



Half Yearly Report
December 31, 2010
(Un-audited)



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Company Information

Board Of Directors

Mazharul Haq Siddiqui	Chairman
Chief Justice (R) Mahboob Ahmed	Independent Director
Ali J. Siddiqui	Director
Ali Raza Siddiqui*	Director
Munawar Alam Siddiqui*	Director
Ali Hussain	Director
Stephen Christopher Smith	Director
Munaf Ibrahim	Chief Executive Officer

*Mr. Ali Raza Siddiqui, Director has resigned from the office of the Director of the Company and Mr. Munawar Alam Siddiqui has been appointed as Director of the Company in his place on January 24, 2011

Audit Committee

Chief Justice (R) Mahboob Ahmed	Chairman
Ali J. Siddiqui	Member
Ali Hussain	Member
Farah Qureshi	Secretary

Executive Committee

Chief Justice (R) Mahboob Ahmed
Ali J. Siddiqui
Munaf Ibrahim

Executive Compensation Committee

Mazharul Haq Siddiqui
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



CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Dear Shareholder

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 six months period ended December 31, 2010.

The Economy

Pakistan's economic recovery was dented in the first half of the current fiscal year, as fierce floods inundated more than one fifth of the country. Inflation remained on the higher side, with December's number coming at 15.5%, bringing the average inflation to 14.6% in 1HFY11, pressured by high food and energy prices. This, along with rising government borrowing led the central bank jack up the interest rate three times by a cumulative 150bps to 14%. Trade deficit rose by 18%YoY in 1HFY11 to US\$8.2 billion despite rising exports. However, continued growth in remittances, up 17%YoY to US\$5.3 billion in the period, and money released under the Coalition Support Fund led the current account to remain in surplus in 1HFY11, coming in at US\$26 million compared to a deficit of US\$2.6 billion in the corresponding period last year. Moreover, these led the foreign exchange reserves to touch a peak of US\$17 billion by December. Further, IMF agreed to extend the ongoing loan programme for a period of nine months till Sep 2011, as the Government of Pakistan was unable to gain a political consensus on the implementation of the RGST or completely eliminate the power subsidies as these were key conditionalities of the IMF programme.

Stock Market Review

Pakistan's equity market rebounded sharply in the second quarter of the current fiscal year, outperforming many of its peers, with the benchmark Index recording an increase of 20%, with gains cumulating to 24% in 1HFY11. Average volumes traded on the exchange improved as well, with daily turnover recorded at 124 million shares in 2Q, compared to a mere 62 million in 1QFY11. The rally was mainly driven by increasing foreign portfolio investment, US\$250 million in 1HFY11, along with expectation of strong corporate earnings. Banks and Chemicals were the two key sectors that remained in the limelight, gaining 25% and 23% in the period.

Brief review of results

The Company has reported an after tax loss of PKR 0.431 million for the half year ended December 31, 2010 compared to profit after tax of PKR 950.8 million for the comparative period last year. Overall revenue for the half year has declined to PKR 672.4 million as compared to PKR 1,510.4 million last year although the Company earned PKR 298.169 million under capital gains which is nullified by the impairment in the available for sale investments aggregating PKR 313.9 million which has resulted on account of price decline on the local bourse. The operating and administrative expenses for the half year of the current financial year have reduced by 38% to PKR 72.703 million from PKR 118.370 million for the comparative period last year.



The basic and diluted loss per share is PKR (0.00) per share.

Credit Rating

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

Outlook

Improvement in activity and volumes on the local securities market have had a gradual improvement in the results and is expected to improve further although it will take some time to generate some strong capital gains. The earnings of the Company can further be expected to improve with increased returns from the strategic investments.

Acknowledgment

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

We would also like to acknowledge the work of 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: February 24, 2011

Mazharul Haq Siddiqui
Chairman



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Jahangir Siddiqui & Co. Ltd. as at 31 December 2010 and the related condensed interim profit and loss account and condensed interim statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

February 24, 2011
Karachi





CONDENSED INTERIM FINANCIAL STATEMENTS

Condensed Interim Balance Sheet

As at December 31, 2010

	Note	December 31, 2010 (Un-audited)	June 30, 2010 (Audited)
ASSETS ◊			
Non-Current Assets			
Property and equipment	5	13,036	17,482
Investment properties		2,091	2,411
Stock exchange membership cards and room		12,201	12,201
Long term investments	6	12,407,574	13,515,269
Long term loans and advance		1,488	1,562
Long term security deposits		1,499	1,493
		<u>12,437,889</u>	<u>13,550,418</u>
Current Assets			
Loans and advances		1,107	1,668
Prepayments, interest accrued and other receivables		2,488	4,108
Short term investments	7	2,113,537	1,593,152
Taxation - net		256,609	222,720
Cash and bank balances		6,923	11,627
		<u>2,380,664</u>	<u>1,833,275</u>
		<u>14,818,553</u>	<u>15,383,693</u>
EQUITY AND LIABILITIES ◊			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		2,665,869	2,494,877
		<u>10,298,722</u>	<u>10,127,730</u>
Non-Current Liability			
Long term financing		2,291,059	2,839,287
Current Liabilities			
Trade and other payables		173,532	95,328
Accrued interest / mark-up on borrowings		151,393	229,460
Short term borrowings	8	1,353,917	1,716,218
Current portion of long term financing		549,930	375,670
		<u>2,228,772</u>	<u>2,416,676</u>
Contingency and Commitments	9	<u>14,818,553</u>	<u>15,383,693</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Profit and Loss Account For the Half Year and Quarter ended December 31, 2010 (Un-audited)

