Future purchase transactions of listed equity securities - net	<u>126,497</u>	211,429
Forward purchase of government securities	<u>2,361,233</u>	153,567
Forward sale commitments of government securities	<u>1,777,070</u>	-
Commitments in respect of capital expenditure	<u>5,564</u>	5,564
Assets acquired under operating lease	<u>9,271</u>	9,889
Commitments in respect of forward exchange contracts:		
- Purchase	<u>5,836,784</u>	3,762,253
- Sale	<u>5,322,565</u>	3,438,680
	<b>September 30, 2010</b>	September 30, 2009
	..... (Un-audited) .....	
	.....(Rupees in '000).....	
<b>9. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE ■</b>		
(Loss) / profit after taxation attributable to Ordinary shareholders of the parent	<u>(163,692)</u>	891,026
	..... (Number in '000).....	
Weighted average number of Ordinary shares outstanding during the period	<u>763,285</u>	763,285
	..... (Rupees) .....	
<b>(Loss) / earnings per share:</b>		
Basic	<u>(0.21)</u>	1.17
	<b>September 30, 2010</b>	September 30, 2009
	..... (Un-audited) .....	
	.....(Rupees in '000).....	
<b>10. CASH AND CASH EQUIVALENTS ■</b>		
Cash and bank balances	<u>2,383,863</u>	2,453,178
Short term running finances under mark-up arrangements	<u>(971,001)</u>	(2,474,697)
Borrowings from banks / NBFCs	<u>(2,195,691)</u>	(1,902,591)
	<u>(782,829)</u>	(1,924,110)
<b>11. RELATED PARTY TRANSACTIONS ■</b>		
Related parties comprise of associates, companies under common directorship, joint ventures, directors, key management personnel and provident fund schemes.		
Significant transactions with related parties during the three months period are as follows:		

	<b>September 30, 2010</b>	September 30, 2009
	..... (Un-audited) .....	
	..... (Rupees in '000) .....	
Brokerage and commission expense	<b>1,372</b>	10,822
Purchase of money market instruments	<b>438,228</b>	212,533
Sale of money market instruments	<b>4,821,062</b>	1,692,003
Purchase of units	<b>200,000</b>	-
Sale of units	-	80,000
Encashment of short term placements	<b>182,841</b>	65,000
Fund placements	<b>179,120</b>	2,462,000
Return on investments in related parties	<b>18,903</b>	89,799
Advisory and consultancy fee	<b>29,645</b>	100
Commission income	<b>7,014</b>	7,707
Foreign exchange purchases transaction	<b>814,738</b>	5,905,760
Foreign exchange sale transaction	<b>568,149</b>	4,693,998
Rental income	<b>7,469</b>	5,887
Interest / markup earned	<b>695</b>	497
Interest / markup paid	<b>3,667</b>	3,192
Principal redemptions made against TFCs	<b>16,977</b>	1,420
Rent expense	<b>2,034</b>	2,495
Royalty paid	<b>2,475</b>	2,475
Advisory fee paid	<b>4,517</b>	3,000
Insurance premium paid	<b>2,957</b>	1,176
Insurance claim received	<b>2,012</b>	1,195
Trustee fee	-	624
Investments disposed off in funds under management - at cost	<b>138,893</b>	24,526
Markup income on loan to CEO of a subsidiary	-	621
Sale of shares	<b>263,496</b>	-
Remuneration and commission income from funds	<b>65,832</b>	96,572
Contribution to provident fund	<b>14,842</b>	6,350
Expenses incurred on behalf of funds	-	1,090
Loan repayment from executives	<b>242</b>	38
	..... (Number) .....	
Bonus shares/units received from related parties	<b>255,884</b>	235,795

The Group continues to have policy whereby all transactions with related parties are entered into arm's length prices using admissible valuation method.

## 12. SEGMENT INFORMATION ■

For management purposes the Group is organised into following major business segments:

<b>Capital market operations</b>	Principally engaged in trading of equity securities and maintaining strategic and trading portfolios.
<b>Banking</b>	Principally engaged in providing investment, commercial banking and microfinancing services.
<b>Investment advisor / assets manager</b>	Principally providing investment advisory and asset management services to different mutual funds and unit trusts.
<b>Others</b>	Other operations of the Group comprise of telecommunication and information technology, underwriting and consultancy services, research and corporate finance, power generation credit information and credit rating services.



