



Jahangir Siddiqui & Co. Ltd.

Quarterly Report

September 30, 2014
(Un-audited)

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Company Information**Board of Directors**

Chief Justice (R) Mahboob Ahmed Suleman Lalani	Chairman	Non-Executive
Asad Ahmed	Chief Executive Officer	
Ali Hussain	Director - Independent	Non-Executive
Ali Jehangir Siddiqui	Director	Non-Executive
Saud Ahmed Mirza *	Director	Non-Executive
Munawar Alam Siddiqui	Director - Independent	Non-Executive
Stephen Christopher Smith	Director	Non-Executive

Chief Financial Officer & Company Secretary

Hasan Shahid

Audit Committee

Saud Ahmed Mirza *	Chairman
Munawar Alam Siddiqui	Member
Stephen Christopher Smith	Member

Human Resource & Remuneration Committee

Chief Justice (R) Mahboob Ahmed	Chairman
Munawar Alam Siddiqui	Member
Suleman Lalani	Member

Executive Committee

Munawar Alam Siddiqui	Chairman
Ali Jehangir Siddiqui	Member
Suleman Lalani	Member

External Auditors

M. Yousuf Adil Saleem & Co
Chartered Accountants

Internal Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Registered Office

6th Floor, Faysal House
Main Shahra-e-Faisal
Karachi - 75530, Pakistan
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Phone: (+92-21) 32799005
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Legal Advisor

Bawaney & Partners

Share Registrar

Technology Trade (Private) Limited
241-C, Block-2, P.E.C.H.S., Karachi, Pakistan

Website

www.js.com

* Appointed on April 28, 2014 in place of Mr. Asif R. Sana.

Chairman's Statement to the Shareholders

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the nine month period ended September 30, 2014. I am pleased to present, on behalf of the Board, the report on the performance of your Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Economic Review

Overall, in the period dated January-September 2014, Pakistan's economy continued to face challenges as GDP growth for FY14 clocked in at 4.1% below the government's target of 4.4%. Although inflation levels remained respectable (3MFY15 CPI averaged at 7.53% YoY), risk of higher inflation has increased somewhat after heavy rains and floods, which have engulfed central and southern Punjab. Moreover, concerns on the external account have re-emerged as well as declining private capital inflows, could present challenges in managing the balance-of-payments position going forward. As a result SBP also remained prudent in its latest Monetary Policy Statement (MPS) and kept the Discount Rate unchanged at 10%. The current political crisis has stirred uncertainty on the future macro direction and hence a positive resolution of the current political crises remains critical as it could pave the way for capital inflows like 1) privatization receipts, 2) issuance of dollar-denominated Eurobond/Sukuks and 3) release of the fifth IMF Tranche.

Stock Market review

The benchmark KSE-100 Index had a strong run over January-September 2014, rising by 18% and beating the region's average return of 13% for the same period. Resultantly, the KSE-100 was one of the best performing regional markets outperforming peers by 5% in 9M2014. Likewise, Net Foreign Portfolio Investment (FIPI) at the Karachi Stock Exchange also rose to US\$ 430 million in the period under review, well above the Net FIPI of US\$ 316 million reported in the corresponding period last year.

Brief Review of Results

During the period under review, the Company has witnessed significant improvement in investment portfolio which resulted in enhancing the shareholders equity of the Company to PKR 18,809 million as on September 30, 2014 from PKR 13,769 million as on December 31, 2013 translating to an increase of shareholders wealth by 36.61%. The breakup value per share as of the period end also grew to PKR 24.97 per share from PKR 18.04 per share as of December 31, 2013.

Your Company has reported an after tax profit of PKR 135.62 million for the nine month period ended September 30, 2014. The overall revenue has declined by 8.71% from the comparative period last year on account of decrease in funds invested in government securities and placement of deposits with banks. Operating and administrative expenses for the period under review have increased by 13.18%. The Finance cost for the period under review has decreased to PKR 123.08 million from PKR 151.31 million in the previous comparative period on account of redemptions of TFCs during the period under review and in the second half of last year.

The basic and diluted earnings per share is PKR 0.18 for the nine month period ended September 30, 2014.

Consolidated Financial Statements

In the consolidated financial statements the Company has reported a net profit of PKR 1,223.31 million for the nine month period ended September 30, 2014 as compared to a net profit of PKR 1,052.45 million for the comparative period last year.

The revenues from continuing operations have improved by 31.96% over the comparative period last year primarily on account of increase in return on investment and income from long term loans and fund placements. However, the total operating, administrative and finance cost have increased by 31.17%.

The basic and diluted earnings per share from continuing operations is PKR 0.93 for the nine month period ended September 30, 2014.

Investing and Financing Activities during the period

Investment in Right shares of Pakistan International Bulk Terminal Limited

On April 11, 2014, Pakistan International Bulk Terminal Limited (PIBT) announced 1290% Right Shares at par value. Being one of the major shareholders with 21.07% shareholding, the Company received and subscribed 148,350,000 ordinary shares of PKR 10/- each of PIBT aggregating to PKR 1,483.50 million as per its entitlement. On July 11, 2014, PIBT has issued subscribed right shares to its shareholders.

Chairman's Statement to the Shareholders

Investment in Right shares of BankIslami Pakistan Limited

The Company currently holds 111,256,116 Ordinary Shares of BankIslami Pakistan Limited representing 21.07% shareholding. Pursuant to the approval of shareholders under section 208 of the Companies Ordinance, 1984 for investment in right shares of BankIslami Pakistan Limited (BIPL) in the 22nd Annual General Meeting held on April 09, 2014, the Company has paid PKR 84.29 million to BIPL as advance against right issue call of PKR 400 million. Further, the Company has received letter of rights for 10,094,612 ordinary shares of BIPL of PKR 8.35 per share as per its entitlement; the subscription value of the same will be adjusted from the aforesaid advance.

Term Finance Certificate Issued / Redeemed by the Company

On April 08, 2014, the Company has issued term finance certificates (8th issue) of PKR 750 million (inclusive of green shoe option of PKR 250 million). The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 175 basis points per annum. These TFCs have a tenor of five years i.e. 2014-2019. The Pakistan Credit Rating Agency has assigned credit rating of AA+ (Double A plus) to the aforesaid TFCs issue which denotes a very low expectation of credit risk, the strong capacity for timely payment of financial commitments and strong risk absorption capacity.

Further, on May 20, 2014, the Company has successfully redeemed the first-ever 10 year term finance certificates issue in the corporate history of Pakistan of PKR 500 million. The Company, to date, has issued eight TFCs out of which six have been fully redeemed.

Issuance of Class "A" Preference Shares

Pursuant to the proposal of the Board of Directors of the Company in their meeting held on August 20, 2014, the shareholders of the Company in their extraordinary general meeting held on September 19, 2014, by way of special resolution, have approved to issue 114,492,798 (15%) right shares as listed, non-voting, non-participatory, cumulative, transferable and redeemable or convertible Class 'A' Preference Shares of PKR 10 each to the existing ordinary shareholders of the Company by way of rights subject to the approval of the Securities and Exchange Commission of Pakistan (the Commission). These Preference Shares shall carry an entitlement to a fixed cumulative preferential dividend out of the normal profits of the Company at the rate of 12% (Twelve percent) per annum. Accordingly, the Company has filed application with the Commission to seek approval for issuance of aforesaid Class 'A' Preference shares by way of rights. However, we have received the order of Honourable High Court of Sindh wherein, the Securities and Exchange Commission of Pakistan has been restrained from permitting the Company from approving the issuance of Class "A" Preference Shares.