Note	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
.....(Rupees in '000).....				
INCOME c				
Return on investments	287,038	523,366	277,191	394,364
Gain on sale of investments - net	298,169	624,867	265,138	194,894
Income from long-term loans and fund placements	202	2,173	112	526
Other income	15,342	65,780	7,867	7,143
Gain / (loss) on revaluation of investments carried at fair value through profit and loss account - net	71,611	294,260	70,649	(181,843)
	672,362	1,510,446	620,957	415,084
EXPENDITURE c				
Operating and administrative expenses	72,703	118,370	37,787	68,160
Finance cost	290,103	400,036	141,662	248,884
Provision for impairment against investments - available for sale	313,854	36,614	313,854	36,614
	676,660	555,020	493,303	353,658
(LOSS) / PROFIT BEFORE TAXATION c	(4,298)	955,426	127,654	61,426
Taxation				
Current	85	4,125	(235)	2,724
Prior	(3,952)	534	(3,952)	534
	(3,867)	4,659	(4,187)	3,258
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION c	(431)	950,767	131,841	58,168
.....(Rupees).....				
(LOSS) / EARNINGS PER SHARE c	10			
Basic	(0.00)	1.25	0.17	0.08

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Statement of Comprehensive Income
 For the Half Year and Quarter ended December 31, 2010
 (Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	.....(Rupees in '000).....			
NET (LOSS) / PROFIT FOR THE PERIOD c	(431)	950,767	131,841	58,168
OTHER COMPREHENSIVE INCOME / (LOSS)				
Net profit / (loss) on available for sale investments				
Profit / (loss) during the period	63,201	1,679,316	767,674	(514,347)
Reclassification adjustments included in the profit and loss account for:				
- Gain on sale of investments - net	(205,632)	(229,103)	(205,632)	(106,938)
- Impairment on investments	313,854	-	313,854	-
	171,423	1,450,213	875,896	(621,285)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD c	<u>170,992</u>	<u>2,400,980</u>	<u>1,007,737</u>	<u>(563,117)</u>

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

Mazharul Haq Siddiqui
 Chairman

Munaf Ibrahim
 Chief Executive

Condensed Interim Cash Flow Statement

For the Half Year ended December 31, 2010

(Un-audited)

Note	Half Year Ended	
	December 31, 2010	December 31, 2009
	..... (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES c		
	(4,298)	955,426
Adjustment for non cash charges and other items:		
Depreciation	4,465	6,606
Gain on sale of property and equipment	(1,528)	(188)
Gain on sale of NCEL membership card	-	(1,650)
Amortisation of transaction costs on term finance certificates	1,227	2,148
Interest income from special and defence saving certificates	-	(22,769)
Gain on revaluation of investments carried at fair value through profit or loss - net	(71,611)	(294,260)
Provision for impairment against investments - net	313,854	36,614
Liability written back	-	(50,000)
Finance cost	288,876	397,888
	<u>535,283</u>	<u>74,389</u>
Operating profit before working capital changes	530,985	1,029,815
Decrease / (increase) in operating assets:		
Trade debts	-	21,781
Loans and advances	561	(162)
Prepayments, accrued mark-up and other receivables	1,620	8,391
Short term investments	(448,774)	(3,458,855)
Long term loans, advance and security deposits	68	272
	<u>(446,525)</u>	<u>(3,428,573)</u>
Increase in trade and other payables	78,481	179,927
Net cash generated from / (used in) operations	<u>162,941</u>	<u>(2,218,831)</u>
Mark-up paid	(366,943)	(298,965)
Taxes paid - net	(30,022)	(52,292)
Dividend paid	(275)	(702,030)
Net cash used in operating activities	<u>(234,299)</u>	<u>(3,272,118)</u>
CASH FLOWS FROM INVESTING ACTIVITIES c		
Capital expenditure incurred	(78)	(234)
Proceeds from sale of property and equipment	1,907	214
Proceeds from sale of NCEL membership card and room	-	5,000
Investments sold / acquired - net of purchases / sale	965,262	(787,276)
Net cash generated from / (used in) investing activities	<u>967,091</u>	<u>(782,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES c		
Redemption of Term Finance Certificates	(375,195)	(281,389)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>357,597</u>	<u>(4,335,803)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(1,704,591)	1,363
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>(1,346,994)</u>	<u>(4,334,440)</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Statement Of Changes In Equity

For the Half Year ended December 31, 2010
(Un-audited)

	Issued, subscribed and paid-up capital	Reserves			Total	
		Capital	Revenue	Other		
	Ordinary share capital	Ordinary Share premium	General	Unappro- priated profit/ (accumulated loss)	Unrealised gain/(loss) on revaluation of available for sale invest- ments - net	
.....(Rupees in '000)						
Balance as at July 1, 2009	7,632,853	4,497,894	10,000,000	(2,827,373)	(24,380)	19,278,994
Profit for the period after taxation	-	-	-	950,767	-	950,767
Other comprehensive income	-	-	-	-	1,450,213	1,450,213
Appropriation during the period: Interim dividend @ Rs. 1 per ordinary share	-	-	-	(763,285)	-	(763,285)
Balance as at December 31, 2009	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(2,639,891)</u>	<u>1,425,833</u>	<u>20,916,689</u>
Balance as at July 1, 2010	7,632,853	4,497,894	10,000,000	(12,574,484)	571,467	10,127,730
Loss for the period after taxation	-	-	-	(431)	-	(431)
Other comprehensive income	-	-	-	-	171,423	171,423
Balance as at December 31, 2010 c	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(12,574,915)</u>	<u>742,890</u>	<u>10,298,722</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Notes to the Condensed Interim Financial Statements

For the Half Year ended December 31, 2010

(Un-audited)

1. THE COMPANY AND ITS OPERATIONS ◊

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

2. BASIS OF PREPARATION ◊

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

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

3. ACCOUNTING POLICIES ◊

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010, except for the following amended IFRS and IFRIC interpretation which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009 and May 2010, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

Issued in April 2009

IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 - Operating Segments
IAS 1 - Presentation of Financial Statements
IAS 7 - Statement of Cash Flows
IAS 17 - Leases
IAS 36 - Impairment of Assets
IAS 39 - Financial Instruments: Recognition and measurement

Issued in May 2010

IFRS 3 - Business Combinations
IAS 27 - Consolidated and Separate Financial Statements

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on these condensed interim financial statements.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended June 30, 2010.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES ◊

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

5. PROPERTY AND EQUIPMENT ◊

The details of additions and disposals during the half year ended December 31, 2010 are as follows:

	Note	December 31, 2010 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....			
Additions – cost			
Leasehold improvements		-	225
Office equipment		13	555
Office furniture and fixtures		-	83
Motor vehicles		65	2,029
		78	2,892
Disposals – cost			
Office equipment		470	4,966
Motor vehicles		2,084	6,589
		2,554	11,555

6. LONG TERM INVESTMENTS ◊

Investments in related parties:

Investment in subsidiaries	6.1	4,554,628	4,163,417
Investment in associates	6.2	1,303,215	1,303,215
Other related parties	6.3	6,549,731	7,688,911
		12,407,574	13,155,543
Other investments		-	359,726
		12,407,574	13,515,269

6.1 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) December 31, 2010 .....(Rupees in '000).....	(Audited) June 30, 2010
December 31, 2010	June 30, 2010				December 31, 2010 %	June 30, 2010 %		
525,566,192*	395,162,551	JS Bank Limited Market value Rs. 1,355.96 (June 30, 2010: Rs. 1,110.41) million	6.4	Commercial Banking	64.49	64.49	2,987,267	2,596,056
52,023,617**	52,023,617	JS Investments Limited Market value Rs. 347.52 (June 30, 2010: Rs. 388.10) million Less: Impairment		Asset Management & Investment Advisor	52.02	52.02	3,046,057 (2,657,961) 388,096	3,046,057 (2,657,961) 388,096
21,245,184***	21,245,184	Network Microfinance Bank Limited Market value Rs. 33.99 (June 30, 2010: Rs. 27.83) million Less: Impairment	6.4	Microfinance Banking	70.82	70.82	212,452 (53,113) 159,339	212,452 (53,113) 159,339
		<u>Un-quoted</u>						
73,736,250	73,736,250	JS Infocom Limited Net assets value Rs. 444.09 (June 30, 2010: Rs. 441.83) million based on un-audited financial statements for the period ended December 31, 2010 Less: Impairment		Telecom Media & Technology	100.00	100.00	708,490 (266,657) 441,833	708,490 (266,657) 441,833
10,000	10,000	JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs. 142.99 (March 31, 2010: Rs. 144.17) million based on un-audited financial statements for the period ended September 30, 2010 Less: Impairment		Investment services	100.00	100.00	294,882 (150,716) 144,166	294,882 (150,716) 144,166
1,895,000	1,895,000	Credit Chex (Private) Limited Ordinary Shares of Rs. 100/- each having negative equity balance of Rs. 33.93 (June 30, 2010: Rs. 16.34) million based on un-audited financial statements for the period ended December 31, 2010 Less: Impairment		Credit information & Credit rating	82.84	82.84	189,500 (185,369) 4,131	189,500 (185,369) 4,131
		Balance carried forward					4,124,832	3,733,621

* 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) December 31, 2010 .....(Rupees in '000).....	(Audited) June 30, 2010	
December 31, 2010	June 30, 2010		December 31, 2010 %	June 30, 2010 %			
		Balance brought forward			4,124,832	3,733,621	
63,000,000	63,000,000	Energy Infrastructure Holding (Private) Limited Net assets value Rs. 428.54 (June 30, 2010: Rs. 429.80) million based on un-audited financial statements for the period ended December 31, 2010 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000 (200,204) 429,796	630,000 (200,204) 429,796
					<u>4,554,628</u>	<u>4,163,417</u>	

6.2 Investment in associates - at cost C

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

Number of shares		Note	Activity	Holding		(Un-audited) December 31, 2010 .....(Rupees in '000).....	(Audited) June 30, 2010	
December 31, 2010	June 30, 2010			December 31, 2010 %	June 30, 2010 %			
		<u>Quoted</u>						
21,734,826	21,734,826	6.4	JS Global Capital Limited Market value Rs. 613.14 (June 30, 2010: Rs. 795.71) million Less: Impairment	Dealing in & brokerage of marketable securities	43.47	43.47	3,701,314 (2,493,292) 1,208,022	3,701,314 (2,493,292) 1,208,022
11,238,812	11,238,812		JS Value Fund Limited Net asset value Rs. 118.57 (June 30, 2010: Rs. 95.19) million Less: Impairment	Closed end Mutual Fund	9.48	9.48	135,566 (40,373) 95,193	135,566 (40,373) 95,193
							<u>1,303,215</u>	<u>1,303,215</u>

6.3 Other related parties C

Available for sale

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

Number of shares		Note	Activity	Holding		(Un-audited) December 31, 2010 .....(Rupees in '000).....	(Audited) June 30, 2010	
December 31, 2010	June 30, 2010			December 31, 2010 %	June 30, 2010 %			
		<u>Quoted - at fair value</u>						
7,000,000	7,000,000		HUM Network Limited (Formerly Eye Television Network Ltd.)	Television Network	14.00	14.00	164,850	162,540
111,256,116*	111,256,116		BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	403,860	357,132
20,299,455	20,299,455		EFU General Insurance Limited	General Insurance	16.24	16.24	893,988	997,515
17,040,552	17,040,552		EFU Life Assurance Limited	Life Assurance	20.05	20.05	1,285,539	1,327,629
9,000,000	25,040,389		Lucky Cement Limited	Cement Manufacturing	2.78	7.74	682,110	1,556,010
486,000	405,000		Attock Petroleum Limited	Oil Marketing	0.70	0.70	162,577	117,349
24,000,000	24,000,000	6.3.1	Pakistan International Container Terminal Limited	Container Terminal	21.99	21.99	1,746,000	1,800,000
5,933,780	5,933,780		Singer Pakistan Limited	Electrical Goods	17.39	17.39	119,862	111,555
112,157,863	112,157,863		Azgard Nine Limited	Textile Composite	24.96	24.96	1,083,445	1,251,681
		<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>6,549,731</u>	<u>7,688,911</u>

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

6.3.1 Subsequent to the balance sheet date, the related party relationship has ceased due to resignation of common directors.



6.4 The company calculates the recoverable amounts of its investment based on value in use calculation as prescribed under IAS 36 - Impairment of Assets which was higher than the carrying value. These calculations have been made on a discounted cash flow based valuation methodology.

