



Quarterly Report
March 31, 2011
(Un-audited)



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Company Information

Board Of Directors

Mazharul Haq Siddiqui
Chief Justice (R) Mahboob Ahmed
Ali J. Siddiqui
Munawar Alam Siddiqui
Ali Hussain
Stephen Christopher Smith
Munaf Ibrahim

Chairman
Independent Director
Director
Director
Director
Chief Executive Officer & Director

Audit Committee

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

Chairman
Member
Member
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 the nine months period ended March 31, 2011.

The Economy

Pakistan's economy kicked off 3QFY11 on an encouraging note, with key macro indicators portraying a positive picture. Exports continued to rise as commodity prices escalated further, with 9MFY11 receipts reaching US\$17.8 billion – an increase of 27%YoY. However, imports too rose by 16%YoY to US\$29 billion, leading the trade deficit to rise by US\$182 million to US\$11.2 billion. Remittances sustained their momentum, increasing by 22.4% to US\$8 billion in 9MFY11, with monthly remittances crossing US\$1 billion for the first time in March 2011. This, along with funds released under the CSF (Coalition Support Fund), led the current account deficit to shrink to US\$98 million in 8MFY11, from US\$3.0 billion last year. Average inflation in 9MFY11 clocked at 14.2%, fuelled by rising food and energy prices. However, concerns remained on the fiscal side, with the 1HFY11 deficit rising to 2.9% of GDP, leading the government to announce a set of measures to address this imbalance. Moreover, Asian Development Bank (ADB) in its outlook report trimmed Pakistan's GDP growth forecast to 2.5% for FY11, following the unprecedented floods. It projects the economy will grow by 3.7% in FY12.

Stock Market Review

After posting an impressive 24% return in 1HFY11, the stock market went through a slow period in 3QFY11 – witnessing a decline of 2%, with the KSE 100 Index closing the quarter at 11,810. Despite the introduction of the much-awaited leverage system (MTS - Margin Trading System), investor participation remained dull as evident from average daily turnover of 123 million shares in 3Q versus 131 million shares during the previous quarter. This lackluster performance was mainly attributed to the ongoing political uncertainty, implementation of flood surcharge and investor concerns over soaring international oil prices. Among major sectors, Chemicals was the top performer while heavyweights like Oil & Gas, Banks and Telecoms lagged the market performance during the period under review.

For the equity market to recover, increased participation from the domestic investor base is required. Resolution of issues such as circular debt, successful secondary offerings of state-owned enterprises and better implementation of the IMF program can act as key positive triggers for the market.



Brief review of results

The Company has reported an after tax loss of PKR 602.8 million for the nine months period ended March 31, 2011 as compared to profit after tax of PKR 400.3 million for the comparative period last year. Overall revenue for the nine months period has declined to PKR 819.5 million as compared to PKR 1,289.5 million last year although the Company earned PKR 504.081 million under capital gains which is nullified by the impairment in the available for sale investments aggregating PKR 891.5 million which has resulted on account of price decline on the local bourse. Operating and administrative expenses for the half-year of the current financial year have reduced by 40% to PKR 116.190 million from PKR 162.240 million for the comparative period last year.

The basic loss per share is PKR (0.79) per share.

The Board of Directors have given in-principle approval to transfer its investment in JS Global Capital Limited (JSGCL), comprising 43.47% shares, to JS Bank Limited (JSBL) in exchange for issue of new shares of JSBL. Please refer to note 6.6 to the condensed interim balance sheet.

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

The prospects of positive earnings in the coming quarter will largely depend upon return from strategic investments as key subsidiaries of the Company are reporting an improvement in performance.