Credit Rating

The Directors are pleased to inform you that the Pakistan Credit Rating Agency (PACRA) has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company's TFC issues of PKR 1,000 million and PKR 750 million are also maintained at AA+ (Double A plus) by PACRA. These ratings denote a very low expectation of credit risk, the strong capacity for timely payment of financial commitments and strong risk absorption capacity.

Future Outlook

With improvement in performance of investee companies, we expect the Company to report improved performance in the future.

Acknowledgement

Your Directors greatly value the efforts, continued support and patronage of clients and business partners. We also appreciate our employees and management for their dedication and hard work and to regulators for their efforts to strengthen the financial market, guidance on good corporate governance and other measures to safeguard investor rights.

For and on behalf of the
Board of Directors

Karachi: October 27, 2014

Chief Justice (R) Mahboob Ahmed
Chairman

**UNCONSOLIDATED
CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2014

	Note	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)			
ASSETS			
Non-Current Assets			
Fixed assets			
- Property and equipment	6	7,305	7,345
- Investment property		2,262	2,471
- Intangible assets		-	28
Long term investments	7	19,555,364	11,769,417
Long term loans and advances	8	87,074	404,590
Long term security deposits		779	704
		19,652,784	12,184,555
Current Assets			
Short term loans and advances		941	876
Trade debts		362	-
Short term prepayments and other receivables		15,810	2,476
Interest accrued		2,661	12,382
Financial assets - Short term investments	9	105,697	869,543
Taxation - net		361,504	356,722
Cash and bank balances		263,802	1,541,814
		750,777	2,783,813
Non-current assets held for sale	10	-	-
		750,777	2,783,813
		20,403,561	14,968,368
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		65,000,000	65,000,000
Issued, subscribed and paid-up share capital	11	7,632,853	7,632,853
Reserves		11,176,473	6,136,099
		18,809,326	13,768,952
Non-Current Liability			
Long term financing	12	1,064,046	658,932
Current Liabilities			
Trade and other payables	13	152,209	151,792
Accrued interest / mark-up on borrowings		76,291	18,374
Current portion of long term financing		301,689	370,318
		530,189	540,484
Contingencies and Commitment	14		
		20,403,561	14,968,368

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2014 (Un-audited)

Note	Nine Months Ended		Quarter Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
..... (Rupees in '000)				
INCOME				
Return on investments	304,590	371,992	57,552	62,204
Gain on sale of investments - net	99,922	10,746	82,536	212
Income from long-term loans and fund placements	38,998	112,106	3,999	33,530
Commission	3,056	-	-	-
Other income	27,652	24,695	10,386	8,618
Gain on revaluation of investments carried at fair value through profit or loss account - net	87	34	56	34
	474,305	519,573	154,529	104,598
EXPENDITURE				
Operating and administrative expenses	92,132	81,403	29,474	25,920
Finance cost	123,079	151,314	43,997	35,663
Provision for Workers' Welfare Fund	3,371	58,031	320	700
Provision for impairment against investments - net	90,518	38,162	65,028	8,061
	309,100	328,910	138,819	70,344
PROFIT BEFORE TAXATION	165,205	190,663	15,710	34,254
Taxation				
Current	29,589	29,586	5,857	5,092
Prior	-	-	-	-
	29,589	29,586	5,857	5,092
NET PROFIT FOR THE PERIOD	135,616	161,077	9,853	29,162
..... (Rupees)				
EARNINGS PER SHARE				
	15			
Basic and diluted	0.18	0.21	0.02	0.04

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	..... (Rupees in '000)			
NET PROFIT FOR THE PERIOD	135,616	161,077	9,853	29,162
OTHER COMPREHENSIVE INCOME / (LOSS) :				
Items that will not be reclassified to profit and loss	-	-	-	-
Items that may be reclassified subsequently to profit and loss				
Net gain / (loss) on revaluation of available for sale investments during the period - net	5,004,125	(791,186)	(648,076)	(376,619)
Reclassification adjustment relating to sale of investments	(99,367)	(9,019)	(81,921)	(121)
Total items that may be reclassified subsequently to profit and loss	4,904,758	(800,205)	(729,997)	(376,740)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	5,040,374	(639,128)	(720,144)	(347,578)

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	Issued, subscribed and paid-up capital	Reserves			Sub-total	Total
		Capital	Revenue	Other		
	Ordinary share capital	Ordinary share premium	Accumulated loss	Unrealised gain/(loss) on revaluation of available for sale investments - net		
.....(Rupees in '000)						
Balance as at January 1, 2013	7,632,853	4,497,894	(1,488,444)	2,980,058	5,989,508	13,622,361
Net profit for the period	-	-	161,077	-	161,077	161,077
Other comprehensive loss	-	-	-	(800,205)	(800,205)	(800,205)
Total comprehensive income / (loss)	-	-	161,077	(800,205)	(639,128)	(639,128)
Transaction with owners						
Final dividend @ Re. 0.75 per ordinary share for the eighteen months period ended December 31, 2012	-	-	(572,464)	-	(572,464)	(572,464)
Balance as at September 30, 2013	7,632,853	4,497,894	(1,899,831)	2,179,853	4,777,916	12,410,769
Balance as at January 1, 2014	7,632,853	4,497,894	(1,880,077)	3,518,282	6,136,099	13,768,952
Net profit for the period	-	-	135,616	-	135,616	135,616
Other comprehensive Income	-	-	-	4,904,758	4,904,758	4,904,758
Total comprehensive income	-	-	135,616	4,904,758	5,040,374	5,040,374
Balance as at September 30, 2014	7,632,853	4,497,894	(1,744,461)	8,423,040	11,176,473	18,809,326

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	September 30, 2014	September 30, 2013
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	165,205	190,663
Adjustment for non cash charges and other items:		
Depreciation	2,476	2,612
Gain on sale of property and equipment	(1,197)	(176)
Amortisation of transaction costs on term finance certificates	4,087	4,867
Gain on revaluation of investments carried at fair value through profit or loss - net	(87)	(34)
Provision for impairment against investments - net	90,518	38,162
Finance cost	118,992	146,447
	214,789	191,878
Operating profit before working capital changes	379,994	382,541
(Increase) / decrease in operating assets:		
Trade debts	(362)	-
Loans and advances	(65)	(400,431)
Prepayments, accrued mark-up and other receivables	(3,613)	1,340
Long term loans, advance and security deposits	(82,559)	1,030
	(86,599)	(398,061)
Increase in trade and other payables	806	107,404
Net cash generated from operations	294,201	91,884
Mark-up paid	(61,075)	(201,249)
Taxes paid- net	(34,371)	(35,919)
Dividend paid	(389)	(564,631)
Net cash generated from / (used in) operating activities	198,366	(709,915)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(2,780)	(1,882)
Proceeds from sale of property and equipment	1,753	176
Investments - net	(1,807,749)	1,007,888
Net cash (used in) / generated from investing activities	(1,808,776)	1,006,182
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue / (redemption) of term finance certificates - net	332,398	(1,497,198)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,278,012)	(1,200,931)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,541,814	2,629,053
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	263,802	1,428,122

The annexed notes 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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 Limited. The registered office of the Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever requirements of the Companies Ordinance and SECP directives differ, the requirements of the Companies Ordinance and directives issued by the SECP shall prevail.

3. BASIS OF PREPARATION

3.1 This unconsolidated condensed interim financial information is un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi Stock Exchange Limited.