	Note	December 31, 2010 (Un-audited) .....(Rupees in '000).....	June 30, 2010 (Audited)
7. SHORT TERM INVESTMENTS ☺			
Financial assets at fair value through profit or loss			
- Listed equity securities		2,113,537	1,593,152
		<u>2,113,537</u>	<u>1,593,152</u>
8. SHORT TERM BORROWINGS ☺			
- Short term running finance under mark-up arrangements	8.1	<u>1,353,917</u>	<u>1,716,218</u>

8.1 The Company has short-term running finance facilities under mark-up arrangements aggregating to Rs. 6,300 million (June 30, 2010: Rs. 7,350 million) from various commercial banks carrying mark-up ranging between 14.59% and 15.39% (June 30, 2010: 13.84% and 17.77%) per annum. The facilities utilized against these arrangements are secured against investments in equity securities and special saving certificates having an aggregate fair value of Rs. 4,146.47 million and Rs. Nil (June 30, 2010: Rs.3,598.97 million and Rs. 359.73 million). The unavailed aggregate credit facility of running finances amounts to Rs. 4,947.57 million (June 30, 2010: Rs. 5,633.78 million).

9. CONTINGENCY AND COMMITMENTS ☺

9.1 Contingency

The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued orders under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax years 2008 and 2009. According to the orders, the ACIR has raised tax liability aggregating to Rs. 223.04 million in respect of the above mentioned tax years. Such additions have been made mainly because income has been classified under different heads instead of treating income from all sources as business income. Accordingly, expenses have been apportioned under section 67 of the Ordinance read with Rule 13 of Income Tax Rules, 2002. The company has filed appeals against the above orders before the Commissioner Inland Revenue – Appeals. Further, the company has also filed Constitutional petition on point of jurisdiction for Tax year 2009 and obtained stay order against recovery of tax demand.

The management of the Company, on the basis of opinion received from its tax advisor, is confident that the subject matter in respect of tax years 2008 and 2009 will eventually be decided in favor of the Company.

		December 31, 2010 (Un-audited) .....(Rupees in '000).....	June 30, 2010 (Audited)
9.2. Commitments ☺			
- In respect of Future purchase transactions of equity securities - net		<u>-</u>	<u>211,429</u>



	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	.....(Un-audited).....			
	.....(Rupees in '000).....			
10. EARNINGS PER SHARE - BASIC AND DILUTED ☺				
(loss) / Profit after taxation attributable to Ordinary shareholders	(431)	950,767	131,841	58,168
	.....(Number in '000).....			
Weighted average number of Ordinary shares: Weighted average number of Ordinary shares outstanding during the period	763,285	763,285	763,285	763,285
	.....(Rupees).....			
(Loss) / Earnings per share: - Basic	(0.00)	1.25	0.17	0.08

	December 31, 2010	December 31, 2009
	(Un-audited).....
	.....(Rupees in '000).....	
11. CASH AND CASH EQUIVALENTS ☺		
Cash and bank balances	6,923	68,231
Short term running finance utilised under mark-up arrangement	(1,353,917)	(4,402,671)
	<u>(1,346,994)</u>	<u>(4,334,440)</u>

12. RELATED PARTY TRANSACTIONS ☺

Related parties comprise subsidiaries, associates, joint venture, directors, key management personnel and provident fund scheme. Significant transactions with related parties during the half year ended December 31, 2010 are as follows:

	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	.....(Un-audited).....			
	.....(Rupees in '000).....			
TRANSACTIONS				
Subsidiary Companies				
Rent expense	-	3,606	-	1,803
Profit received on fund placements and deposit accounts	31	151	-	150
Amount paid against subscription of right shares	391,211	27,719	391,211	-



	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	.....(Un-audited).....			
	.....(Rupees in '000).....			
Associates				
Dividend income	108,674	231,338	108,674	228,587
Dividend paid	-	50	-	50
Brokerage expense	6,934	16,721	5,562	7,178
Rental income	13,807	11,731	7,103	5,865
Common Directorship				
Dividend income	168,261	182,542	168,261	96,907
Common Directorship and Key Management Personnel				
Dividend paid	-	1,181	-	1,181
Other Related Parties				
Dividend paid	-	354,663	-	354,663
Contributions to Staff Provident Fund	1,388	1,387	653	695
Interest / markup paid	6,186	6,624	2,835	2,553
Principal redemptions made against TFCs	16,984	1,935	7	515
Insurance premium paid	1,443	-	10	-
Royalty paid	4,950	4,950	2,475	2,475
Advisory fee paid	3,000	3,000	1,500	1,500
Key management personnel:				
Remuneration to Chief Executive Officer	6,781	6,704	3,406	3,381
Advisory fee to Director	3,000	3,000	1,500	1,500
Fee paid to directors for directors / committee meetings	1,200	1,000	1,200	1,000
Remuneration to Executives	13,910	13,984	5,167	7,261
Interest on long term loans to executives	95	104	47	52
Loan repayments from executives	585	76	343	38
			December 31, 2010	June 30, 2010
			(Un-audited)	(Audited)
			.....(Rupees in '000).....	
BALANCES				
Subsidiary Companies				
Amount due from subsidiaries against expenses incurred on their behalf			247	247
Cash at bank accounts			1,801	6,918
Associates				
Amount due from associate against expenses incurred on its behalf			26	1,847

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

13. DATE OF AUTHORISATION ☺

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on February 24, 2011.

