



Quarterly Report  
September 30, 2009  
(Un-audited)



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# Company Information

## Board Of Directors

Mazharul Haq Siddiqui	Chairman
Syed Nizam Ahmed Shah	Independent Director
Chief Justice (R) Mahboob Ahmed	Independent Director
Ali J. Siddiqui	Director
Ali Raza Siddiqui	Director
Ali Hussain	Director
Siraj Ahmed Dadabhoy	Independent Director
Stephen Christopher Smith	Director
Munaf Ibrahim	Chief Executive Officer

## Audit Committee

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

On behalf of the Board of Directors, I am presenting 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 months period ended September 30, 2009.

### Stock Market Review

The quarter ended September 30, 2009 has provided a return of 30.5% with an average trading volume of around 189 million shares. The speed of the recovery can be gauged from the recent market performance up 12.0% alone in August and 7.8% in September led by foreign flows. The renewed foreign interest has helped Karachi Stock Exchange (KSE) to attract US\$269 million in funds since July 2009. Amongst the sectors, Exploration and Production has depicted a sharp recovery and surged by 132% at the back of a recovery in oil prices, followed by Banks 125% and Fertilizer sector which rose by 99%. The re-rating of the KSE is on the cards as the country's macroeconomic indicators have staged a strong recovery, led by IMF related reforms. However, the country's law & order situation, timing of flows from international donors and the power crisis is holding back the market performance.

### Brief review of results

The Company has reported an after tax profit of Rs. 892.6 million for the three months period as compared to profit after tax of Rs. 2,418.4 million for the comparative period last year. Overall revenue for the three months period was Rs. 1,095.4 million as compared to Rs. 2,663.6 million for the same period last year. Operating expenses for the three months of the current financial year were Rs. 50.2 million as compared to Rs. 115.5 million for the same period last year.

The net effect of revaluation of available for sale investments to fair value held as on September 30, 2009 amounted to Rs. 2,071.5 million resulting in total comprehensive income for the three months period ended September 30, 2009 amounting to Rs. 2,964.0 million including after tax profit of Rs. 892.6 million as mentioned hereinabove. (Please refer Interim Condensed Statement of Comprehensive Income on page No. 08).

### Interim Dividend

The Directors declared an interim dividend of 10% (i.e. Re. 1/- per share) out of the distributable reserves of the Company to those members, who are registered in the books of the Company and the entitlement list to be provided by Central Depository Company at the close of business on November 30, 2009.



## Credit Rating

The Directors are pleased to inform you that the Company has a long term rating of AA+ (Double A plus) 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.

## Outlook

The first quarter results are encouraging and with improvement in activity and volumes in the stock market performance should continue. Further return from strategic investments will have a positive impact on the future earnings of the Company.

## Acknowledgement

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

We would also like to acknowledge the work of the 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 24, 2009

Mazharul Haq Siddiqui  
Chairman



# INTERIM CONDENSED FINANCIAL STATEMENTS

## Interim Condensed Balance Sheet

As at September 30, 2009

	Note	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
		..... (Rupees in '000).....	
<b>ASSETS</b> ☺			
Non-Current Assets			
Property and equipment	4	25,253	28,591
Investment properties		2,892	3,052
Stock exchange membership cards and room		12,201	12,201
Long term investments	5	21,757,578	20,612,214
Long term loans and advance		1,871	1,945
Long term security deposits		1,493	1,493
		<u>21,801,288</u>	<u>20,659,496</u>
Current Assets			
Trade debts		231,877	21,781
Loans and advances	6	28,174	81,593
Prepayments, interest accrued and other receivables		140,240	16,300
Short term investments	7	5,967,728	2,148,669
Taxation - net		159,874	154,777
Cash and bank balances		7,696	101,874
		<u>6,535,589</u>	<u>2,524,994</u>
		<u>28,336,877</u>	<u>23,184,490</u>
<b>EQUITY AND LIABILITIES</b> ☺			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		14,610,238	11,646,141
		<u>22,243,091</u>	<u>19,278,994</u>
Non-Current Liability			
Long term financing		2,838,478	3,212,313
Current Liabilities			
Trade and other payables		341,993	127,240
Accrued interest / mark-up on borrowings		161,441	153,080
Short term borrowings		2,096,058	100,511
Current portion of long term financing		655,816	312,352
		<u>3,255,308</u>	<u>693,183</u>
		<u>28,336,877</u>	<u>23,184,490</u>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

## Interim Condensed Profit and Loss Account

For the Quarter ended September 30, 2009  
(Un-audited)

	Note	July 1, to September 30, 2009	July 1, to September 30, 2008
		.....(Rupees in '000).....	
<b>INCOME ☺</b>			
Return on investments		129,002	134,401
Gain on sale of investments - net		429,973	2,820,234
Income from long-term loans and fund placements		1,647	56,349
Other income		58,637	42,650
Gain / (loss) on revaluation of investments carried at fair value through profit and loss account - net		<u>476,103</u>	<u>(389,993)</u>
		1,095,362	2,663,641
<b>EXPENDITURE ☺</b>			
Operating and administrative expenses		<u>50,210</u>	<u>115,529</u>
Finance cost		<u>151,152</u>	<u>129,642</u>
		201,362	245,171
<b>PROFIT BEFORE TAXATION ☺</b>		894,000	2,418,470
Taxation			
Current		1,401	48
<b>PROFIT FOR THE PERIOD AFTER TAXATION ☺</b>		<u>892,599</u>	<u>2,418,422</u>
		.....(Rupees).....	
<b>EARNINGS PER SHARE ☺</b>	8		
Basic and diluted		<u>1.17</u>	<u>3.17</u>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive



**Interim Condensed Statement of Comprehensive Income**  
**For the Quarter ended Septemeber 30, 2009**  
(Un-audited)

	July 1, to September 30, 2009	July 1, to September 30, 2008
	.....(Rupees in '000).....	
<b>PROFIT FOR THE PERIOD AFTER TAXATION</b> ¢	892,599	2,418,422
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>		
Net effect of revaluation of available for sale investments to fair value held as at the period end	2,071,498	(7,208,052)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b> ¢	<u>2,964,097</u>	<u>(4,789,630)</u>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

# Interim Condensed Cash Flow Statement

## FOR THE QUARTER ENDED SEPTEMBER 30, 2009

(Un-audited)

Note	July 1, to September 30, 2009	July 1, to September 30, 2008
..... (Rupees in '000) .....		
<b>CASH FLOWS FROM OPERATING ACTIVITIES c</b>		
Profit before taxation for the period	894,000	2,418,470
Adjustment for non cash charges and other items:		
Depreciation	3,649	4,576
Gain on sale of NCEL membership card	(1,650)	-
Amortisation of transaction costs on term finance certificates	1,097	1,097
Interest income from special and defence saving certificates	(11,000)	(185)
(Gain) / loss on revaluation of investments carried at fair value through profit or loss - net	(476,103)	389,993
Liability written back	50,000	-
Finance cost	150,055	128,545
	<u>(283,952)</u>	<u>524,026</u>
Operating profit before working capital changes	610,048	2,942,496
(Increase) / decrease in operating assets:		
Trade debts	(210,096)	-
Loans and advances	(27,681)	(88)
Prepayments, accrued mark-up and other receivables	(123,940)	(150,720)
Short term investments	(3,280,311)	1,951,557
Fund placements - net	-	(2,574,934)
Long term loans, advance and security deposits	74	(50)
	<u>(3,641,954)</u>	<u>(774,235)</u>
Increase / (decrease) in trade and other payables	164,753	(1,307,472)
Net cash (used in) / generated from operations	<u>(2,867,153)</u>	<u>860,789</u>
Mark-up paid	(141,694)	(104,853)
Taxes paid	(6,498)	(8,743)
Dividend paid	-	(10)
Net cash (outflow) / inflow from operating activities	<u>(3,015,345)</u>	<u>747,183</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES c</b>		
Capital expenditure incurred	(151)	(755)
Proceeds from sale of NCEL membership card	5,000	-
Investments acquired - net of sale	952,239	(3,814,322)
Net cash inflow / (outflow) from investing activities	957,088	(3,815,077)
<b>CASH FLOWS FROM FINANCING ACTIVITIES c</b>		
Proceeds from issue of ordinary shares	-	4,002
Redemption of Term Finance Certificates	(31,468)	(31,469)
Net cash (outflow) / inflow from financing activities	<u>(31,468)</u>	<u>(27,467)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,089,725)</u>	<u>(3,095,361)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,363	3,324,187
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>(2,088,362)</u>	<u>228,826</u>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

## Interim Condensed Statement Of Changes In Equity

### FOR THE QUARTER ENDED SEPTEMBER 30, 2009

(Un-audited)

	Issued, subscribed and paid-up capital			Reserves			Total
	Ordinary share capital	Ordinary Share premium	Bonus issue	General	Revenue	Other	
					Unappropriated profit/ (accumulated loss)	Unrealised gain / (loss) on revaluation of available for sale investments - net	
----- (Rupees in '000) -----							
Balance as at July 1, 2008	2,220,200	9,906,545	-	10,000,000	11,586,011	(2,684,863)	31,027,893
Proposed bonus Issue @243.7782003%	-	(5,412,569)	5,412,569	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	2,418,422	(7,208,052)	(4,789,630)
Balance as at September 30, 2008	<u>2,220,200</u>	<u>4,493,976</u>	<u>5,412,569</u>	<u>10,000,000</u>	<u>14,004,433</u>	<u>(9,892,915)</u>	<u>26,238,263</u>
Balance as at July 1, 2009	7,632,853	4,497,894	-	10,000,000	(2,827,373)	(24,380)	19,278,994
Total comprehensive income for the period	-	-	-	-	892,599	2,071,498	2,964,097
<b>Balance as at September 30, 2009 c</b>	<u><u>7,632,853</u></u>	<u><u>4,497,894</u></u>	<u><u>-</u></u>	<u><u>10,000,000</u></u>	<u><u>(1,934,774)</u></u>	<u><u>2,047,118</u></u>	<u><u>22,243,091</u></u>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

# Notes To The Interim Condensed Financial Statements

## For the Quarter Ended September 30, 2009

(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 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 ☺

These interim condensed 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 interim condensed financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These interim condensed 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, 2009.

The comparative balance sheet presented in these financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2009, whereas the comparative profit and loss account, statement of changes in equity, statement of comprehensive income and cash flow statement are stated from the unaudited interim condensed financial statements for the three months ended September 30, 2008.

These financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated.

#### Adoption of new accounting standard

The Company, during the period, has adopted International Accounting Standard - 1 "Presentation of Financial Statements" (Revised 2007) to the extent the standard is consistent with the provisions or directives of the Companies Ordinance, 1984. The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owners changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all items of recognised income and expense, either in one single statement, or in two linked statements. Accordingly, Company has presented two statements; a condensed interim profit and loss account and condensed interim statement of comprehensive income.

### 3. ACCOUNTING POLICIES ☺

The accounting policies followed for the preparation of these interim condensed financial statements are the same as those applied in preparing the annual financial statements of the Company for the year ended June 30, 2009.