3.2 This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements; therefore should be read in conjunction with the Company's financial statements for the year ended December 31, 2013.

3.3 The comparative balance sheet presented in this unconsolidated condensed interim financial information has been extracted from the annual financial statements of the Company for the year ended December 31, 2013 whereas the comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity have been taken from unconsolidated condensed interim financial information for the nine months period ended September 30, 2013.

3.4 This unconsolidated condensed interim financial information is 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.

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2013.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated 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 judgment 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 judgments 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 December 31, 2013.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	..... (Rupees in '000)	

6. FIXED ASSETS - PROPERTY AND EQUIPMENT

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

Additions – cost

Office equipment	76	164
Motor vehicles	2,704	990
	2,780	1,154

Disposals – cost

Office premises - freehold	1,041	-
Office equipment	-	1,310
Motor vehicles	171	879
	1,212	2,189

	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	..... (Rupees in '000)	

7. LONG TERM INVESTMENTS
Investments in related parties

Investment in subsidiaries	7.1	6,899,873	5,536,615
Other related parties - Available for sale	7.2	12,644,318	6,034,055
		19,544,191	11,570,670

Other investments

	7.3	11,173	198,747
		19,555,364	11,769,417

7.1 Investment in subsidiaries - at cost

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

Number of shares			Note	Activity	Holding		(Un-audited)	(Audited)
September 30, 2014	December 31, 2013				September 30, 2014 %	December 31, 2013 %	September 30, 2014 (Rupees in '000)	December 31, 2013
Quoted								
755,245,007 *	755,245,007	JS Bank Limited		Commercial Banking	70.42	70.42	4,673,400	4,673,400
		Market value Rs. 4,093.43 (December 31, 2013: Rs. 3,398.60) million						
Un-quoted								
145,374,878 *	-	JS Bank Limited	7.1.1	Commercial Banking	96.92	-	1,453,749	-
		Convertible Preference Shares						
73,736,250	73,736,250	JS Infocom Limited		Telecom Media & Technology	100.00	100.00	708,490	708,490
		Net assets value Rs. 280.33 (December 31, 2013: Rs. 372.53) million based on un-audited financial statements for the period ended September 30, 2014 Less: Impairment						
		Balance carried forward						
							(428,164)	(337,673)
							280,326	370,817
							6,407,475	5,044,217

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

Number of shares		Note	Activity	Holding		(Un-audited)	(Audited)
September 30, 2014	December 31, 2013			September 30, 2014 %	December 31, 2013 %	September 30, 2014	December 31, 2013
						6,407,475	5,044,217
						294,882	294,882
10,000	10,000		Investment services	100.00	100.00	(294,882)	(294,882)
						-	-
63,000,000	63,000,000	7.1.2	Power Generation & Distribution	100.00	100.00	630,000	630,000
						(137,602)	(137,602)
						492,398	492,398
						6,899,873	5,536,615

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

7.1.1 During the period, JS Bank Limited has made a right issue of 150 million preference shares having a face value of Rs. 10 each, amounting to Rs. 1,500 million. The Company subscribed 145.38 million preference shares of the said right issue amounting to Rs.1,453.75 million (out of which 39.74 million shares amounting to Rs. 397.43 million were subscribed as underwriter to the right issue arrangement). The terms and conditions of the right issue are as follows:

Instrument:	Un-listed, convertible, irredeemable, perpetual, non-cumulative, non-voting preference shares.
Issue Price:	Issued at par value of Rs 10 per share;
Tenure:	Four years from the date of issuance of preference shares;
Conversion ratio:	For every one preference share, 1.5 ordinary shares will be issued i.e. 1:1.5
Dividend:	Non-cumulative at the rate of 12% per annum fixed. No compensation would be available to the preference shareholders other than the agreed return i.e. 12% p.a. which will be paid in the form of cash dividend. The distribution of dividend is not obligatory and will be allowed only if the Bank has earned sufficient profit in the current year to pay dividend and is in compliance with all the regulatory capital (MCR and CAR) and provisioning requirements.

7.1.2 Net assets of the subsidiary includes, investments in shares of carrying value Rs. 343.95 million (December 31, 2013: Rs. 334.98 million) are pledged with a bank as collateral against guarantees issued on behalf of Gujranwala Energy Limited (GEL), a joint venture (JV). During the year ended June 30, 2010, the JV was not able to meet the financial close mandated with National Bank of Pakistan and was not allowed to make amendments in the power purchase agreement by Private Power and Infrastructure Board (PPIB). Accordingly, the operations of GEL were ceased. Further, it was not able to raise the requisite funds and deposit initial mobilization advance with Wartsila Finland. In the meantime, GEL filed petition in the High Court of Sindh to protect the Company from the encashment of performance guarantees. The High Court of Sindh ordered the GEL to keep the guarantees alive and restricted PPIB and Wartsila Finland from encashing the same till the adjudication of the above petition. Further, the JV has filed a civil suit in Civil Court Lahore, wherein the Preliminary Agreement with Wartsila Finland has been challenged on the grounds that no legal and binding contract has been concluded as the Preliminary Agreement was merely an understanding to enter into contract at some future date and upon happening of certain events, therefore, the question of encashment of above guarantees does not arise. The stay order is still valid and the case is pending for adjudication. The management, based on legal advice, believes that the ultimate outcome of the case will be in favour of the subsidiary company as well as JV.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

7.2 Other related parties
Available for sale

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

Number of shares		Note	Activity	Holding		(Un-audited)	(Audited)	
September 30, 2014	December 31, 2013			September 30, 2014 %	December 31, 2013 %	September 30, 2014 (Rupees in '000)	December 31, 2013	
Quoted - at fair value								
25,983,302	20,299,455		EFU General Insurance Limited	General Insurance	16.24	16.24	3,001,071	1,865,926
20,047,708	20,047,708		EFU Life Assurance Limited	Life Assurance	20.05	20.05	2,726,488	1,638,098
111,256,116 *	111,256,116		BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	1,109,223	772,117
159,850,000	11,500,000	7.2.1	Pakistan International Bulk Terminal Limited	Bulk Terminal	21.07	21.07	3,332,873	214,705
13,230,000	9,800,000		Hum Network Limited	Television Network	14.00	14.00	1,718,577	734,902
112,157,863	112,157,863		Azgard Nine Limited	Textile Composite	24.96	24.96	570,884	800,807
7,897,860	-	7.2.2	Singer Pakistan Limited	Household Goods	17.39	-	177,702	-
Un-quoted - at cost								
750,000	750,000		EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500
						12,644,318	6,034,055	

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

7.2.1 During the period, Pakistan International Bulk Terminal Limited made a right issue of 1290% ordinary shares of Rs. 10/- each. The Company has subscribed 148.35 million ordinary shares of the said right issue as per its proportionate shareholding amounting to Rs.1,483.50 million.

7.2.2 During the period, a related party relationship was established on account of appointment of major shareholder of the Company as director of Singer Pakistan Limited.

7.3 Other investments
Available for sale

These shares are Ordinary shares of Rs.10/- each.

Number of shares		Note	(Un-audited)	(Audited)
September 30, 2014	December 31, 2013		September 30, 2014 (Rupees in '000)	December 31, 2013
Quoted - at fair value				
-	7,897,860	7.2.2	-	187,574
Un-quoted - at cost				
4,007,383	4,007,383	7.3.1	73	73
3,034,603	3,034,603		11,100	11,100
			11,173	11,173
			11,173	198,747

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

7.3.1 Pursuant to demutualization of the Karachi Stock Exchange Limited (KSE), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and Trading Right Entitlement Certificate (TREC) from the KSE against its membership card which was carried at Rs. 100,000 in the books of the Company.