14. GENERAL ☺

14.1 Figures for the quarter ended December 31, 2010 and the corresponding figures for the quarter ended December 31, 2009 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

14.2 Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed Interim Consolidated Balance Sheet

As at December 31, 2010

	Note	December 31, 2010 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....			
ASSETS c			
Non-Current Assets			
Property and equipment	5	1,540,100	1,648,309
Intangible assets		1,481,757	1,493,649
Investment properties		2,091	2,411
Stock exchange membership cards and room		35,701	35,701
Long term investments	6	7,978,939	9,492,112
Long term loans, advances and other receivables		2,683,518	2,810,449
Long term deposits		34,324	30,025
Deferred taxation		1,059,251	1,074,532
		<u>14,815,681</u>	<u>16,587,188</u>
Current Assets			
Short term investments	7	17,458,529	16,320,716
Trade debts - unsecured		229	261
Loans and advances		12,162,126	8,741,005
Accrued markup		577,754	520,418
Deposits, prepayments and other receivables		273,709	287,397
Fund placements		3,780,245	4,630,298
Taxation - net		391,197	383,507
Cash and bank balances		2,760,874	2,310,691
		<u>37,404,663</u>	<u>33,194,293</u>
		<u>52,220,344</u>	<u>49,781,481</u>
EQUITY AND LIABILITIES c			
Share Capital and Reserves			
Share capital		7,632,853	7,632,853
Reserves		1,664,405	1,480,293
Equity attributable to equity holders' of the parent		<u>9,297,258</u>	<u>9,113,146</u>
Non-controlling interests		3,862,710	3,563,239
Total equity		<u>13,159,968</u>	<u>12,676,385</u>
Non-Current Liabilities			
Long term financing		2,625,517	3,229,291
Deposits and other accounts		30,354	34,154
Employee benefit liability		71,530	56,199
		<u>2,727,401</u>	<u>3,319,644</u>
Current Liabilities			
Trade and other payables		1,563,762	916,380
Accrued interest / mark-up on borrowings		559,609	627,282
Short term borrowings		7,320,751	7,649,966
Current portion of non-current liabilities	8	26,888,853	24,591,824
		<u>36,332,975</u>	<u>33,785,452</u>
Contingencies and Commitments			
	9		
		<u>52,220,344</u>	<u>49,781,481</u>

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial information.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Profit and Loss Account

For the Half Year and Quarter ended December 31, 2010
(Un-audited)

Note	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
.....(Rupees in '000).....				
INCOME c				
Return on investments	1,040,952	840,965	602,362	447,377
Gain on sale of investments - net	333,542	710,286	276,728	304,967
Income from long term loans and fund placements	951,177	892,775	460,157	474,606
Fee, commission and brokerage	276,122	279,446	132,570	154,179
Other income	58,568	156,932	25,687	56,435
Gain / (loss) on revaluation of investments carried at fair / value through profit and loss - net	60,703	316,907	58,986	(192,821)
	<u>2,064,246</u>	<u>3,197,311</u>	<u>1,556,490</u>	<u>1,244,743</u>
EXPENDITURE c				
Operating and administrative expenses	1,255,959	1,477,301	622,062	658,058
Finance cost	1,455,828	1,496,498	714,021	802,749
Provision for impairment against investments	313,854	78,423	313,854	66,524
	<u>3,025,641</u>	<u>3,052,222</u>	<u>1,649,937</u>	<u>1,527,331</u>
	(304,577)	145,089	(93,447)	(282,588)
Share of profit / (loss) from:				
- associates	96,329	395,095	74,333	90,986
- joint venture	(140)	(1,696)	(49)	(335)
	<u>96,189</u>	<u>393,399</u>	<u>74,284</u>	<u>90,651</u>
(LOSS) / PROFIT FOR THE PERIOD BEFORE TAXATION	<u>(208,388)</u>	<u>538,488</u>	<u>(19,163)</u>	<u>(191,937)</u>
TAXATION c				
- Current	28,779	27,235	16,262	14,485
- Prior	(5,553)	534	(3,952)	534
- Deferred	(4,320)	(864,434)	(3,393)	(862,995)
	<u>18,906</u>	<u>(836,665)</u>	<u>8,917</u>	<u>(847,976)</u>
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION	<u>(227,294)</u>	<u>1,375,153</u>	<u>(28,080)</u>	<u>656,039</u>
Attributable to:				
Equity holders of the parent	(157,112)	1,285,228	6,580	394,202
Non-controlling interests	(70,182)	89,925	(34,660)	261,837
	<u>(227,294)</u>	<u>1,375,153</u>	<u>(28,080)</u>	<u>656,039</u>
.....(Rupees).....				
(LOSS) / EARNINGS PER SHARE c	10			
- Basic				
		<u>(0.21)</u>	<u>1.68</u>	<u>0.01</u>
			<u>0.01</u>	<u>0.52</u>

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial information.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Statement of Comprehensive Income
For the Half Year and Quarter ended December 31, 2010
(Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	.....(Rupees in '000).....			
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION c	(227,294)	1,375,153	(28,080)	656,039
OTHER COMPREHENSIVE INCOME / (LOSS)				
Revaluation of available for sale investments	707,660	1,795,312	1,409,382	(743,808)
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	4,998	7,292	3,862	(689)
Share of other comprehensive (loss) / income of associates	(1,782)	133,377	302	31,866
	710,876	1,935,981	1,413,546	(712,631)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	483,582	3,311,134	1,385,466	(56,592)
Attributable to:				
Equity holders of the parent	184,111	3,167,177	1,055,267	(175,689)
Non-controlling interests	299,471	143,957	330,199	119,097
	483,582	3,311,134	1,055,267	(56,592)

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial information.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Cash Flow Statement

For the Half Year ended December 31, 2010

(Un-audited)