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: April 26, 2011

Mazharul Haq Siddiqui
Chairman





CONDENSED INTERIM FINANCIAL STATEMENTS



Condensed Interim Balance Sheet

As at March 31, 2011

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....			
ASSETS ◊			
Non-Current Assets			
Property and equipment	5	11,168	17,482
Investment properties		1,931	2,411
Stock exchange membership cards and room		12,201	12,201
Long term investments	6	10,940,487	13,515,269
Long term loans and advance		1,421	1,562
Long term security deposits		1,499	1,493
		<u>10,968,707</u>	<u>13,550,418</u>
Current Assets			
Loans and advances		388	1,668
Prepayments, interest accrued and other receivables		10,773	4,108
Short term investments	7	39,002	1,593,152
Taxation - net		258,282	222,720
Cash and bank balances		1,328,516	11,627
		<u>1,636,961</u>	<u>1,833,275</u>
		<u>12,605,668</u>	<u>15,383,693</u>
EQUITY AND LIABILITIES ◊			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		1,902,810	2,494,877
		<u>9,535,663</u>	<u>10,127,730</u>
Non-Current Liability			
Long term financing		2,291,376	2,839,287
Current Liabilities			
Trade and other payables		76,112	95,328
Accrued interest / mark-up on borrowings		152,587	229,460
Short term borrowings		-	1,716,218
Current portion of long term financing		549,930	375,670
		<u>778,629</u>	<u>2,416,676</u>
Contingency and Commitments	8	<u>12,605,668</u>	<u>15,383,693</u>

The annexed notes from 1 to 13 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 Nine Months period and Quarter ended March 31, 2011
(Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Note				
	..... (Rupees in '000)			
INCOME ☺				
Return on investments	292,627	583,468	5,589	60,102
Gain on sale of investments - net	504,081	821,127	205,912	196,260
Income from long-term loans and fund placements	11,545	2,482	11,343	309
Other income	23,534	75,881	8,192	10,101
Loss on revaluation of investments carried at fair value through profit and loss account - net	(12,261)	(193,496)	(83,872)	(487,756)
	<u>819,526</u>	<u>1,289,462</u>	<u>147,164</u>	<u>(220,984)</u>
EXPENDITURE ☺				
Operating and administrative expenses	116,190	162,240	43,487	43,870
Finance cost	417,468	626,951	127,365	226,915
Provision for impairment against investments	891,499	93,619	577,645	57,005
	<u>1,425,157</u>	<u>882,810</u>	<u>748,497</u>	<u>327,790</u>
(LOSS) / PROFIT BEFORE TAXATION	<u>(605,631)</u>	<u>406,652</u>	<u>(601,333)</u>	<u>(548,774)</u>
TAXATION ☺				
- Current	168	5,790	83	1,665
- Prior	(3,952)	534	-	-
	<u>(3,784)</u>	<u>6,324</u>	<u>83</u>	<u>1,665</u>
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION	<u>(601,847)</u>	<u>400,328</u>	<u>(601,416)</u>	<u>(550,439)</u>
	..... (Rupees)			
(LOSS) / EARNINGS PER SHARE ☺	9			
- Basic	<u>(0.79)</u>	<u>0.52</u>	<u>(0.79)</u>	<u>(0.72)</u>

The annexed notes from 1 to 13 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 Nine Months period and Quarter ended March 31, 2011
(Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	..... (Rupees in '000)			
NET (LOSS) / PROFIT FOR THE PERIOD c	(601,847)	400,328	(601,416)	(550,439)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Net profit / (loss) on available for sale investments (Loss) / profit during the period	(542,331)	1,109,858	(605,532)	(569,458)
Reclassification adjustments included in the profit and loss account for:				
- Gain on sale of investments - net	(339,388)	(234,076)	(133,756)	(4,973)
- Impairment on investments	891,499	-	577,645	-
	9,780	875,782	(161,643)	(574,431)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD c	<u>(592,067)</u>	<u>1,276,110</u>	<u>(763,059)</u>	<u>(1,124,870)</u>

The annexed notes from 1 to 13 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 Nine Months period ended March 31, 2011

(Un-audited)