### 4. PROPERTY AND EQUIPMENT ☺

The details of additions and disposals during the quarter ended September 30, 2009 are as follows:

	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
	.....(Rupees in '000).....	
Additions – cost		
Office equipment	151	735
Office furniture and fixtures	-	350
	<u>151</u>	<u>1,085</u>
Disposals – cost		
Motor vehicles	-	3,805
	<u>-</u>	<u>3,805</u>

## 5. LONG TERM INVESTMENTS ☞

	Note	September 30, 2009 (Un-audited) .....(Rupees in '000).....	June 30, 2009 (Audited)
Investment in related parties:			
Investment in subsidiaries	5.1	6,974,357	6,887,357
Investment in associates	5.2	6,429,896	6,429,896
Other related parties	5.3	8,029,294	6,340,922
		21,433,547	19,658,175
Other investments		324,031	954,039
		<u>21,757,578</u>	<u>20,612,214</u>

### 5.1 Investment in subsidiaries - at cost

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

Number of shares		Quoted	Note	Activity	Holding		(Un-audited)	(Audited)
September 30, 2009	June 30, 2009				September 30, 2009 %	June 30, 2009 %	September 30, 2009 .....(Rupees in '000).....	June 30, 2009
395,162,551*	395,162,551	JS Bank Limited Market value Rs. 2,560.65 (June 30, 2009: Rs. 2,382.83) million		Commercial Banking	64.49	64.49	2,596,056	2,596,056
52,023,617**	52,023,617	JS Investments Limited Market value Rs. 1,040.99 (June 30, 2009: Rs. 881.28) million		Asset Management & Investment Advisor	52.02	52.02	3,046,057	3,046,057
21,245,184***	21,245,184	Network Microfinance Bank Limited Market value Rs. 53.11 (June 30, 2009: Rs. 42.70) million Less: Impairment		Microfinance Banking	70.82	70.82	212,452 (4,500) 207,952	212,452 (4,500) 207,952
		<u>Un-quoted</u>						
73,736,250	73,736,250	JS Infocom Limited Net assets value Rs. 567.82 (June 30, 2009: Rs. 557.56) million based on un-audited financial statements for the period ended September 30, 2009 Less: Impairment		Telecom Media & Technology	100.00	100.00	708,490 (178,061) 530,429	708,490 (178,061) 530,429
10,000	10,000	JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs.134.00 (March 31, 2009: Rs. 153.17) million based on un-audited financial statements for the period ended June 30, 2009 Less: Impairment		Investment services	100.00	100.00	294,882 (141,714) 153,168	294,882 (141,714) 153,168
1,547,500	1,177,500	Credit Chex (Private) Limited Ordinary shares of Rs. 100/- each having negative equity balance Rs. 22.41 (June 30, 2009: Rs. 17.104) million based on un-audited financial statements for the period ended September 30, 2009 Less: Impairment Balance carried forward	5.1.1	Credit information & Credit rating	79.77	75.00	154,750 (114,120) 40,630	117,750 (114,120) 3,630
							<u>6,574,292</u>	<u>6,537,292</u>

\* 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, 2009	June 30, 2009		September 30, 2009 %	June 30, 2009 %	September 30, 2009	June 30, 2008	
		Balance brought forward			6,574,292	6,537,292	
63,000,000	58,000,000	Energy Infrastructure Holding (Private) Limited Net assets value Rs. 435.13 (June 30, 2009: Rs. 350.74) million based on un-audited financial statements for the period ended September 30, 2009 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000	580,000
					(229,935)	(229,935)	
					400,065	350,065	
					<u>6,974,357</u>	<u>6,887,357</u>	

5.1.1 During the period, Credit Chex (Private) Limited (CCPL), a subsidiary of the Company, offered 23.5669% Right Shares to its shareholders. Accordingly, the Company subscribed 277,750 Right Shares of Rs. 100/- each of CCPL amounting to Rs. 27.75 million. Out of the total offered 370,000 Right Shares, CCPL received subscription against 277,500 Right Shares of Rs. 100/- each. The Company also subscribed 92,500 unsubscribed right shares of CCPL. As a result, the holding percentage of the Company in CCPL has increased from 75.00% to 79.77%.

## 5.2 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, 2009	June 30, 2009		September 30, 2009 %	June 30, 2009 %	September 30, 2009	June 30, 2009	
		<u>Quoted</u>					
21,734,826	21,734,826	JS Global Capital Limited Market value Rs. 2,452.99 (June 30, 2009: Rs. 1,489.05) million Less: Impairment	Dealing in & brokerage of marketable securities	43.47	43.47	3,701,314	3,701,314
					(448,934)	(448,934)	
					<u>3,252,380</u>	<u>3,252,380</u>	
112,157,863	112,157,863	Azgard Nine Limited Market value Rs. 3,093.31 (June 30, 2009: Rs. 2,483.17) million	Textile Composite	24.96	24.96	3,041,950	3,041,950
11,238,812	11,238,812	JS Value Fund Limited Net asset value Rs. 71.03 (June 30, 2009: Rs. 117.22) million	Mutual Fund	9.48	9.48	135,566	135,566
					<u>6,429,896</u>	<u>6,429,896</u>	

## 5.3 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)	(Audited)	
September 30, 2009	June 30, 2009		September 30, 2009 %	June 30, 2009 %	September 30, 2009	June 30, 2009	
		<u>Quoted - at fair value</u>					
9,000,000	9,000,000	Eye Television Network Limited	Television Network	18.00	18.00	325,530	258,750
111,256,116*	111,256,116	BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	700,914	708,701
18,675,500	18,675,500	EFU General Insurance Limited	General Insurance	16.24	16.24	1,958,313	1,645,125
15,838,400	15,838,400	EFU Life Assurance Limited	Life Assurance	21.12	21.12	1,943,530	1,582,890
2,130,000	3,708,000	Attock Petroleum Limited	Oil Marketing	3.70	6.44	768,866	1,181,035
21,491,760	17,909,800	Pakistan International Container Terminal Limited	Container Terminal	19.69	19.69	2,142,514	956,921
5,394,346	-	Singer Pakistan Limited	Electrical Goods	17.39	-	178,823	-
52,700	-	Dadex Eternit Limited	Construction & Engineering	0.49	-	3,304	-
		<u>Un-quoted - at cost</u>					
750,000	750,000	EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500
					<u>8,029,294</u>	<u>6,340,922</u>	

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



6. Included herein is advance against subscription of 277,194 Right Shares of Rs. 100/- each of Credit Chex (Private) Limited.