	Half Year Ended	
	December 31, 2010	December 31, 2009
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES c		
(Loss)/profit for the period before taxation	(208,388)	538,488
Adjustments for non cash charges and other items:		
Depreciation	135,583	130,680
Amortisation on intangible assets	14,881	33,401
Amortisation of transaction cost on term finance certificates	1,227	2,148
(Profit) / loss on sale of property and equipment	(7,719)	1,797
Interest income from national saving schemes	-	(22,769)
Share of profit from associates and joint ventures	(96,189)	(393,399)
Charge for defined benefit plan	15,331	5,700
Liabilities no longer payable written back	-	(78,123)
Provision for impairment against investments	313,854	78,423
Gain on revaluation of investments carried at fair value through profit or loss - net	(60,703)	(316,907)
Finance cost	1,454,601	1,494,350
	1,770,866	935,301
Operating profit before working capital changes	1,562,478	1,473,789
Decrease / (increase) in operating assets :		
Short term investments	(741,186)	(4,519,649)
Trade debts	32	21,781
Loans and advances	(3,421,121)	(2,800,412)
Long term loans, advances, deposits and other receivables	122,632	561,010
Fund placements	850,053	(675,547)
Deposits, prepayments, accrued mark-up and other receivables	(43,648)	110,380
	(3,233,238)	(7,302,437)
Increase in operating liabilities:		
Trade and other payables	647,660	69,063
Deposits and other accounts	2,184,112	2,246,028
Net cash generated from / (used in) operations	1,161,012	(3,513,557)
Interest / mark-up paid	(1,522,274)	(1,388,139)
Taxes refunded / (paid) - net	(30,916)	(70,653)
Dividend paid	(278)	(702,050)
Net cash used in operating activities	(392,456)	(5,674,399)
CASH FLOWS FROM INVESTING ACTIVITIES c		
Capital expenditure incurred	(35,880)	(321,674)
Intangible assets acquired	(2,989)	(11,952)
Proceeds from sale of property and equipment	16,545	4,134
Investment acquired - net of sale	1,465,149	(393,444)
Net cash generated from / (used in) investing activities	1,442,825	(722,936)
CASH FLOWS FROM FINANCING ACTIVITIES c		
Redemption of term finance certificates	(503,591)	(367,054)
Proceeds from issue of ordinary shares by subsidiary company	215,422	-
Advance against future issue of share capital of subsidiary company	9,491	-
Long term loans - net of repayment	7,707	-
Securities sold under repurchase agreements	3,883,220	3,394,411
Net cash generated from financing activities	3,612,249	3,027,357
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,662,618	(3,369,978)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(5,339,275)	380,970
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(676,657)	(2,989,008)

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial information.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Statement of Changes In Equity

For the Half Year ended December 31, 2010
(Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT										NON-CONTROLLING INTERESTS	TOTAL
	Reserves											
	Issued, subscribed and paid-up capital	Capital	Revenue		Others			Preference share redemption	Sub-total			
Ordinary share Capital	Ordinary share premium	General	Foreign exchange translation	Unappropriated profit / (accumulated loss)	Unrealised (loss) / gain on revaluation of available for sale investment - net	Statutory	Hedging					
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
Profit for the period	-	-	-	-	1,285,228	-	-	-	-	1,285,228	89,925	1,375,153
Other comprehensive income	-	64,434	-	27,213	-	1,684,745	-	1,911	13,721	1,792,024	143,957	1,935,981
Statutory reserve	-	-	-	-	-	-	(294)	-	-	(294)	-	(294)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	(17,823)	(17,823)
Appropriation during the period: Interim dividend @ Rs. 1 per Ordinary share	-	-	-	-	(763,285)	-	-	-	-	(763,285)	-	(763,285)
Balance as at December 31, 2009	7,632,853	6,015,898	10,000,000	56,265	(2,056,598)	1,582,109	68,932	18,334	125,151	23,442,944	3,759,667	27,202,611
Balance as at July 1, 2010	7,632,853	5,284,746	10,000,000	23,072	(14,494,479)	598,114	68,841	-	-	9,113,147	3,563,239	12,676,386
Loss for the period	-	-	-	-	(157,112)	-	-	-	-	(157,112)	(70,182)	(227,294)
Other comprehensive income / (Loss)	-	-	-	4,998	-	336,225	-	-	-	341,223	369,653	710,876
Balance as at December 31, 2010 c	7,632,853	5,284,746	10,000,000	28,070	(14,651,591)	934,339	68,841	-	-	9,297,258	3,862,710	13,159,968

The annexed notes 1 to 15 form an integral part of these condensed interim consolidated financial information.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year ended December 31, 2010

(Un-audited)

1. THE GROUP AND ITS OPERATIONS ☺

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

The Holding Company was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Karachi Stock Exchange (Guarantee) Limited. The Holding Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main 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)	
				December 2010	June 2010
JS Investments Limited (JSIL)	Investment Advisor and Asset Manager		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	1.2.1	April 04, 2007	100.00%	100.00%
Credit Chex (Private) Limited	Credit Information and Credit Rating Services		October 8, 2007	82.84%	82.84%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		December 12, 2007	52.02%	52.02%
Energy Infrastructure Holding (Private) Limited	Power generation		July 07, 2008	100.00%	100.00%
Network Microfinance Bank Limited	Microfinance Services		March 11, 2009	70.82%	70.82%

- 1.2.1 During the period, JS Fund Management (Mauritius) Limited, a sub-subsidiary of JS International Limited has ceased its operations and is currently under winding up.

2. BASIS OF PREPARATION ☺

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

The comparative balance sheet presented in these condensed interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended June 30, 2010, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim consolidated financial statements for the half year ended December 31, 2009.

3. ACCOUNTING POLICIES ◊

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2010, except for the following amended IFRS and IFRIC interpretation which became effective during the period:

- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009 and May 2010, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

Issued in April 2009

- IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations
- IFRS 8 - Operating Segments
- IAS 1 - Presentation of Financial Statements
- IAS 7 - Statement of Cash Flows
- IAS 17 - Leases
- IAS 36 - Impairment of Assets
- IAS 39 - Financial Instruments: Recognition and measurement

Issued in May 2010

- IFRS 3 - Business Combinations
- IAS 27 - Consolidated and Separate Financial Statements

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on these condensed interim consolidated financial statements.

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 June 30, 2010.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES ◊

The preparation of condensed interim consolidated 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 June 30, 2010.