	Nine months ended	
	March 31, 2011	March 31, 2010
Note	..... (Rupees in '000).....	
CASH FLOWS FROM OPERATING ACTIVITIES ◊		
(Loss) / profit before taxation for the period	(605,631)	406,652
Adjustment for non cash charges and other items:		
Depreciation	5,471	9,339
Gain on sale of property and equipment	(2,823)	(2,818)
Gain on sale of NCEL membership card	-	(1,650)
Amortisation of transaction costs on term finance certificates	1,794	2,809
Interest income from special and defence saving certificates	-	(34,421)
Loss on revaluation of investments carried at fair value through profit or loss - net	12,261	193,496
Provision for impairment against investments - net	891,499	93,619
Liability written back	-	(50,000)
Finance cost	415,674	624,142
	<u>1,323,876</u>	<u>834,516</u>
Operating profit before working capital changes	718,245	1,241,168
Decrease / (increase) in operating assets:		
Trade debts	-	(497,019)
Loans and advances	1,280	(395)
Prepayments, accrued mark-up and other receivables	(6,665)	(32,135)
Short term investments	1,541,889	(1,674,598)
Long term loans, advance and security deposits	135	310
	<u>1,536,639</u>	<u>(2,203,837)</u>
(Decrease) / increase in trade and other payables	(18,901)	180,958
Net cash generated from / (used) in operations	<u>2,235,983</u>	<u>(781,711)</u>
Mark-up paid	(492,547)	(538,418)
Taxes paid - net	(31,778)	(54,332)
Dividend paid	(313)	(758,522)
Net cash generated from (used in) operating activities	<u>1,711,345</u>	<u>(2,132,983)</u>
CASH FLOWS FROM INVESTING ACTIVITIES ◊		
Capital expenditure incurred	(107)	(234)
Proceeds from sale of property and equipment	4,253	4,214
Proceeds from sale of NCEL membership card and room	-	5,000
Investments sold / acquired - net of sale / purchases	1,693,061	(768,555)
Net cash generated from / (used in) investing activities	<u>1,697,207</u>	<u>(759,575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES ◊		
Redemption of term finance certificates	(375,445)	(312,858)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,033,107</u>	<u>(3,205,416)</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>10</u> <u>1,328,516</u>	<u>(3,204,053)</u>

The annexed notes from 1 to 13 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 Nine Months period and Quarter ended March 31, 2011
(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	-	-	-	400,328	-	400,328
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 March 31, 2010	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(3,190,330)</u>	<u>1,425,833</u>	<u>20,366,250</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	-	-	-	(601,847)	-	(601,847)
Other comprehensive income	-	-	-	-	9,780	9,780
Balance as at March 31, 2011	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(13,176,331)</u>	<u>581,247</u>	<u>9,535,663</u>

The annexed notes from 1 to 13 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 Nine Months period and Quarter ended March 31, 2011

(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 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 nine months period ended March 31, 2011 are as follows:

	Note	March 31, 2011 (Un-audited) .....(Rupees in '000).....	June 30, 2010 (Audited)
Additions – cost			
Leasehold improvements		-	225
Office equipment		42	555
Office furniture and fixtures		-	83
Motor vehicles		65	2,029
		<u>107</u>	<u>2,892</u>
Disposals – cost			
Office equipment		470	4,966
Motor vehicles		4,797	6,589
		<u>5,267</u>	<u>11,555</u>

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	3,386,624	7,688,911

Other investments

	6.4	1,696,020	359,726
		<u>10,940,487</u>	<u>13,515,269</u>

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) March 31, 2011 .....(Rupees in '000).....	(Audited) June 30, 2010
March 31, 2011	June 30, 2010				March 31, 2011 %	June 30, 2010 %		
525,566,192*	395,162,551	JS Bank Limited Market value Rs. 1,471.58 (June 30, 2010: Rs. 1,110.41) million	6.5	Commercial Banking	64.49	64.49	2,987,267	2,596,056
52,023,617**	52,023,617	JS Investments Limited Market value Rs. 300.18 (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. 31.65 (June 30, 2010: Rs. 27.83) million Less: Impairment	6.5	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. 445.09 (June 30, 2010: Rs. 441.83) million based on un-audited financial statements for the period ended March 31, 2011. 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. 135.08 (March 31, 2010: Rs. 144.17) million based on un-audited financial statements for the period ended December 31, 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. 40.10 (June 30, 2010: Rs. 16.34) million based on un-audited financial statements for the period ended March 31, 2011. 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)	(Audited)	
March 31, 2011	June 30, 2010		March 31, 2011 %	June 30, 2010 %	March 31, 2011	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. 431.73 (June 30, 2010: Rs. 429.80) million based on un-audited financial statements for the period ended March 31, 2011 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000	630,000
					(200,204)	(200,204)	
					429,796	429,796	
					<u>4,554,628</u>	<u>4,163,417</u>	