September 30, 2009 (Un-audited) .....(Rupees in '000).....	June 30, 2009 (Audited)
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7. **SHORT TERM INVESTMENTS** ☺

Assets at fair value through profit or loss

- Listed equity securities	4,839,314	922,818
- Term finance certificates	-	603
- Open-end fund units	1,013,116	908,119
	<u>5,852,430</u>	<u>1,831,540</u>

Available for sale

- Listed equity securities		
Related parties	58,298	262,544
Others	57,000	54,585
	<u>115,298</u>	<u>317,129</u>
	<u>5,967,728</u>	<u>2,148,669</u>

September 30, 2009 .....(Un-audited)..... .....(Rupees in '000).....	September 30, 2008 .....(Un-audited)..... .....(Rupees in '000).....
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8. **BASIC AND DILUTED EARNINGS PER SHARE** ☺

Profit after taxation attributable to Ordinary shareholders	<u>892,599</u>	<u>2,418,422</u>
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.....(Number in '000).....

Weighted average number of Ordinary shares  
outstanding during the period

	<u>763,285</u>	<u>763,285</u>
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.....(Rupees).....

Earnings per share:

- Basic and diluted	<u>1.17</u>	<u>3.17</u>
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September 30, 2009 .....(Un-audited)..... .....(Rupees in '000).....	September 30, 2008 .....(Un-audited)..... .....(Rupees in '000).....
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9. **CASH AND CASH EQUIVALENTS** ☺

Cash and bank balances	7,696	228,826
Short term running finance utilised under mark-up arrangement	(2,096,058)	-
	<u>(2,088,362)</u>	<u>228,826</u>

## 10. 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, 2009 are as follows:

	September 30, 2009	September 30, 2008
	..... (Un-audited) .....	..... (Un-audited) .....
	..... (Rupees in '000) .....	..... (Rupees in '000) .....
Brokerage expense	9,543	2,006
Return on investments in related parties	88,386	80,469
Rental income	5,866	5,456
Rent expense	1,803	1,677
Profit received on fund placements and deposit accounts	1	15,889
Investment in related parties	27,719	413,232
Contribution to Staff Provident Fund	692	600
Interest / markup paid	3,192	2,168
Insurance premium paid	-	3,198
Royalty paid	2,475	2,475
Advisory fees paid	1,500	1,500
Donations paid to Mahvash and Jahangir Siddiqui Foundation - Common directorship and key management personnel	-	237,379
Key management personnel:		
Remuneration to Chief Executive Officer	3,323	3,304
Remuneration to Executives	6,723	7,915
Advisory fee to Director	1,500	1,500
	..... (Number of shares) .....	..... (Number of shares) .....
Bonus shares received	-	6,209,832
Shares received against advance for investment	5,370,000	-

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

## 11. APPROPRIATION ☺

In the meeting held on October 24, 2009, the Board of Directors of the Company, have declared interim cash dividend of 10%, i.e. Rs. 1/- per share (September 30, 2008: Nil). These financial statements for the quarter ended September 30, 2009 do not include the effect of the appropriation which will be accounted for in the period in which it is declared.

## 12. DATE OF AUTHORISATION ☺

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on October 24, 2009.

## 13. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive







# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Interim Condensed Consolidated Balance Sheet As at September 30, 2009

	Note	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
.....(Rupees in '000).....			
<b>ASSETS</b> ◊			
Non-Current Assets			
Property and equipment	4	1,689,609	1,597,042
Intangible assets		5,833,749	5,850,417
Investment properties		2,892	3,052
Stock exchange membership cards and room		35,701	35,701
Long term investments	5	17,109,873	15,290,891
Long term loans, advances and other receivables		3,080,522	2,812,378
Long term deposits		32,576	2,191
Deferred taxation		75,661	119,711
		27,860,583	25,711,383
Current Assets			
Short term investments	6	16,412,367	12,136,289
Trade debts - unsecured		231,877	21,781
Loans and advances		7,681,493	7,121,787
Accrued markup		389,413	436,684
Deposits, prepayments and other receivables		404,307	375,385
Fund placements		2,563,819	2,953,017
Taxation - net		312,303	312,924
Cash and bank balances		2,453,178	4,730,508
		30,448,757	28,088,375
		58,309,340	53,799,758
<b>EQUITY AND LIABILITIES</b> ◊			
Share Capital and Reserves			
Share capital		7,632,853	7,632,853
Reserves		16,838,848	13,496,418
Equity attributable to equity holders' of the parent		24,471,701	21,129,271
Non-controlling interests		3,557,200	3,543,608
Total equity		28,028,901	24,672,879
Non-Current Liabilities			
Long term financing		3,306,591	3,725,550
Deposits and other accounts		191,279	217,829
Employee benefit liability		39,079	32,261
		3,536,949	3,975,640
Current Liabilities			
Trade and other payables		1,058,989	1,043,125
Accrued interest / mark-up on borrowings		382,044	393,694
Short term borrowings		5,633,687	4,349,538
Current portion of non-current liabilities	8	19,668,770	19,364,882
		26,743,490	25,151,239
Contingencies and Commitments	9	58,309,340	53,799,758

(i) The valuation of listed equity securities and mutual funds held under Available for Sale investments has been arrived at using the market price quoted on the stock exchange / net asset value as of September 30, 2009 and the unrecognised impairment loss arising there-from has been included in unrealized loss on revaluation of available for sale investments as allowed by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Under the regular accounting policy of the Company the same would have resulted in a charge to profit and loss account of Rs.12.86 million (net of tax) and a consequent decrease in profit for the period by the same amount (see note 7).