The above arrangement has resulted in allocation of 4,007,383 shares at Rs. 10 each with a total face value of Rs. 40 million and TREC to the Company by the KSE. Out of total shares issued by the KSE, the Company has actually received 40% equity shares i.e. 1,602,953 shares in its CDC account. The remaining 60% shares had been transferred to CDC sub-account in the Company's name under the KSE's participant IDs with the CDC which will remain blocked until these are divested/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis.

The above mentioned face value (Rs. 40 million) of the shares issued by the KSE to its members including the Company had been determined on the basis of the fair valuation of the underlying assets and liabilities of the KSE in accordance with the requirements of the Stock Exchange Corporatisation, Demutualization and Integration Act, 2012. In other words, shares worth Rs. 40 million received by the Company represent its share in the fair value of the net assets of the KSE. Under the current circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has introduced a minimum capital regime for the brokers, and for this purpose have valued TREC at Rs. 15 million as per the decision of the Board of Directors of the KSE. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 15 million had been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair values of KSE shares (Rs. 40 million) and TREC (Rs. 15 million), the Company has allocated its carrying value of the membership card in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs. 73,000 and TREC at Rs. 27,000. Further, on August 16, 2014 the TREC of KSE has lapsed and accordingly charged to Profit and Loss account as impairment loss.

7.3.2 These represent shares received from Islamabad Stock Exchange (ISE) pursuant to similar demutualization process relating to KSE because no reasonable basis has yet been finalized, the management has recorded TREC at token value of Rs. 1,000 whereas the remaining amount (Rs. 11.099 million) has been allocated to shares. Further, on August 16, 2014 the TREC of ISE has lapsed and accordingly charged to Profit and Loss account as impairment loss.

8. LONG-TERM LOANS AND ADVANCES

This includes Rs. 84.29 million advance paid to BankIslami Pakistan Limited (a related party) against issue of right shares of Rs. 400 million. The Company has sent letter for subscription of 10,094,612 ordinary shares of Rs. 8.35 per share and accordingly adjustment of subscription value from the aforesaid advance.

	Note	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)			
9. FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
Financial assets at fair value through profit or loss			
Listed equity securities	9.1	25,205	-
Available for sale - at fair value			
Listed equity securities		6,377	7,436
Government securities		74,116	491,300
Mutual funds - open end (at redemption value)			
Related parties		-	158,978
Others		-	211,829
		-	370,807
		105,698	869,543

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

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

		September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	Note	..... (Rupees in '000)	
10. NON-CURRENT ASSETS HELD FOR SALE			
Investment in a subsidiary:			
- Credit Chex (Private) Limited	10.1	-	189,500
Less: Impairment		-	(189,500)
		<u>-</u>	<u>-</u>

10.1 The Board of Directors of the Company in their meeting held on August 30, 2012 approved to dispose of entire investment in Credit Chex (Private) Limited - a subsidiary of the Company. Accordingly, the Company has entered into a share purchase agreement with LoanLink International (BVI) Limited to sell 1,895,000 shares of Credit Chex (Private) Limited subject to completion of necessary regulatory formalities. The approval of the State Bank of Pakistan was obtained and during the period, the entire investment has been disposed of.

11. ISSUE OF RIGHT PREFERENCE SHARES

Pursuant to the proposal of the Board of Directors of the Company in their meeting held on August 20, 2014 to issue 114,492,798 (15%) right shares as non-voting, non-participatory, cumulative, transferable and redeemable or convertible Class "A" Preference Shares of PKR 10 each to the existing ordinary shareholders of the Company by way of rights, the shareholders of the Company in their Extraordinary General Meeting held on September 19, 2014 through special resolution have approved the issuance of aforesaid preference shares subject to the approval of the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Company has applied to SECP for approval of the same. However, the Company has received the order of Honourable High Court of Sindh wherein, the SECP has been restrained from permitting the Company from approving the issuance of Class "A" Preference Shares.

The major terms and conditions of the proposed right preference shares are given below:

Instrument: Listed, convertible or redeemable, cumulative, non-voting, non-participatory Class 'A' preference shares.

Issue Price: To be issued at par value of Rs 10 per share;

Tenure: Five years from the date of issuance of preference shares;

Redemption: Class "A" Preference Shares may be redeemed at the option of the Company on June 30 or December 31 of any calendar year prior to December 31, 2019 at par.

Conversion ratio: Notwithstanding the Company's right to redeem Class "A" Preference Shares, the Company shall also have a firm option to convert Class "A" Preference Shares into ordinary shares of PKR 10/- each of the Company on June 30 or December 31 of any calendar year prior to December 31, 2019 in the ratio of 1:1 i.e. for every one Class 'A' preference share, 1 ordinary share will be issued. All outstanding preference shares not redeemed by December 31, 2019 shall be converted into ordinary shares.

Dividend: Cumulative at the rate of 12% per annum fixed.

12. LONG TERM FINANCING

Included herein is proceeds amounting to Rs. 750 million net of issue cost Rs. 5.24 million (inclusive of green shoe option of Rs. 250 million) received against eighth issue of term finance certificate (TFC) which was issued during the period on April 8, 2014. The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 175 basis points per annum. These TFCs have a tenor of five years i.e. 2014-2019 with a call option exercisable by the Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in ten (10) stepped up semi-annual installments starting from the 6th month of the Issue Date (April 8, 2014). These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 1,518.75 million to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

13. TRADE AND OTHER PAYABLES

Prior to certain amendments made through the Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. On prudent basis, the Company has recognized current year provision of Rs. 3.371 million and aggregate provision amounting to Rs. 63.55 million for the years from January 2012 to September 2014.

Further, during the period, pursuant to the show cause notice dated June 28, 2014 issued by the Deputy Commissioner of Inland Revenue (DCIR) under section 221(3) for rectification under section 221(1) of the Income Tax Ordinance, 2001 in respect of Tax Year 2013 for non-payment of WWF of Rs. 53.06 million under the provisions of section 4 of the Workers Welfare Fund Act, 1971, read with FBR circular # 13 of 2008, the Company has filed Writ Petition under Article 199 of the Constitution of Islamic Republic of Pakistan before the High Court of Sindh challenging the levy and demand for payment of WWF and obtained interim relief. The matter is pending adjudication before the Court.

14. CONTINGENCIES AND COMMITMENT

14.1 There was no material change in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended December 31, 2013 except for the following:

14.2 The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued another order under section 122 (5A) of the Ordinance in respect of the tax year 2008 and raised demand of Rs. 96.476 million by unlawfully charging minimum tax @ 0.5% u/s 113 of the Ordinance on capital gain of Rs. 19,255.036 million and despite the fact that capital gains are treated under separate head of income as 'Capital Gains' and not as part of 'Income from Business'. Further, capital gains are not covered under the exclusive definition of 'turnover' stipulated in section 113 of the Ordinance. Subsequent to the period end, the Company has filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals). The hearing for the aforementioned appeal was held on March 10, 2014, however, order thereof is still awaited.

The management, based on its discussions with its tax advisors, is confident that the subject matter in respect of tax year 2008 will eventually be decided in favor of the Company. Hence, no provision for liability has been made in this unconsolidated condensed interim financial information.