6.2 Investment in associates - at cost

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

Number of shares		Note	Activity	Holding		(Un-audited)	(Audited)
March 31, 2011	June 30, 2010			March 31, 2011 %	June 30, 2010 %	March 31, 2011	June 30, 2010
						.....(Rupees in '000).....	
						<u>Quoted</u>	
21,734,826	21,734,826	6.5 & 6.6	Dealing in & brokerage of marketable securities	43.47	43.47	3,701,314	3,701,314
						(2,493,292)	(2,493,292)
						1,208,022	1,208,022
11,238,812	11,238,812		Closed end Mutual Fund	9.48	9.48	135,566	135,566
						(40,373)	(40,373)
						95,193	95,193
						<u>1,303,215</u>	<u>1,303,215</u>

6.3 Other related parties

Available for sale

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

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
March 31, 2011	June 30, 2010		March 31, 2011 %	June 30, 2010 %	March 31, 2011	June 30, 2010	
						.....(Rupees in '000).....	
						<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	148,260	162,540
111,256,116*	111,256,116	BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	412,760	357,132
20,299,455	20,299,455	EFU General Insurance Limited	General Insurance	16.24	16.24	692,211	997,515
17,040,552	17,040,552	EFU Life Assurance Limited	Life Assurance	20.05	20.05	1,039,473	1,327,629
-	25,040,389	Lucky Cement Limited	Cement Manufacturing	-	7.74	-	1,556,010
-	405,000	Attock Petroleum Limited	Oil Marketing	-	0.70	-	117,349
-	24,000,000	Pakistan International Container Terminal Limited	Container Terminal	-	21.99	-	1,800,000
5,933,780	5,933,780	Singer Pakistan Limited	Electrical Goods	17.39	17.39	118,498	111,555
112,157,863	112,157,863	Azgard Nine Limited	Textile Composite	24.96	24.96	967,922	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>3,386,624</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.



	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
6.4. Other Investments		
Available for sale		
Equity securities - quoted	1,696,020	-
Held to maturity		
Special saving certificates (at amortised cost)	-	359,726
	<u>1,696,020</u>	<u>359,726</u>

6.5 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.

6.6 The Board of Directors of the company in their meeting held on March 12, 2011, in order to meet the State Bank of Pakistan's minimum capital requirements for JS Bank Limited (JSBL), a subsidiary of the company, have given in-principal approval to dispose of its entire investments in JS Global Capital Limited (JSGCL) to JSBL in exchange for issue of new shares of JSBL.

The swap ratio for the issue of new shares of JSBL to company will be determined on the basis of break up values of JSGCL and JSBL as on the date of transaction .

The number of shares of JSBL to be issued in favour of the company and the value of discount per share of JSBL shall be determined by the Board of Directors of the company and JSBL acting on the advice of independent financial advisors.

The proposed transaction is subject to the approval of shareholders of the company and JSBL and compliance with other necessary legal formalities and consents of regulatory bodies, wherever required.

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
7. SHORT TERM INVESTMENTS ☺		
Financial assets at fair value through profit or loss		
- Listed equity securities	39,002	1,593,152
	<u>39,002</u>	<u>1,593,152</u>

8. CONTINGENCY AND COMMITMENTS ☺

8.1 Contingency

The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued order under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax year 2009. According to the order, the ACIR has raised tax liability of Rs. 162.61 million in respect of the above mentioned tax year. 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 appeal against the above order 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 year 2009 will eventually be decided in favor of the Company.