(ii) The annexed notes 1 to 16 form an integral part of these interim condensed consolidated financial information.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

## Interim Condensed Consolidated Profit and Loss Account

### For the Quarter ended September 30, 2009 (Un-audited)

	Note	July 1, to September 30, 2009	July 1, to September 30, 2008
		.....(Rupees in '000).....	
<b>INCOME</b> ☺			
Return on investments		393,588	207,311
Gain on sale of investments - net		405,319	2,140,934
Income from long term loans and fund placements		418,169	442,969
Fee, commission and brokerage		125,267	188,921
Other income		100,497	90,902
Gain / (loss) on revaluation of investments carried at fair value through profit and loss - net		<u>509,728</u>	<u>(389,687)</u>
		1,952,568	2,681,350
<b>EXPENDITURE</b> ☺			
Operating and administrative expenses		819,243	572,065
Finance cost		693,749	560,052
Provision / (reversal of provision) for impairment against investments		<u>11,899</u>	<u>(754)</u>
		1,524,891	1,131,363
		427,677	1,549,987
Share of profit / (loss) from:			
- associates		304,109	(96,398)
- joint ventures		<u>(1,361)</u>	<u>(1,678)</u>
		302,748	(98,076)
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b> ☺		730,425	1,451,911
Taxation			
- Current		12,750	2,538
- Deferred		<u>(1,439)</u>	<u>(1,221)</u>
		11,311	1,317
<b>PROFIT FOR THE PERIOD AFTER TAXATION</b> ☺		719,114	1,450,594
Loss attributable to non-controlling interests		171,912	21,619
		<u>891,026</u>	<u>1,472,213</u>
		.....(Rupees).....	
<b>EARNINGS PER SHARE</b> ☺	10		
- Basic and diluted		<u>1.17</u>	<u>1.93</u>

(i) The valuation of listed equity securities and mutual funds held under Available for Sale investments has been arrived at using the market price quoted on the stock exchange / net asset value as of September 30, 2009 and the unrecognised impairment loss arising there-from has been included in unrealized loss on revaluation of available for sale investments as allowed by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Under the regular accounting policy of the Company the same would have resulted in a charge to profit and loss account of Rs. 16.86 million and a consequent decrease in profit for the period by the same amount (see note 7).

(ii) The annexed notes 1 to 16 form an integral part of these interim condensed consolidated financial information.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

**Interim Condensed Consolidated Statement of Comprehensive Income**  
**For the Quarter ended September 30, 2009**  
(Un-audited)

	July 1, to September 30, 2009	July 1, to September 30, 2008
	..... (Rupees in '000) .....	
<b>PROFIT FOR THE PERIOD AFTER TAXATION c</b>	719,114	1,450,594
<b>OTHER COMPREHENSIVE INCOME</b>		
Net effect of revaluation of available for sale investments to fair value held as at the period end	2,539,120	(8,295,556)
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	7,981	11,458
Share of other comprehensive income / (loss) of associates	101,511	(995,550)
	2,648,612	(9,279,648)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD c</b>	3,367,726	(7,829,054)
Total comprehensive income / (loss) attributable to non-controlling interest	24,860	(523,235)
	3,342,866	(7,305,819)

The annexed notes 1 to 16 form an integral part of these interim condensed consolidated financial information.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

# Interim Condensed Consolidated Cash Flow Statement

## For the Quarter ended September 30, 2009 (Un-audited)

Note	July 1, to September 30, 2009	July 1, to September 30, 2008
	..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b> ◂		
Profit for the period before taxation	730,425	1,451,911
Adjustments for non cash charges and other items:		
Depreciation	64,019	36,432
Amortisation on intangible assets	16,667	15,843
(Gain) / Loss on sale of property and equipment	(288)	957
Interest income from national saving schemes	(11,000)	(185)
Share of (profit) / loss from associates and joint ventures	(302,748)	98,076
Charge for defined benefit plan	6,818	15,347
Liabilities no longer payable written back	(50,000)	(1,859)
Provision / (reversal of provision) for impairment against investments	11,899	(754)
(Gain) / loss on revaluation of investments carried at fair value through profit and loss - net	(509,728)	389,687
Finance cost	693,749	560,052
	<u>(80,612)</u>	<u>1,113,596</u>
Operating profit before working capital changes	649,813	2,565,507
(Increase) / decrease in operating assets :		
Short term investments	(3,197,611)	2,065,234
Trade debts	(210,096)	197,003
Loans and advances	(559,706)	159,166
Long term loans, advances, deposits and other receivables	(298,529)	(1,462,527)
Fund placements	389,198	(1,142,905)
Deposits, prepayments, accrued mark-up and other receivables	18,349	(260,066)
	<u>(3,858,395)</u>	<u>(444,095)</u>
Increase / (decrease) in operating liabilities:		
Trade and other payables	65,884	(1,646,549)
Deposits and other accounts	(56,361)	621,566
Net cash (used in) / generated from operations	<u>(3,199,059)</u>	<u>1,096,429</u>
Interest / mark-up paid	(704,302)	(524,406)
Taxes paid	(12,129)	(19,919)
Dividend paid	(20)	(8,474)
Net cash (outflow) / inflow from operating activities	<u>(3,915,510)</u>	<u>543,630</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> ◂		
Capital expenditure incurred	(157,608)	(245,071)
Intangible assets acquired	-	(787)
Proceeds from sale of property and equipment	1,470	1,976
Investment acquired - net of sale	596,526	(2,930,957)
Net cash inflow / (outflow) from investing activities	<u>440,388</u>	<u>(3,174,839)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b> ◂		
Redemption of term finance certificates	(86,357)	(77,789)
Advance against future issue of share capital	-	4,002
Long term loans – net of repayment	-	(1,495)
Repayment of lease liability	-	(794)
Securities sold under repurchase agreements	1,256,399	(849,267)
Net cash inflow / (outflow) from financing activities	<u>1,170,042</u>	<u>(925,343)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,305,080)</u>	<u>(3,556,552)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	380,970	3,064,305
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>11</u> <u>(1,924,110)</u>	<u>(492,247)</u>