5. PROPERTY AND EQUIPMENT ◊

The details of additions in and disposals of operating assets during the six months period ended December 31, 2010 are as follows:

	December 31, 2010 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....		
Additions - cost		
- Office premises - leasehold	54	53,768
- Leasehold improvements	8,217	120,954
- Office equipment	17,706	188,445
- Office furniture and fixtures	4,218	38,842
- Motor vehicles	14,017	26,968
	<u>44,212</u>	<u>428,977</u>
Disposals - cost		
- Office premises - leasehold	37	8,574
- Leasehold improvements	-	28,591
- Office equipment	1,549	27,910
- Office furniture and fixtures	80	8,581
- Motor vehicles	19,709	14,949
	<u>21,375</u>	<u>88,605</u>

	Note	December 31, 2010 (Un-audited) (Rupees in '000).....	June 30, 2010 (Audited)
6. LONG TERM INVESTMENTS ☺			
Related parties:			
- Investment in associates	9.1.2	1,281,333	1,295,460
- Investment in joint venture		66,947	67,087
- Other related parties - Available for sale		6,549,731	7,688,911
		7,898,011	9,051,458
Other investments:			
- Available for sale		80,928	80,928
- Held to maturity		-	359,726
		<u>7,978,939</u>	<u>9,492,112</u>
7. SHORT TERM INVESTMENTS ☺			
Assets at fair value through profit or loss		2,394,445	1,887,457
Available for sale		14,888,310	14,360,560
		<u>17,458,529</u>	<u>16,248,017</u>
8. CURRENT PORTION OF NON-CURRENT LIABILITIES ☺			
Long term financing:			
- Term finance certificates		549,930	375,670
- Liability against Class A, B & C TFCs		63,943	129,086
Deposits and other accounts		26,274,980	24,087,068
		<u>26,888,853</u>	<u>24,591,824</u>
9. CONTINGENCIES AND COMMITMENTS ☺			
9.1 Contingencies			
9.1.1	<p>The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued orders to the Holding Company under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax years 2008 and 2009. According to the orders, the ACIR has raised tax liability aggregating to Rs. 223.04 million in respect of the above mentioned tax years. Such additions have been made mainly because income has been classified under different heads instead of treating income from all sources as business income. Accordingly, expenses have been apportioned under section 67 of the Ordinance read with Rule 13 of Income Tax Rules, 2002. The Holding Company has filed appeals against the above orders before the Commissioner Inland Revenue – Appeals. Further, the Holding Company has also filed Constitutional petition on point of jurisdiction for Tax year 2009 and obtained stay order against recovery of tax demand.</p> <p>The management of the Holding Company, on the basis of opinion received from its tax advisor, is confident that the subject matter in respect of tax years 2008 and 2009 will eventually be decided in favor of the Company.</p>		
9.1.2(a)	<p>Gujranwala Energy Limited (GEL) - a joint venture of a subsidiary of the Holding Company, in order to achieve the financial close, had mandated National Bank of Pakistan ("NBP") to arrange PKR 14,135 million. The aforesaid mandate was executed on 14 April 2008. However, due to deteriorating law and order situation, circular debt issue, etc., the financial close could not be achieved within the envisaged time period. The Venture, as a result thereof, approached Private Power and Infrastructure Board ("PPIB") with the request to make certain amendments in the power purchase agreement to facilitate the financial close but PPIB did not respond positively towards the Venture's request and as consequence thereof the Company has filed a petition in the Honorable High Court of Sindh to protect itself from the repercussions of non achieving the financial close within the stipulated time period including encashment of performance guarantee amounting to US \$ 1,000,000 extended to PPIB. The Honorable High Court of Sindh has ordered the plaintiff (the Company) to keep the guarantee alive and have restricted PPIB from encashing the guarantee till the adjudication of the application filed by the Company. The stay order is still filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.</p>		

(b) With reference to Note 9.1.2, the Joint Venture has also extended commitment bank guarantee amounting to 3,000,000 Euro in favour of Wartsila Finland (supplier of engines). During the year 2009, the Venture could not raise the requisite funds and deposit initial mobilization advance with Wartsila and accordingly, Wartsila had approached the concerned bank for encashment of guarantee. However, the Company filed a petition in Honourable High Court of Sindh to protect encashment of such guarantee. The Honourable High Court of Sindh has restricted Wartsila from en-cashing the guarantee till the adjudication of the application filed by the Venture. The stay order is still in filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

9.1.3 The JS Investments Limited (JSIL), a subsidiary company, has filed appeals against orders passed for the tax years 2002, 2006 and 2009 against demand of Rs. 4.6 million, Rs. 162 million and Rs. 66 million respectively mainly on account of disallowances on arbitrary basis, taxability of a portion of capital gain in dividend received from mutual funds and allocation of expenses between various source of income taxed at normal and low rate exempt income.

The management of JSIL and tax advisors are confident that good ground exist to contest these disallowance at appellate forums, these additions can not be maintainable and eventually outcome will come in favour of the Company. Hence, no provision has been made in the condensed interim financial information.

9.1.4 Transaction-related Contingent Liabilities

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

	December 31, 2010 (Un-audited)	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
- Government	540,390	510,776
- Banking companies and other financial institutions	16,493	18,866
- Others	548,175	632,664
	<u>1,105,058</u>	<u>1,162,306</u>

9.1.5 Trade related contingent liabilities

Documentary credits	<u>1,588,191</u>	<u>1,750,888</u>
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9.1.6 Other Contingencies

Claims not acknowledged as debts	<u>66,481</u>	<u>66,463</u>
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9.2 Commitments

Commitments in respect of:

Future purchase transactions of listed equity securities - net	<u>-</u>	<u>211,429</u>
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Forward purchase of government securities	<u>-</u>	<u>153,567</u>
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Commitments in respect of capital expenditure	<u>14,993</u>	<u>5,564</u>
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Assets acquired under operating lease	<u>8,653</u>	<u>9,889</u>
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Forward exchange contracts:

- Purchase	<u>2,874,196</u>	<u>3,762,253</u>
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- Sale	<u>1,815,855</u>	<u>3,438,680</u>
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	Half year ended		Quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	(Un-audited)			
	(Rupees in '000)			
10. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE c				
(Loss) / profit after taxation attributable to Ordinary shareholders of the parent	(157,112)	1,285,228	6,580	394,202
	(Number in '000)			
Weighted average number of Ordinary shares outstanding during the period	763,285	763,285	763,285	763,285
	(Rupees)			
(Loss) / earnings per share:				
- Basic	(0.21)	1.68	0.01	0.52

December 31, 2010
December 31, 2009
(Un-audited)
(Rupees in '000)