	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	..... (Rupees in '000)	

14.3 Commitment

Commitment in respect of Future sale transaction of equity securities

25,522

-

Underwriting commitment for BankIslami Pakistan Ltd

37,032

-

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

15. BASIC AND DILUTED EARNINGS PER SHARE

Profit / (loss) after taxation attributable to Ordinary shareholders

135,616

161,077

9,853

29,162

..... (Number in '000)

Weighted average number of Ordinary shares outstanding during the period

763,285

763,285

763,285

763,285

..... (Rupees)

Earnings per share:

- Basic and diluted

0.18

0.21

0.02

0.04

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

15.1. Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

	September 30, 2014	September 30, 2013
	..... (Rupees in '000)	
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>263,802</u>	<u>1,428,122</u>

17. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, subsidiaries, companies having common directorship, employee benefit plan and its key management personnel (including their associates).

Contributions to the account in respect of staff retirement benefit are made in accordance with terms of the contribution plan. Remuneration of the key management personnel is in accordance with the terms of their employment. Other transactions are at agreed terms.

	September 30, 2014	September 30, 2013
	..... (Rupees in '000)	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Dividend income	-	66,363
Brokerage expense	345	271
Purchase of government securities	513,949	2,240,275
Rent income	26,150	25,310
Market maker fee paid	522	450
Interest / markup paid	1,054	6,396
Principal redemptions made against TFCs	1,313	13,375
Profit received on fund placements and deposit accounts	49,099	96,121
Paid against subscription of convertible preference shares	1,453,749	-
Investment in TFCs issued by the Company	169,000	-
Bank charges paid	3	5
Reimbursement of expenses by the Company	592	200
Reimbursement of expenses to the Company	10,216	11,627
Underwriting commission received	3,056	-
Convertible Preference shares received (No. of shares)	145,374,878	-
Associates		
Dividend income	-	29,221
Units issued on conversion to open end fund (No. of units)	-	1,123,881
Common Directorship		
Dividend income	34,545	-
Advance against subscription of right shares	84,290	-
Reimbursement of expenses to the Company	-	205
Bonus shares received (No. of Shares)	3,430,000	-
Letter of right received	10,095	-
Other Related Parties		
Dividend income	248,741	199,731
Dividend paid	-	346,197
Contributions to Staff Provident Fund	2,436	2,214
Interest / markup paid	4,722	10,404
Principal redemptions made against TFCs	13,125	56,039
Insurance premium paid	1,554	1,234
Proceeds against insurance claim / cancellation	161	72
Royalty paid	9,900	7,425
Advisory fee paid	4,500	4,500

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	September 30, 2014	September 30, 2013
..... (Rupees in '000)		
Donation paid	8,000	-
Investment in TFCs issued by the Company	4,500	-
Susbscription of right shares	1,083,500	-
Proceeds against redemption of units	213,940	-
Investments during the period	-	100,000
Disinvestments during the period	-	309,086
Units purchased during the period (No. of Units)	-	975,277
Units Sold during the period (No. of Units)	1,332,576	3,018,653
Bonus units received during the period (No. of Units)	208,694	65,013
Shares received against subscription of right shares (No. of shares)	148,350,000	-
Bonus shares received (No. of shares)	5,683,847	3,007,156
Key Management Personnel		
Remuneration to Chief Executive Officer	7,456	6,725
Advisory fee to Director	4,500	4,500
Dividend paid	-	3,742
Remuneration to Executives	6,483	5,232
Interest on long term loans to executives	138	223
Loan and advances disbursed during the peirod	920	760
Loan and advances repayments from executives	614	410
Proceeds from sale of vehicle	-	176
Fee for services	1,763	-
Reimbursement of expenses	1,441	-
	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)		
BALANCES		
Subsidiary Companies		
Receivable against expenses incurred on their behalf	8,591	1,924
Cash at bank accounts	263,048	1,424,855
Profit receivable on deposit accounts	2,082	12,080
Payable against purchase / sale of equity securities - net	-	39,746
Outstanding principal of TFCs issued by the Company	175,563	464
Markup payable on TFCs issued by the Company	10,070	9,188
Common directorship		
Advance against subscription of right shares	84,290	-
Other Related Parties		
Advance against subscription of right shares	-	400,000
Outstanding principal of TFCs issued by the Company	117,000	91,875
Markup payable on TFCs issued by the Company	6,450	4,644
Key management personnel		
Loans and advances receivable	2,554	2,752

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

18. DATE OF AUTHORISATION

This unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on October 27, 2014.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

**CONSOLIDATED
CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

Consolidated Condensed Interim Balance Sheet

As at September 30, 2014

		September 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
	Note	..... (Rupees in '000)	
ASSETS			
Non-Current Assets			
Fixed assets:			
- Property and equipment	6	2,375,371	2,205,868
- Intangible assets		232,356	185,068
- Investment property		2,262	2,471
Long term investments	7	12,866,016	6,540,018
Long term loans, advances and other receivables		5,228,705	2,987,007
Long term deposits		779	9,227
Deferred taxation		886,945	1,052,958
		21,592,434	12,982,617
Current Assets			
Financial assets - Short term investments	8	65,728,314	45,250,138
Trade debts - unsecured		958,935	303,760
Loans and advances		42,711,625	31,203,878
Accrued markup		2,369,049	1,334,807
Deposits, prepayments and other receivables		1,420,328	657,305
Fund placements		3,241,244	21,585,799
Taxation - net		438,766	440,072
Cash and bank balances		7,924,870	8,413,827
		124,793,131	109,189,586
Assets classified as held for sale	9	-	3,536
		124,793,131	109,193,122
		146,385,565	122,175,739
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	10	7,632,853	7,632,853
Reserves		12,827,014	7,190,933
Equity attributable to equity holders' of the parent		20,459,867	14,823,786
Non-controlling interests		4,873,250	4,277,080
Total equity		25,333,117	19,100,866
Non-Current Liabilities			
Long term financing	11	888,483	651,056
Deposits and other accounts		83,979	142,667
Defined benefit plan		42,107	1,289
		1,014,569	795,012
Current Liabilities			
Trade and other payables		4,222,034	2,729,410
Accrued interest / mark-up on borrowings		772,276	568,310
Short term borrowings		13,706,725	20,150,846
Current portion of long term liabilities	12	101,336,844	78,751,025
		120,037,879	102,199,591
Liabilities directly associated with assets classified as held for sale	9	-	80,270
		120,037,879	102,279,861
Contingencies and Commitments	13	146,385,565	122,175,739