The operating results of the group operations were as follows:

	<b>O P E R A T I O N S</b>				<b>T O T A L</b>
	<b>Capital Market</b>	<b>Banking</b>	<b>Investment Advisor/ assets manager</b>	<b>Others</b>	
	..... (Rupees in '000) .....				
<b>Segment results for the three months period ended September 30, 2010</b>					
Return on investments	9,847	405,281	18,371	5,091	<b>438,590</b>
Gain / (loss) on sale of investments - net	33,031	13,584	15,779	(5,580)	<b>56,814</b>
Income from long term loans and fund placements	90	486,751	-	4,179	<b>491,020</b>
Fee, commission and brokerage	-	47,748	65,832	29,972	<b>143,552</b>
Gain / (loss) on revaluation of investments carried at fair value through profit or loss – net	962	(18)	-	773	<b>1,717</b>
Unallocated Revenue	-	-	-	-	<b>32,881</b>
	<b>43,930</b>	<b>953,346</b>	<b>99,982</b>	<b>34,435</b>	<b>1,164,574</b>
<b>Share of profit / (loss) from:</b>					
Associates	21,996	-	-	-	<b>21,996</b>
Joint venture	(91)	-	-	-	<b>(91)</b>
	<b>65,835</b>	<b>953,346</b>	<b>99,982</b>	<b>34,435</b>	<b>1,186,479</b>
Operating and administrative expenses	17,453	504,099	57,235	37,647	<b>616,434</b>
Finance cost	137,316	564,109	40,364	18	<b>741,807</b>
	154,769	1,068,208	97,599	37,665	<b>1,358,241</b>
<b>Segment results</b>	<b>(88,934)</b>	<b>(114,862)</b>	<b>2,383</b>	<b>(3,230)</b>	<b>(171,762)</b>
Unallocated expenses	-	-	-	-	<b>(17,463)</b>
<b>(Loss) / profit for the period before taxation</b>	<b>(88,934)</b>	<b>(114,862)</b>	<b>2,383</b>	<b>(3,230)</b>	<b>(189,225)</b>
Taxation:					
Segment	320	9,677	1,305	1,215	<b>12,517</b>
Prior period	-	-	(1,601)	-	<b>(1,601)</b>
Deferred	-	-	(927)	-	<b>(927)</b>
	320	9,677	(1,223)	1,215	<b>9,989</b>
<b>(Loss) / profit after taxation for the period</b>	<b>(89,254)</b>	<b>(124,539)</b>	<b>3,606</b>	<b>(4,445)</b>	<b>(199,214)</b>
Non-controlling interests	-	37,848	(3,757)	1,431	<b>35,522</b>
	<b>(89,254)</b>	<b>(86,691)</b>	<b>(151)</b>	<b>(3,014)</b>	<b>(163,692)</b>

	<b>OPERATIONS</b>				<b>TOTAL</b>
	<b>Capital Market</b>	<b>Banking</b>	<b>Investment Advisor/ assets manager</b>	<b>Others</b>	
..... (Rupees in '000) .....					
<b>Segment results for the three months period ended September 30, 2009</b>					
Return on investments	129,002	247,283	13,543	3,760	393,588
Gain on sale of investments - net	429,973	(29,725)	5,071	-	405,319
Income from long term loans and fund placements	1,647	398,725	-	17,797	418,169
Fee, commission and brokerage	-	26,823	98,204	240	125,267
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	476,103	(581)	-	34,206	509,728
Unallocated Revenue	-	-	-	-	100,497
	1,036,725	642,525	116,818	56,003	1,952,568
<b>Share of profit / (loss) from:</b>					
Associates	304,109	-	-	-	304,109
Joint venture	(1,361)	-	-	-	(1,361)
	1,339,473	642,525	116,818	56,003	2,255,316
Operating and administrative expenses	30,048	627,037	77,509	64,337	798,931
Finance cost	140,610	498,681	54,399	59	693,749
Provision for impairment in investments	-	11,899	-	-	11,899
	170,658	1,137,617	131,908	64,396	1,504,579
<b>Segment results</b>	1,168,815	(495,092)	(15,090)	(8,393)	750,737
Unallocated expenses	-	-	-	-	(20,312)
<b>Profit / (loss) for the period before taxation</b>	1,168,815	(495,092)	(15,090)	(8,393)	730,425
Taxation:					
Segment	1,401	3,446	1,847	6,056	12,750
Deferred	-	-	(1,439)	-	(1,439)
	1,401	3,446	408	6,056	11,311
<b>Profit / (loss) after taxation for the period</b>	1,167,414	(498,538)	(15,498)	(14,449)	719,114
Non-controlling interests	-	162,124	4,997	4,791	171,912
	1,167,414	(336,414)	(10,501)	(9,658)	891,026

### 13. DATE OF AUTHORISATION FOR ISSUE ■

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on October 27, 2010.

### 14. GENERAL ■

Figures have been rounded off to the nearest thousand rupees.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



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