The annexed notes 1 to 16 form an integral part of these interim condensed consolidated financial information.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

# Interim Condensed Consolidated Statement of Changes in Equity

For the Quarter ended September 30, 2009  
(Un-audited)

Note	Issued, subscribed and paid-up capital	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT							NON-CONTROLLING INTERESTS	TOTAL			
		Capital		Reserves			Others						
		Ordinary shares	Ordinary share premium	Bonus Issue	General	Foreign exchange translation		Unappropriated profit / (accumulated loss)			Unrealised gain/ (loss) on revaluation of available-for-sale investments - net	Statutory	Hedging
(Rupees in '000)													
	2,220,200	11,395,668	-	10,000,000	7,461	13,385,998	(2,802,182)	61,514	49,125	25,589	34,343,373	3,223,523	37,566,896
Total comprehensive loss for the period	-	(885,708)	-	-	11,387	1,472,213	(7,786,042)	-	(123,841)	6,232	(7,305,819)	(523,235)	(7,829,054)
Statutory reserve	-	-	-	-	-	-	-	(914)	-	-	(914)	-	(914)
Proposed bonus issue @23.7782003%	-	(5,412,569)	5,412,569	-	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2008	2,220,200	5,097,331	5,412,569	10,000,000	18,848	14,858,211	(10,588,224)	60,600	(74,716)	31,821	27,036,640	2,700,288	29,736,928
Balance as at July 1, 2009	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
Total comprehensive income for the period	-	64,434	-	-	28,413	891,026	2,351,607	-	525	6,861	3,342,866	24,860	3,367,726
Statutory reserve	-	-	-	-	-	-	-	(436)	-	-	(436)	-	(436)
Acquisition of non-controlling interest	1.2.1	-	-	-	-	-	-	-	-	-	-	(11,268)	(11,268)
Balance as at September 30, 2009 c	7,632,853	6,015,898	-	10,000,000	57,465	(1,687,515)	2,248,971	68,790	16,948	118,291	24,471,701	3,557,200	28,028,901

The annexed notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

# Notes To The Interim Condensed Consolidated Financial Statements

## For the Quarter ended September 30, 2009

(Un-audited)

### 1. THE GROUP AND ITS OPERATIONS ☺

- 1.1 Jahangir Siddiqui & Company 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	Note	Date of Acquisition /Disposal	Holding (including indirect holding)	
				September 2009	June 2009
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	1.2.1	October 8, 2007	79.77%	75.00%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		December 12, 2007	52.02%	52.02%
MOBEX Limited (Sub-subsidiary)	Telecom and Technology		March 20, 2008	70.00%	70.00%
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%

- 1.2.1 During the period, the Group acquired an additional 4.77% of the voting shares of Credit Chex (Private) Limited (CCPL), a subsidiary of the Holding Company, through investment in unsubscribed right shares taking its ownership to 79.77%. The difference between the consideration and the book value of the interest acquired, has been recognized as acquisition of non-controlling interest.



## 2. STATEMENT OF COMPLIANCE ☺

These interim condensed 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 interim condensed 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 interim condensed 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, 2009.

The comparative balance sheet presented in these interim condensed consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended June 30, 2009, 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 interim condensed consolidated financial statements for three months ended September 30, 2008.

### Adoption of new accounting standard

The Group, during the period, has adopted International Accounting Standard - 1 "Presentation of Financial Statements" (Revised 2007) to the extent the standard is consistent with the provisions or directives of the Companies Ordinance, 1984. The standard separates owner and non-owner changes in equity. The statement of consolidated changes in equity will include only details of transactions with owners, with non-owners changes in equity presented as a single line. In addition, the standard introduces the statement of consolidated comprehensive income. It presents all items of recognised income and expense, either in one single statement, or in two linked statements. Accordingly, the Group has presented two statements; a condensed consolidated interim profit and loss account and condensed consolidated interim statement of comprehensive income.

## 3. ACCOUNTING POLICIES ☺

The accounting policies followed for the preparation of these interim condensed consolidated financial statements are the same as those applied in preparing the annual consolidated financial statements of the Holding Company and its subsidiaries for the year ended June 30, 2009.

According to the policy of the Group impairment loss, if any, on 'Available for sale' investments is charged to profit and loss account in accordance with the requirement of International Accounting Standard - 39 "Financial Instruments: Recognition and Measurement". However, in the current period impairment loss, if any, on listed equity securities held under 'Available for sale' category of investments has been treated as described in note 7.

## 4. PROPERTY AND EQUIPMENT ☺

The details of additions in and disposals of operating assets during the period ended September 30, 2009 are as follows:

	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
	.....(Rupees in '000).....	
Additions - cost		
- Office premises - leasehold	748	159,591
- Leasehold improvements	23,902	253,037
- Office equipment	67,597	321,265
- Office furniture and fixtures	5,775	69,735
- Motor vehicles	2,935	62,766
	<u>100,957</u>	<u>866,394</u>
Disposals - cost		
- Office premises - leasehold	1,679	10,034
- Leasehold improvements	-	3,984
- Office equipment	1,225	17,893
- Office furniture and fixtures	1,148	3,075
- Motor vehicles	620	7,041
	<u>4,672</u>	<u>42,027</u>



September 30,  
2009  
(Un-audited)      June 30,  
2009  
(Audited)

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

## 5. LONG TERM INVESTMENTS ☺

Related parties:

- Investment in associates	8,169,271	7,768,612
- Investment in joint venture	68,326	69,687
- Other related parties - Available for sale	8,029,294	6,340,922
	<u>16,266,891</u>	<u>14,179,221</u>

Other investments:

- Available for sale	402,512	730,973
- Held to maturity	440,470	380,697
	<u>17,109,873</u>	<u>15,290,891</u>