	March 31, 2011 (Un-audited) .....(Rupees in '000).....	June 30, 2010 (Audited)
8.2 Commitments		
- In respect of Future purchase transactions of equity securities - net	<u>-</u>	<u>211,429</u>

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	.....(Un-audited).....			
	.....(Rupees in '000).....			
9. BASIC (LOSS) / EARNINGS PER SHARE ☺				
(Loss) / profit after taxation attributable to Ordinary shareholders	<u>(601,847)</u>	<u>400,328</u>	<u>(601,416)</u>	<u>(550,439)</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>	<u>763,285</u>	<u>763,285</u>
	.....(Rupees).....			
(Loss) / Earnings per share:				
- Basic	<u>(0.79)</u>	<u>0.52</u>	<u>(0.79)</u>	<u>(0.72)</u>

	March 31, 2011 (Un-audited) .....(Rupees in '000).....	March 31, 2010
10. CASH AND CASH EQUIVALENTS ☺		
Cash and bank balances	1,328,516	12,628
Short term running finance utilised under mark-up arrangement	-	(3,216,681)
	<u>1,328,516</u>	<u>(3,204,053)</u>

11. 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 nine month period ended March 31, 2011 are as follows:

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	.....(Un-audited).....			
	.....(Rupees in '000).....			
TRANSACTIONS				
Subsidiary Companies				
Rent expense	-	3,606	-	-
Profit received on fund placements and deposit accounts	32	374	1	223
Amount paid against subscription of right shares	391,211	27,719	-	-



	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	.....(Un-audited).....			
	.....(Rupees in '000).....			
Associates				
Dividend income	108,674	231,338	-	-
Dividend paid	-	50	-	-
Brokerage expense	15,572	30,026	8,638	13,305
Rental income	20,711	18,395	6,904	6,664
Common Directorship				
Dividend income	168,261	186,592	-	4,050
Common Directorship and Key Management Personnel				
Dividend paid	-	1,181	-	-
Other Related Parties				
Dividend paid	-	354,663	-	-
Contributions to Staff Provident Fund	1,917	2,054	529	667
Interest / markup paid	8,326	9,809	2,140	3,185
Principal redemptions made against TFCs	16,990	2,422	6	487
Insurance premium paid	1,444	4	1	4
Royalty paid	7,425	7,425	2,475	2,475
Advisory fee paid	4,500	4,500	1,500	1,500
Key management personnel:				
Remuneration to Chief Executive Officer	10,163	10,068	3,382	3,364
Advisory fee to Director	4,500	4,500	1,500	1,500
Fee paid to directors for directors / committee meetings	1,200	1,000	-	-
Remuneration to Executives	19,191	20,146	5,281	6,162
Interest on long term loans to executives	139	153	44	49
Loan repayments from executives	1,401	117	816	41
			March 31, 2011, (Un-audited)	June 30, 2010 (Audited)
			.....(Rupees in '000).....	
BALANCES				
Subsidiary Companies				
Amount due from subsidiaries against expenses incurred on their behalf			247	247
Cash at bank accounts			35	6,918
Associates				
Amount due from associate against expenses incurred on its behalf			118	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.

12. DATE OF AUTHORISATION ☺

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on April 26, 2011.

13. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed Interim Consolidated Balance Sheet

As at March 31, 2011

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....			
ASSETS ☺			
Non-Current Assets			
Property and equipment	5	1,561,111	1,648,309
Intangible assets		1,481,871	1,493,649
Investment properties		1,931	2,411
Stock exchange membership cards and room		25,701	35,701
Long term investments	6	6,531,346	9,492,112
Long term loans, advances and other receivables		3,653,754	2,810,449
Long term deposits		33,533	30,025
Deferred taxation		1,224,697	1,074,532
		14,513,944	16,587,188
Current Assets			
Short term investments	7	13,397,823	16,320,716
Trade debts - unsecured		109	261
Loans and advances		13,851,592	8,741,005
Accrued markup		582,244	520,418
Deposits, prepayments and other receivables		333,131	287,397
Fund placements		1,330,941	4,630,298
Taxation - net		392,160	383,507
Cash and bank balances		3,682,331	2,310,691
		33,570,331	33,194,293
		<u>48,084,275</u>	<u>49,781,481</u>
EQUITY AND LIABILITIES ☺			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		1,010,320	1,480,293
Equity attributable to equity holders' of the parent		8,643,173	9,113,146
Non-controlling interests		3,897,771	3,563,239
Total equity		12,540,944	12,676,385
Non-Current Liabilities			
Long term financing		2,561,691	3,229,291
Deposits and other accounts		2,907,470	34,154
Employee benefit liability		69,834	56,199
		5,538,995	3,319,644
Current Liabilities			
Trade and other payables		847,740	916,380
Accrued interest / mark-up on borrowings		382,535	627,282
Short term borrowings		5,754,893	7,649,966
Current portion of non-current liabilities	8	23,019,168	24,591,824
		30,004,336	33,785,452
Contingencies and Commitments	9	48,084,275	49,781,481