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
 Chairman

Suleman Lalani
 Chief Executive

Consolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
..... (Rupees in '000)					
CONTINUING OPERATIONS					
Income					
Return on investments		4,019,229	3,513,007	1,705,411	1,107,337
Gain on sale of investments - net		968,097	867,280	486,658	502,384
Income from long term loans and fund placements		3,989,277	2,208,306	1,396,181	883,621
Fee, commission and brokerage		1,021,793	904,117	366,382	293,071
Other income		256,662	284,293	10,788	92,129
Gain on revaluation of investments carried at fair value through profit and loss - net		33,463	19,790	42,752	(8,618)
		10,288,521	7,796,793	4,008,172	2,869,924
Expenditure					
Operating and administrative expenses		3,692,620	3,143,643	1,377,431	1,262,375
Finance cost		4,892,965	3,401,799	1,868,591	1,033,022
Provision for workers' welfare fund		29,669	93,437	10,392	17,944
Impairment on investments		135,044	(22,246)	123,248	(164,739)
		8,750,298	6,616,633	3,379,662	2,148,602
		1,538,223	1,180,160	628,510	721,322
Share of profit / (loss) from:					
- associate		-	107,771	-	-
- joint venture		-	(379)	-	(379)
		-	107,392	-	(379)
Profit before taxation from continuing operations		1,538,223	1,287,552	628,510	720,943
Taxation					
- Current		181,557	205,559	57,106	62,059
- Prior		-	-	-	2,901
- Deferred		126,510	20,589	44,692	(4,268)
		308,067	226,148	101,798	60,692
Profit after taxation from continuing operations		1,230,156	1,061,404	526,712	660,251
DISCONTINUED OPERATIONS					
Loss after taxation from discontinued operations	17	(6,843)	(8,954)	-	-
PROFIT AFTER TAXATION FOR THE PERIOD		1,223,313	1,052,450	526,712	660,251
Attributable to:					
Equity holders of the parent		707,093	426,922	312,815	211,805
Non-controlling interests		516,220	625,528	213,897	448,446
		1,223,313	1,052,450	526,712	660,251
..... (Rupees)					
EARNINGS / (LOSS) PER SHARE					
Basic and diluted					
Continuing operations		0.93	0.57	0.41	0.28
Discontinued operations		(0.01)	(0.01)	-	-
		0.92	0.56	0.41	0.28

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	..... (Rupees in '000)			
PROFIT FOR THE PERIOD AFTER TAXATION	1,223,313	1,052,450	526,712	660,251
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss				
Revaluation of available for sale investments	4,998,172	(1,689,756)	(757,081)	(1,427,154)
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	(34,064)	1,369	(4,243)	822
Actuarial gains and losses on defined benefit plan	-	(114)	-	(57)
Total items that may be reclassified subsequently to profit and loss	4,964,108	(1,688,501)	(761,324)	(1,426,389)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	6,187,421	(636,051)	(234,612)	(766,138)
Attributable to:				
Equity holders of the parent	5,636,081	(795,893)	(406,623)	(670,288)
Non-controlling interest	551,340	159,842	172,011	(95,850)
	6,187,421	(636,051)	(234,612)	(766,138)

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT							NON-CONTROLLING INTERESTS	TOTAL	
	Ordinary share capital	Reserves			Unrealised gain on revaluation of available for sale investments - net	Statutory	Sub-total			
		Capital	Revenue							Others
		Ordinary share premium	Unappropriated profit / (accumulated loss)	Foreign exchange translation						
(Rupees in '000)										
Balance as at January 1, 2013	7,632,853	4,497,894	(1,048,853)	55,017	3,437,010	158,566	14,732,487	4,893,334	19,625,821	
Profit for the period	-	-	426,922	-	-	-	426,922	625,528	1,052,450	
Other comprehensive income / (loss)	-	-	-	1,369	(1,224,184)	-	(1,222,815)	(465,686)	(1,688,501)	
Total comprehensive income / (loss) for the period	-	-	426,922	1,369	(1,224,184)	-	(795,893)	159,842	(636,051)	
Appropriations for the eighteen months period ended December 31, 2012:										
- Dividend @ Re.0.75 per ordinary share	-	-	(572,464)	-	-	-	(572,464)	-	(572,464)	
Appropriation during the period:										
- Transfer from statutory reserves	-	-	(40,028)	-	-	40,028	-	-	-	
Balance as at September 30, 2013	7,632,853	4,497,894	(1,234,423)	56,386	2,212,826	198,594	13,364,130	5,053,176	18,417,306	
Balance as at January 1, 2014	7,632,853	4,497,894	(1,406,105)	127,591	3,763,732	207,821	14,823,786	4,277,080	19,100,866	
Profit for the period	-	-	707,093	-	-	-	707,093	516,220	1,223,313	
Other comprehensive (loss) / income	-	-	-	(34,064)	4,963,052	-	4,928,988	35,120	4,964,108	
Total comprehensive income / (loss) for the period	-	-	707,093	(34,064)	4,963,052	-	5,636,081	551,340	6,187,421	
Transfer from statutory reserve	-	-	(57,827)	-	-	57,827	-	24,291	24,291	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(39,575)	(39,575)	
Convertible preference shares issued to non-controlling interests	-	-	-	-	-	-	-	46,251	46,251	
Disposal of investment in subsidiary	-	-	-	-	-	-	-	13,863	13,863	
Balance as at September 30, 2014	7,632,853	4,497,894	(756,839)	93,527	8,726,784	265,648	20,459,867	4,873,250	25,333,117	

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
 Chairman

Suleman Lalani
 Chief Executive

Consolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	September 30, 2014	September 30, 2013
Note	..... (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	1,538,223	1,287,552
Loss before taxation from discontinued operations	(6,882)	(8,941)
Profit for the period before taxation	<u>1,531,341</u>	<u>1,278,611</u>
Adjustments for non cash charges and other items:		
Depreciation	273,399	216,724
Amortisation on intangible assets	25,514	15,560
Amortisation of transaction cost on term finance certificates	4,087	4,867
Profit on sale of property and equipment	(25,188)	(41,033)
Provision for doubtful debts, loans and advances	381,984	347,538
Share of profit from associate and joint venture	-	(107,392)
Charge for defined benefit plan	42,107	(4,393)
Provision for / (reversal of provision) for impairment against investments - net	135,044	(22,246)
Impairment of intangibles	28	-
Gain on revaluation of investments carried at fair value through profit or loss - net	(33,463)	(19,790)
Finance cost	4,888,878	3,396,957
	<u>5,692,390</u>	<u>3,786,792</u>
Operating profit before working capital changes (Increase) / decrease in operating assets :	<u>7,223,731</u>	<u>5,065,403</u>
Short term investments	(20,355,222)	2,253,852
Trade debts	(655,175)	(638,382)
Loans and advances	(11,889,731)	(4,016,149)
Long term loans, advances, deposits and other receivables	(2,233,250)	(1,408,592)
Fund placements	18,344,555	(2,216,134)
Deposits, prepayments, accrued mark-up and other receivables	(1,793,729)	(468,688)
	<u>(18,582,552)</u>	<u>(6,494,093)</u>
Increase in operating liabilities:		
Trade and other payables	1,411,965	1,296,234
Deposits and other accounts	22,595,760	12,511,831
Net cash generated from operations	<u>12,648,904</u>	<u>12,379,375</u>
Interest / mark-up paid	(4,684,912)	(3,481,300)
Taxes paid	(182,863)	(151,892)
Dividend paid (including non-controlling interests)	(31,636)	(564,715)
Net cash generated from operating activities	<u>7,749,493</u>	<u>8,181,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(453,326)	(489,658)
Intangible assets acquired	(74,313)	(16,630)
Proceeds from sale of property and equipment	36,271	56,075
Investments acquired - net of sale	(1,513,923)	(2,000)
Net cash used in investing activities	<u>(2,005,291)</u>	<u>(452,213)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance / (redemption) of term finance certificates - net of issuance	164,711	(1,510,396)
Proceeds from issuance of convertible preference shares by subsidiary	46,251	-
Securities sold under repurchase agreements	(6,289,387)	(5,884,421)
Net cash used in financing activities	<u>(6,078,425)</u>	<u>(7,394,817)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(334,223)</u>	<u>334,438</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,443,584	5,604,204
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>5,109,361</u>	<u>5,938,642</u>

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The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
 Chairman

Suleman Lalani
 Chief Executive

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (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, managing strategic investments, investment advisory, asset management, agency telecommunication, commercial banking and other businesses. The Group is mainly operating in Pakistan but also provides services in United Kingdom and Cayman Island.