## 6. SHORT TERM INVESTMENTS ☺

Assets at fair value through profit or loss	5,852,430	2,197,640
Available for sale	10,559,937	9,938,649
	<u>16,412,367</u>	<u>12,136,289</u>

## 7. UNREALIZED LOSS ON REVALUATION OF AVAILABLE FOR SALE INVESTMENTS - NET ☺

During the financial year 2009, the stock exchange introduced 'Floor Mechanism' in respect of prices of equity securities based on the closing prices as prevailing on August 27, 2008. Under the 'Floor Mechanism', the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. During this period trading of securities effectively remained suspended on the stock exchange. The trading resumed on December 15, 2008, however, the trading volumes upto December 31, 2008 remain significantly low as compared to the volumes before the institution of 'Floor Mechanism'. However, pursuant to the press release issued by the SECP on January 29, 2009, the equity securities held by the Group have been valued at the price quoted on the stock exchange as of December 31, 2008.

Furthermore, pursuant to SRO 150(I)/2009 dated February 13, 2009 issued by the SECP and BSD Circular No. 4 dated February 13, 2009 issued by the SBP, the impairment loss resulting from the valuation of listed equity securities held under Available for sale category of investment as of December 31, 2008 was not recognised in the profit and loss account and was taken to unrealized loss on revaluation of available for sale investments - net as shown on the balance sheet. However, major portion of impairment loss was charged to profit and loss account as at June 30, 2009. The unrealised impairment loss is required to be taken to the profit and loss account in the year 2009 on quarterly basis after adjustment for the effect of price movement in that year. However, for the purposes of distribution of dividend, the impairment loss as referred above shall be treated as a charge to the profit and loss.

As at September 30, 2009, the Group has charged Rs. 16.86 million to the profit and loss account and the remaining balance is presently shown under equity which will be charged to the profit and loss account during the next quarter as allowed by the aforesaid circulars. Had the Group followed the requirements of IAS 39 for the treatment of impairment on available for sale equity investments, the remaining impairment loss would have had the following impact on the financial statements of the Group:

	Rupees in '000
Recognition of impairment loss in the profit and loss account	16,861
Decrease in the deficit on revaluation of available for sale investments	16,861
Decrease in the profit for the period	16,861
Decrease in the earnings per share	Rupee 0.02



	September 30, 2009 (Un-audited)	June 30, 2009 (Audited)
	.....(Rupees in '000).....	
<b>8. CURRENT PORTION OF NON-CURRENT LIABILITIES ☺</b>		
Long term financing:		
- Term finance certificates	655,816	312,352
- Liability against Class A, B & C TFCs	81,925	91,960
Deposits and other accounts	<u>18,931,029</u>	<u>18,960,840</u>
	<u>19,668,770</u>	<u>19,365,152</u>
<b>9. CONTINGENCIES AND COMMITMENTS ☺</b>		
9.1 Contingencies		
9.1.1 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, 2009 (Un-audited)	June 30, 2009 (Audited)
	.....(Rupees in '000).....	
-Government	247,525	244,681
-Banking companies and other financial institutions	22,031	11,527
-Others	460,733	400,585
	<u>730,289</u>	<u>656,793</u>
9.1.2 Trade related contingent liabilities		
Documentary credits	<u>1,928,088</u>	<u>2,033,327</u>
9.1.3 Other Contingencies		
Claims not acknowledged as debts	<u>67,429</u>	<u>69,171</u>
9.2 Commitments		
Forward purchase of government securities	<u>50,000</u>	<u>425,000</u>
Forward sale commitments	<u>140,000</u>	<u>420,000</u>
Commitments in respect of capital expenditure	<u>125,131</u>	<u>164,984</u>
Underwriting commitments	<u>112,000</u>	<u>203,643</u>
Assets acquired under operating lease	<u>700</u>	<u>1,920</u>
Commitments in respect of forward exchange contracts:		
- Purchase	<u>3,879,178</u>	<u>1,768,604</u>
- Sale	<u>3,386,143</u>	<u>3,441,470</u>

- 9.2.1 During the year 2009 an amended assessment order was passed against JS Investments Limited for Tax year 2006, raising tax demand of Rs. 134 million on account of taxability of portion of capital gain in dividend received from Mutual Funds, allocation of expenses and disallowance of certain expenses. No provision is made against such tax demand in the current financial statements as the company is contesting the order before appellate forums as well as 'Dispute resolution committee' and management is confident about the favourable outcome.
- 9.2.2 JS Investments Limited has given guarantee to the seed capital investors of JS Aggressive Income Fund for the lock-in-period of 2 years from the respective date of issuance of seed capital, ranging from November 6, 2007 to November 28, 2009. The initial investment amount of Rs 100 million and a minimum return thereon of eight percent (8%) per annum is covered under the above guarantee.

	September 30, 2009	September 30, 2008
	..... (Un-audited) .....	
	..... (Rupees in '000) .....	
<b>10. BASIC AND DILUTED EARNINGS PER SHARE ☺</b>		
Profit after taxation attributable to Ordinary shareholders of the parent	<u>891,026</u>	<u>1,472,213</u>
	..... (Number in '000) .....	
Weighted average number of Ordinary shares		
Weighted average number of Ordinary shares outstanding during the period	<u>763,285</u>	<u>763,285</u>
	..... (Rupees) .....	
Earnings per share:		
- Basic and diluted	<u>1.17</u>	<u>1.93</u>
	September 30, 2009	September 30, 2008
	..... (Un-audited) .....	
	..... (Rupees in '000) .....	