11. CASH AND CASH EQUIVALENTS c

Cash and bank balances	2,760,874	3,825,106
Short term running finances under mark-up arrangements	(1,646,341)	(4,548,890)
Borrowings from banks / NBFCs	(1,791,190)	(2,265,224)
	<u>(676,657)</u>	<u>(2,989,008)</u>

12. RELATED PARTY TRANSACTIONS c

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 six months period are as follows:

	Half year ended		Quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	(Un-audited)			
	(Rupees in '000)			
Brokerage and commission expense	6,934	23,706	5,562	12,884
Purchase of money market instruments	3,026,721	1,871,261	2,588,493	1,658,728
Sale of money market instruments	10,896,247	4,532,214	6,075,185	2,840,211
Purchase of units	205,300	5,300	5,300	5,300
Sale of units	40,000	85,000	40,000	5,000
Encashment of short term placements	182,841	184,172	-	119,172
Fund placements	179,120	4,042,000	-	1,580,000
Return on investments in related parties	187,164	448,689	168,261	358,890

	Half year ended		Quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	(Un-audited)			
	(Rupees in '000)			
Advisory and consultancy fee	29,645	100	-	-
Commission income	27,253	40,434	20,239	32,727
Foreign exchange purchases transaction	1,782,548	8,907,149	967,810	3,001,389
Foreign exchange sale transaction	1,374,637	7,543,606	806,488	2,849,608
Rental income	15,411	16,307	7,942	10,420
Interest / markup earned	774	43,135	79	42,638
Interest / markup paid	28,470	27,799	24,803	24,607
Principal redemptions made against TFCs	16,984	1,420	7	-
Rent expense	7,561	8,449	5,527	5,954
Royalty paid	7,450	4,950	4,975	2,475
Advisory fee paid	9,786	3,000	5,269	-
Insurance premium paid	6,589	1,707	3,632	531
Insurance claim received	2,534	2,503	522	1,308
Trustee fee	-	1,140	-	516
Investments disposed off in funds under management - at cost	314,554	44,820	175,661	20,294
Investments made in funds under management	99,027	-	99,027	-
Markup income on loan to CEO of a subsidiary	-	1,267	-	646
Sale of shares	263,496	-	-	-
Remuneration and commission income from funds	128,043	195,094	62,211	98,522
Contribution to provident fund	24,190	18,354	9,348	12,004
Expenses incurred on behalf of funds	-	2,920	-	1,830
Dividend paid	-	355,844	-	355,844
Loan repayment from executives	585	76	343	38
	(Number)			
Bonus shares/units received from related parties	258,354	237,983	2,470	2,188

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 for the half year ended December 31, 2010					
Return on investments	178,364	823,728	23,166	15,694	1,040,952
Gain / (loss) on sale of investments - net	298,169	23,401	17,572	(5,600)	333,542
Income from long term loans and fund placements	202	942,202	-	8,773	951,177
Fee, commission and brokerage	-	116,525	128,723	30,874	276,122
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	71,611	(18)	-	(10,890)	60,703
Unallocated revenue	-	-	-	-	58,568
	548,346	1,905,838	169,461	38,851	2,721,064
Share of profit / (loss) from:					
Associates	96,329	-	-	-	96,329
Joint venture	(140)	-	-	-	(140)
	644,535	1,905,838	169,461	38,851	2,817,253
Operating and administrative expenses	38,597	981,486	115,532	86,238	1,221,853
Finance cost	263,553	1,116,875	75,373	27	1,455,828
Provision for impairment in investments	313,854	-	-	-	313,854
	616,004	2,098,361	190,905	86,265	2,991,535
Segment results	28,531	(192,523)	(21,444)	(47,414)	(174,282)
Unallocated expenses	-	-	-	-	(34,106)
(Loss) / profit for the period before taxation	28,531	(192,523)	(21,444)	(47,414)	(208,388)
Taxation:					
Segment	85	19,366	5,526	3,802	28,779
Prior period	(3,952)	-	(1,601)	-	(5,553)
Deferred	-	-	(4,320)	-	(4,320)
	(3,867)	19,366	(395)	3,802	18,906
(Loss) / profit after taxation for the period	32,398	(211,889)	(21,049)	(51,216)	(227,294)
Non-controlling interests	-	62,037	5,679	2,466	70,182
	32,398	(149,852)	(15,370)	(48,750)	(157,112)

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 for the half year ended December 31, 2009					
Return on investments	287,460	499,431	35,207	18,867	840,965
Gain on sale of investments - net	624,867	17,870	67,541	8	710,286
Income from long term loans and fund placements	(26,538)	883,653	-	35,660	892,775
Fee, commission and brokerage	-	82,479	196,727	240	279,446
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	294,260	(782)	-	23,429	316,907
Unallocated Revenue	-	-	-	-	156,932
	1,180,049	1,482,651	299,475	78,204	3,197,311
Share of profit / (loss) from:					
Associates	395,095	-	-	-	395,095
Joint venture	(1,696)	-	-	-	(1,696)
	1,573,448	1,482,651	299,475	78,204	3,590,710
Operating and administrative expenses	38,782	1,114,539	147,220	114,039	1,414,580
Finance cost	399,885	991,700	104,863	50	1,496,498
Provision for impairment in investments	36,614	41,809	-	-	78,423
	475,281	2,148,048	252,083	114,089	2,989,501
Segment results	1,098,167	(665,397)	47,392	(35,885)	601,209
Unallocated expenses	-	-	-	-	(62,721)
Profit / (loss) for the period before taxation	1,098,167	(665,397)	47,392	(35,885)	538,488
Taxation:					
Segment	4,125	7,593	1,984	13,533	27,235
Prior period	534	-	-	-	534
Deferred	-	(861,620)	(2,814)	-	(864,434)
	4,659	(854,027)	(830)	13,533	(836,665)
Profit / (loss) after taxation for the period	1,093,508	188,630	48,222	(49,418)	1,375,153
Non-controlling interests	-	(65,358)	(26,161)	1,594	(89,925)
	1,093,508	123,272	22,061	(47,824)	1,285,228

14. 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 February 24, 2011.

15. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



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