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 Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shahra-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	Note	Date of Acquisition /Disposal	Holding (including indirect holding)	
				September 30, 2014	December 31, 2013
JS Bank Limited (JSBL)	Commercial Banking		December 30, 2006	70.42%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager		November 1, 2012	36.79%	36.79%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services		December 21, 2011	35.95%	35.95%
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%
Credit Chex (Private) Limited	Credit Information and Credit Rating Services	9	October 8, 2007 / September 16, 2014	-	82.84%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		November 1, 2012	36.79%	36.79%
Energy Infrastructure Holding (Private) Limited	Power generation		July 07, 2008	100.00%	100.00%

2. BASIS OF PREPARATION

These consolidated 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 consolidated 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 consolidated condensed interim 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 December 31, 2013.

These consolidated condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow statement.

The comparative balance sheet presented in these consolidated condensed interim financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended December 31, 2013, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are extracted from the un-audited consolidated condensed interim financial statements for the period ended September 30, 2013.

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

2.1 Statement of compliance

These consolidated 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 (IFRSs) 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.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2013.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2013.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of consolidated 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 consolidated financial statements for the year ended December 31, 2013.

6. FIXED ASSETS - PROPERTY AND EQUIPMENT

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

		September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
		..... (Rupees in '000)	
Additions - cost			
Owned:			
- Office premises - freehold		271,544	1,400
- Leasehold improvements		48,938	69,971
- Office equipment		182,871	259,821
- Office furniture and fixtures		29,757	35,119
- Motor vehicles		119,224	140,986
		652,334	507,297
Disposals - cost			
- Office premises - freehold		1,041	-
- Leasehold improvements		-	2,285
- Office equipment		9,155	13,713
- Office furniture and fixtures		-	3,338
- Motor vehicles		37,358	72,088
		47,554	91,424
	Note	September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
		..... (Rupees in '000)	
7. LONG TERM INVESTMENTS			
Related parties:			
- Investment in associates		-	-
- Other related parties - Available for sale	7.1	12,644,318	6,034,055
		12,644,318	6,034,055
Other investments	7.2	221,698	505,963
		12,866,016	6,540,018

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

7.1 Investments held by Energy Infrastructure (Private) Limited (the subsidiary company) includes, investments shares of carrying value Rs. 343.95 (December 31, 2013: Rs. 334.98) million are pledged with a bank as collateral against guarantees issued on behalf of Gujranwala Energy Limited (GEL), a joint venture (JV). During the year ended June 30, 2010, the JV was not able to meet the financial close mandated with National Bank of Pakistan and was not allowed to make amendments in the power purchase agreement by Private Power and Infrastructure Board (PPIB). Accordingly, the operations of GEL were ceased. Further, it was not able to raise the requisite funds and deposit initial mobilization advance with Wartsila Finland. In the meantime, GEL filed petition in the High Court of Sindh to protect the Company from the encashment of performance guarantees. The High Court of Sindh ordered the GEL to keep the guarantees alive and restricted PPIB and Wartsila Finland from encashing the same till the adjudication of the above petition. Further, subsequent to the year end, the JV has filed a civil suit in Civil Court Lahore, wherein the Preliminary Agreement with Wartsila Finland has been challenged on the grounds that no legal and binding contract has been concluded as the Preliminary Agreement was merely an understanding to enter into contract at some future date and upon happening of certain events, therefore, the question of encashment of above guarantees does not arise. The stay order is still valid and the case is pending for adjudication. The management, based on legal advice, believes that the ultimate outcome of the case will be in favour of the subsidiary company as well as JV.

7.2 This includes shares received from Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012.

September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)	

8. FINANCIAL ASSETS - SHORT TERM INVESTMENTS

Assets at fair value through profit or loss	11,259,585	24,680,680
Available for sale	54,468,729	20,569,458
	65,728,314	45,250,138

9. DISCONTINUED OPERATION

The Board of Directors of the Holding Company in their meeting held on August 30, 2012 approved to dispose of entire investment in Credit Chex (Private) Limited - a subsidiary of the Company. Accordingly, the Company has entered into a share purchase agreement with LoanLink International (BVI) Limited to sell 1,895,000 shares of Credit Chex (Private) Limited subject to completion of necessary regulatory formalities. The approval of the State Bank of Pakistan was obtained and during the period, the entire investment has been disposed of.

10. ISSUE OF RIGHT PREFERENCE SHARES

Pursuant to the proposal of the Board of Directors of the Holding Company in their meeting held on August 20, 2014 to issue 114,492,798 (15%) right shares as non-voting, non-participatory, cumulative, transferable and redeemable or convertible Class "A" Preference Shares of PKR 10 each to the existing ordinary shareholders of the Holding Company by way of rights, the shareholders of the Holding Company in their Extraordinary General Meeting held on September 19, 2014 through special resolution have approved the issuance of aforesaid preference shares subject to the approval of the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Holding Company has applied to SECP for approval of the same. However, the Holding Company has received the order of Honourable High Court of Sindh wherein, the SECP has been restrained from permitting the Holding Company from approving the issuance of Class "A" Preference Shares.

The major terms and conditions of the proposed right preference shares are given below:

Instrument:

Listed, convertible or redeemable, cumulative, non-voting, non-participatory Class 'A' preference shares.

Issue Price: To be issued at par value of Rs 10 per share;

Tenure: Five years from the date of issuance of preference shares;

Redemption: Class "A" Preference Shares may be redeemed at the option of the Holding Company on June 30 or December 31 of any calendar year prior to December 31, 2019 at par.

Conversion ratio: Notwithstanding the Holding Company's right to redeem Class "A" Preference Shares, the Holding Company shall also have a firm option to convert Class "A" Preference Shares into ordinary shares of PKR 10/- each of the Holding Company on June 30 or December 31 of any calendar year prior to December 31, 2019 in the ratio of 1:1 i.e. for every one Class 'A' preference share, 1 ordinary share will be issued. All outstanding preference shares not redeemed by December 31, 2019 shall be converted into ordinary shares.

Dividend: Cumulative at the rate of 12% per annum fixed.

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

11. LONG TERM FINANCING

Included herein is proceeds amounting to Rs. 750 million net of issue cost Rs. 5.24 million (inclusive of green shoe option of Rs. 250 million) received against eighth issue of term finance certificate (TFC) which was issued during the period on April 8, 2014. The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 175 basis points per annum. These TFCs have a tenor of five years i.e. 2014-2019 with a call option exercisable by the Holding Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in ten (10) stepped up semi-annual instalments starting from the 6th month of the Issue Date (April 8, 2014). These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 1,518.75 million to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)	

12. CURRENT PORTION OF LONG TERM LIABILITIES
Long term financing:

Long term financing - Term finance certificates
Deposits and other accounts

301,689	370,318
101,035,155	78,380,707
<u>101,336,844</u>	<u>78,751,025</u>

13. CONTINGENCIES AND COMMITMENTS
13.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended December 31, 2013 except for the following:

13.1.1 The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued another order under section 122 (5A) of the Ordinance in respect of the tax year 2008 and raised demand of Rs. 96.476 million by unlawfully charging minimum tax @ 0.5% u/s 113 of the Ordinance on capital gain of Rs. 19,255.036 million and despite the fact that capital gains are treated under separate head of income as 'Capital Gains' and not as part of 'Income from Business'. Further, capital gains are not covered under the exclusive definition of 'turnover' stipulated in section 113 of the Ordinance. Subsequent to the period end, the Company has filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals). The hearing for the aforementioned appeal was held on March 10, 2014, however, order thereof is still awaited.