**11. CASH AND CASH EQUIVALENTS ☺**

Cash and bank balances	2,453,178	2,522,867
Short term running finances under mark-up arrangements	(2,474,697)	(31,002)
Borrowings from banks / NBFCs	(1,902,591)	(2,984,112)
	<u>(1,924,110)</u>	<u>(492,247)</u>

**12. RELATED PARTY TRANSACTIONS ☺**

Related parties comprise of subsidiaries, 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:



	September 30, 2009 (Un-audited)	September 30, 2008 (Audited)
	.....(Rupees in '000).....	
Brokerage and commission expense	10,822	2,006
Purchase of money market instruments	212,533	-
Sale of money market instruments	1,692,003	1,029,511
Sale of units	80,000	-
Encashment of short term placements	65,000	-
Fund placements	2,462,000	-
Return on investments in related parties	89,799	2,827
Advisory and consultancy fee	100	-
Commission income	7,707	-
Foreign exchange purchases transaction	5,905,760	-
Foreign exchange sale transaction	4,693,998	-
Rental income	5,887	5,456
Interest / markup earned	497	-
Interest / markup paid	3,192	2,168
Rent expense	2,495	250
Royalty paid	2,475	2,475
Advisory fee paid	3,000	3,000
Insurance premium paid	1,176	3,198
Insurance claim received	1,195	-
Trustee fee	624	-
Investments disposed off in funds under management - at cost	24,526	151,886
Markup income on loan to CEO of a subsidiary	621	555
Donations paid to Mahvash and Jahangir Siddiqui Foundation - common directorship and key management personnel	-	237,379
Investment in related parties	-	13,232
Remuneration and commission income from funds	96,572	141,221
Contribution to provident fund	6,350	4,388
Expenses incurred on behalf of funds	1,090	314
	.....(Number).....	
Bonus shares/units received from related parties	235,795	7,205,221

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

### 13. SEGMENT INFORMATION ◂

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

Capital market operations	Principally engaged in trading of equity securities and maintaining strategic and trading portfolios.
Banking	Principally engaged in providing investment, commercial banking and microfinancing services.
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, power generation credit information and credit rating services.

The operating results of the group operations were as follows:

	O P E R A T I O N S				T O T A L
	Capital Market	Banking	Investment Advisor/ Assets Manager	Others	
	(Rupees in '000)				
Segment results three months period ended September 30, 2009					
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	(8,895)	409,267	-	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 and loss - net	476,103	(581)	-	34,206	509,728
Unallocated Revenue	-	-	-	-	100,497
	1,026,183	653,067	116,818	56,003	1,952,568
Share of profit / (loss) from:					
Associates	304,109	-	-	-	304,109
Joint venture	(1,361)	-	-	-	(1,361)
	1,328,931	653,067	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
Segment results	1,158,273	(484,550)	(15,090)	(8,393)	750,737
Unallocated expenses	-	-	-	-	(20,312)
Profit / (loss) for the period before taxation	1,158,273	(484,550)	(15,090)	(8,393)	730,425
Taxation:					
Segment	1,401	3,446	1,847	543	7,237
Unallocated revenue	-	-	-	-	5,513
Deferred	-	-	(1,439)	-	(1,439)
	1,401	3,446	408	543	11,311
Profit / (loss) after taxation for the period	1,156,872	(487,996)	(15,498)	(8,936)	719,114
Non-controlling interests	-	162,124	4,997	4,791	171,912
	1,156,872	(325,872)	(10,501)	(4,145)	891,026

O P E R A T I O N S

	Capital Market	Banking	Investment Advisor/ Assets Manager	Others	T O T A L
..... (Rupees in '000) .....					
Segment results three months period ended September 30, 2008					
Return on investments	56,776	136,718	13,167	650	207,311
Gain on sale of investments - net	2,127,474	11,834	1,626	-	2,140,934
Income from long term loans and fund placements	45,729	386,661	2,693	7,886	442,969
Fee, commission and brokerage	-	29,187	141,266	18,468	188,921
Loss on revaluation of investments carried at fair value through profit and loss - net	(389,993)	(45)	-	351	(389,687)
Unallocated Revenue	-	-	-	-	90,902
	1,839,986	564,355	158,752	27,355	2,681,350
Share of loss from:					
- associates	(96,398)	-	-	-	(96,398)
- joint venture	(1,678)	-	-	-	(1,678)
	1,741,910	564,355	158,752	27,355	2,583,274
Operating and administrative expenses	43,489	276,455	97,538	84,220	501,702
Finance cost	129,642	353,929	75,822	659	560,052
Reversal of provision for impairment in investments	-	(754)	-	-	(754)
	173,131	629,630	173,360	84,879	1,061,000
Segment results	1,568,779	(65,275)	(14,608)	(57,524)	1,522,274
Unallocated expenses	-	-	-	-	(70,363)
Profit / (loss) for the period before taxation	1,568,779	(65,275)	(14,608)	(57,524)	1,451,911
Taxation:					
Segment	-	-	1,997	-	1,997
Unallocated revenue	-	-	-	-	541
Deferred	-	-	(1,221)	-	(1,221)
	-	-	776	-	1,317
Profit / (loss) after taxation for the period	1,568,779	(65,275)	(15,384)	(57,524)	1,450,594
Non-controlling interests	-	9,272	6,162	6,185	21,619
	1,568,779	(56,003)	(9,222)	(51,339)	1,472,213

#### 14. APPROPRIATION ☺

In the meeting held on October 24, 2009, the Board of Directors of the Holding Company, have declared interim cash dividend of 10%, i.e. Rs. 1/- per share (September 30, 2008:Nil). These financial statements for the quarter ended September 30, 2009 do not include the effect of the appropriation which will be accounted for in the period in which it is declared.

#### 15. DATE OF AUTHORISATION FOR ISSUE ☺

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on October 24, 2009.

#### 16. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive



Jahangir Siddiqui & Co. Ltd.  
6th Floor, Faysal House,  
Shahra-e-Faisal,  
Karachi-75530, Pakistan  
[www.js.com](http://www.js.com)

UAN: +92 21 111 574 111  
Fax: +92 21 3280 0163  
+92 21 3280 0167