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 Nine Months period and Quarter ended March 31, 2011
(Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	..... (Rupees in '000)			
INCOME c				
Return on investments	1,417,700	1,259,679	376,748	418,714
Gain on sale of investments - net	680,847	910,571	347,305	200,285
Income from long term loans and fund placements	1,459,640	1,362,524	508,463	469,749
Fee, commission and brokerage	418,309	408,694	142,187	129,248
Other income	158,161	177,725	99,593	20,793
Loss on revaluation of investments carried at fair value through profit and loss - net	(18,278)	(161,452)	(78,981)	(478,359)
	<u>4,116,379</u>	<u>3,957,741</u>	<u>1,395,315</u>	<u>760,430</u>
EXPENDITURE c				
Operating and administrative expenses	1,896,092	2,125,172	640,133	647,871
Finance cost	2,229,801	2,274,813	773,973	778,315
Provision for impairment against investments	900,448	78,423	586,594	-
	<u>5,026,341</u>	<u>4,478,408</u>	<u>2,000,700</u>	<u>1,426,186</u>
	(909,962)	(520,667)	(605,385)	(665,756)
Share of profit / (loss) from:				
- associates	123,445	351,810	27,116	(43,285)
- joint venture	(210)	(1,604)	(70)	92
	<u>123,235</u>	<u>350,206</u>	<u>27,046</u>	<u>(43,193)</u>
LOSS FOR THE PERIOD BEFORE TAXATION	<u>(786,727)</u>	<u>(170,461)</u>	<u>(578,339)</u>	<u>(708,949)</u>
TAXATION c				
- Current	42,423	37,647	13,644	10,412
- Prior	(5,553)	534	-	-
- Deferred	(161,514)	(870,173)	(157,194)	(5,739)
	<u>(124,644)</u>	<u>(831,992)</u>	<u>(143,550)</u>	<u>4,673</u>
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION	<u>(662,083)</u>	<u>661,531</u>	<u>(434,789)</u>	<u>(713,622)</u>
Attributable to:				
Equity holders of the parent	(646,827)	637,978	(489,715)	(647,250)
Non-controlling interests	(15,256)	23,553	54,926	(66,372)
	<u>(662,083)</u>	<u>661,531</u>	<u>(434,789)</u>	<u>(713,622)</u>
	..... (Rupees)			
(LOSS) / EARNINGS PER SHARE c	10			
- Basic	<u>(0.85)</u>	<u>0.84</u>	<u>(0.64)</u>	<u>(0.85)</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 Nine Months period and Quarter ended March 31, 2011
(Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	.....(Rupees in '000).....			
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION c	(662,083)	661,531	(434,789)	(713,622)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Revaluation of available for sale investments	533,216	1,041,790	(174,444)	(753,522)
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	2,759	(13,942)	(2,239)	(21,234)
Share of other comprehensive (loss) / income of associates	(9,334)	(35,213)	(7,552)	(168,590)
	526,641	992,635	(184,235)	(943,346)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD c	<u>(135,442)</u>	<u>1,654,166</u>	<u>(619,024)</u>	<u>(1,656,968)</u>
Attributable to:				
Equity holders of the parent	(469,974)	1,580,570	(654,085)	(1,586,607)
Non-controlling interests	334,532	73,596	35,061	(70,361)
	<u>(135,442)</u>	<u>1,654,166</u>	<u>(619,024)</u>	<u>(1,656,968)</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 Cash Flow Statement

For the Nine Months period ended March 31, 2011

(Un-audited)