The management, based on its discussions with its tax advisors, is confident that the subject matter in respect of tax year 2008 will eventually be decided in favor of the Company. Hence, no provision for liability has been made in this unconsolidated condensed interim financial information.

13.2 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, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)	

- Government	5,293,525	2,520,803
- Banking companies and other financial institutions	348,372	210,521
- Others	884,341	333,832
	<u>6,526,238</u>	<u>3,065,156</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

September 30, 2014 (Un-audited)	December 31, 2013 (Audited)
..... (Rupees in '000)	

13.3 Trade related contingent liabilities

Documentary credits	8,716,311	4,882,691
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13.4 Other Contingencies

Claims not acknowledged as debts	66,838	66,896
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13.5 Commitments

Commitments in respect of:

Forward exchange contracts:

- Purchase	7,623,139	6,988,325
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- Sale	7,815,778	6,485,184
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Other Commitments

Forward commitments to extend credit	4,059,428	675,700
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Forward commitments in respect of sale	-	10,000
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Capital expenditure	35,741	75,320
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Cross currency swaps (notional principal)	1,084,500	-
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Assets acquired under operating lease / ijarah	-	1,209
--	---	-------

Future sale transactions of equity securities	480,585	394,964
---	---------	---------

Underwriting agreement for BankIslami Pakistan Limited right shares	37,032	-
---	--------	---

Nine Months Ended		Quarter Ended	
September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
..... (Rupees in '000)			

14. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Attributable to equity holders' of the parent:

Profit from continuing operations	712,761	434,339	312,815	211,805
Loss after taxation from discontinued operations	(5,669)	(7,417)	-	-

Profit after taxation attributable to Ordinary shareholders

707,093	426,922	312,815	211,805
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..... (Number in '000)

Weighted average number of Ordinary shares outstanding during the period

763,285	763,285	763,285	763,285
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..... (Rupees)

Earnings / (loss) per share:

Basic and Diluted

Continuing operations	0.93	0.57	0.41	0.28
Discontinued operations	(0.01)	(0.01)	-	-
	0.92	0.56	0.41	0.28

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

	September 30, 2014	September 30, 2013
	..... (Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,924,870	7,523,557
Short term running finances under mark-up arrangements	-	(52,005)
Borrowings from banks / NBFCs	(2,815,509)	(1,532,910)
	<u>5,109,361</u>	<u>5,938,642</u>

16. RELATED PARTY TRANSACTIONS

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 period ended are as follows:

	September 30, 2014	September 30, 2013
	..... (Rupees in '000)	
Brokerage and commission expense	8,693	6,919
Purchase of money market instruments	16,304,463	16,452,127
Sale of money market instruments	83,924,429	69,547,499
Purchase of units	1,955,000	200,000
Sale of units	182,822	1,278,175
Call borrowing / repurchase transactions / encashment of fund placements	-	14,950,000
Return on investments in related parties	288,486	457,572
Advisory and consultancy fee	-	45,559
Commission income	67,329	73,618
Foreign exchange purchases transaction	-	5,965,282
Foreign exchange sale transaction	-	8,457,974
Rental income	840	746
Interest / markup earned	2,845	105,175
Interest / markup paid	4,722	345,259
Principal redemptions made against TFCs	13,125	56,039
Rent expense	8,103	1,769
Royalty paid	9,900	14,925
Advisory fee paid	4,500	12,000
Insurance premium paid	61,684	49,660
Insurance claim received	12,281	5,122
Investments made in funds under management	-	70,000
Proceeds from sale of property and equipment	-	176
Donations paid to Mahvash and Jahangir Siddiqui Foundation – common directorship and key management personnel	8,000	-
Investment / Advance against investment in related parties	84,290	402,000

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

September 30,
2014

September 30,
2013

..... (Rupees in '000)

Remuneration and commission income from funds	-	169,573
Contribution to provident fund	55,305	31,340
Expenses incurred on behalf of funds	-	5,564
Dividend paid	21,735	-
Loan repayment from executives / others	1,833,863	27,310
Loans disbursed to executives / others	1,975,798	91,180
Dividend paid	21,735	349,939
Letter of Guarantees	19,784	5,613
Investment in TFC issued by the Company	108,500	-
Subscription of right shares	1,083,500	-
Director fee	2,467	-
Capital gain on sale of investments	44,344	-
Management fee	9	-
Donation expense	9,082	-
Acquisition of ijarah leased vehicles	1,438	-

September 30,
2014

September 30,
2013

..... (Number)

Bonus shares/units received from related parties	5,893,061	6,802,684
Purchase of units	-	975,277
Sale of units	1,332,576	3,021,951
Units issued on conversion to open end fund	-	1,123,881
Right Shares Received (No. of shares)	148,350,000	-
Convertible preference shares (No. of shares)	145,374,878	-
Letter of right received	10,095	-

17. SEGMENT INFORMATION

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

Capital market & brokerage Principally engaged in trading of equity securities, maintaining strategic and trading portfolios and earning share brokerage and money market, forex and commodity brokerage.

Banking Principally engaged in providing investment and commercial banking.

Investment advisor / assets manager Principally providing investment advisory and asset management services to different mutual funds and unit trusts.

Others Other operations of the Group comprise of telecommunication and information technology, underwriting and consultancy services, research and corporate finance and power generation.

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the nine months ended September 30, 2014 and 2013 respectively.

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
.....(Rupees in '000)								
Nine months ended September 30, 2014								
Revenue								
Segment revenues	944,066	8,744,888	626,580	40,215	728	10,356,477	(67,228)	10,289,249
Inter-segment revenues	(33,194)	(25,528)	(7,092)	(1,414)	-	(67,228)	67,228	-
Total revenue	910,872	8,719,360	619,488	38,801	728	10,289,249	-	10,289,249
Results								
Net profit for the period	270,851	385,063	445,983	(83,634)	(6,843)	1,011,420	211,893	1,223,313

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
.....(Rupees in '000)								
Nine months ended September 30, 2013								
Revenue								
Segment revenues	1,068,067	6,357,214	952,668	57,093	2,600	8,437,642	(530,857)	7,906,785
Inter-segment revenues	(24,320)	(506,537)	-	-	-	(530,857)	530,857	-
Total revenue	1,043,747	5,850,677	952,668	57,093	2,600	7,906,785	-	7,906,785
Results								
Net profit for the period	392,363	(222,327)	707,709	(25,804)	(8,954)	842,987	209,463	1,052,450

The following tables present assets and liabilities information for the Group's operating segments for the nine months ended September 30, 2014 and year ended December 31, 2013 respectively.

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
.....(Rupees in '000)								
Assets								
September 30, 2014	24,204,330	130,263,879	2,422,754	1,423,449	-	158,314,412	(11,928,847)	146,385,565
December 31, 2013	17,827,650	112,733,583	1,917,843	1,038,554	3,536	133,521,166	(11,345,427)	122,175,739
Liabilities								
September 30, 2014	2,740,720	119,340,689	150,304	13,821	-	122,245,534	(1,193,086)	121,052,448
December 31, 2013	1,522,844	103,799,690	120,180	11,130	80,270	105,534,114	(2,459,241)	103,074,873

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2014 (Un-audited)

18. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on October 27, 2014.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



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