Note	Nine Months Ended	
	March 31, 2011	March 31, 2010
	..... (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES c		
Loss for the period before taxation	(786,727)	(170,461)
Adjustments for non cash charges and other items:		
Depreciation	199,821	200,708
Amortisation on intangible assets	20,486	39,870
Amortisation of transaction cost on term finance certificates	1,794	2,809
Profit on sale of property and equipment	(11,396)	(531)
Interest income from national saving schemes	-	(34,421)
Share of profit from associates and joint ventures	(123,235)	(350,206)
Charge for defined benefit plan	13,635	13,507
Liabilities no longer payable written back	-	(86,323)
Provision for impairment against investments	900,448	78,423
Loss on revaluation of investments carried at fair value through profit or loss - net	18,278	161,452
Finance cost	2,228,007	2,272,004
	<u>3,247,838</u>	<u>2,297,292</u>
Operating profit before working capital changes	2,461,111	2,126,831
Decrease / (increase) in operating assets :		
Short term investments	3,223,926	(3,093,417)
Trade debts	152	(536,408)
Loans and advances	(5,110,587)	(2,241,653)
Long term loans, advances, deposits and other receivables	(846,813)	12,117
Fund placements	3,299,357	(3,211,285)
Deposits, prepayments, accrued mark-up and other receivables	(107,560)	4,241
	<u>458,475</u>	<u>(9,066,405)</u>
(Decrease) / increase in operating liabilities:		
Trade and other payables	(68,322)	84,531
Deposits and other accounts	1,139,827	3,319,002
Net cash generated from / (used in) operations	<u>3,991,091</u>	<u>(3,536,041)</u>
Interest / mark-up paid	(2,472,754)	(2,126,362)
Taxes refund / (paid) - net	(45,523)	(74,819)
Dividend paid	(318)	(758,533)
Net cash generated from / (used in) operating activities	<u>1,472,496</u>	<u>(6,495,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES c		
Capital expenditure incurred	(119,244)	(368,129)
Intangible assets acquired	(8,708)	(11,952)
Proceeds from sale of property and equipment	18,497	13,192
Investment acquired - net of sale	2,183,999	(416,432)
Net cash generated from / (used in) investing activities	<u>2,074,544</u>	<u>(783,321)</u>
CASH FLOWS FROM FINANCING ACTIVITIES c		
Redemption of term finance certificates	(516,268)	(425,934)
Proceeds from issue of ordinary shares by subsidiary company	215,422	-
Advance against future issue of share capital of subsidiary company	12,812	-
Long term loans - net of repayment	7,707	-
Securities sold under repurchase agreements	4,170,316	3,210,112
Net cash generated from financing activities	<u>3,889,989</u>	<u>2,784,178</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>7,437,029</u>	<u>(4,494,898)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(5,339,275)	380,970
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>2,097,754</u>	<u>(4,113,928)</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 Changes in Equity

For the Nine Months period ended March 31, 2011

(Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT										NON-CONTROLLING INTERESTS	TOTAL
	Issued, subscribed and paid-up capital	Reserves								Sub-total		
		Capital	Revenue			Others						
Ordinary shares	Ordinary share premium	General	Foreign exchange translation	Unappropriated profit / (accumulated loss)	Unrealised (loss) / gain on revaluation of available for sale investment - net	Statutory	Hedging	Preference share redemption				
(Rupees in '000)												
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
Loss for the period	-	-	-	-	637,978	-	-	-	-	637,978	23,553	661,531
Other comprehensive income	-	(96,455)	-	(543)	-	997,762	-	(2,307)	20,582	919,039	73,596	992,635
Statutory reserve	-	-	-	-	-	-	(386)	-	-	(386)	-	(386)
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 March 31, 2010	<u>7,632,853</u>	<u>5,855,009</u>	<u>10,000,000</u>	<u>28,509</u>	<u>(2,703,848)</u>	<u>895,126</u>	<u>68,840</u>	<u>14,116</u>	<u>132,012</u>	<u>21,922,617</u>	<u>3,622,934</u>	<u>25,545,551</u>
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
Profit for the period	-	-	-	-	(646,827)	-	-	-	-	(646,827)	(15,256)	(662,083)
Other comprehensive income	-	-	-	2,759	-	174,094	-	-	-	176,853	349,788	526,641
Balance as at March 31, 2011 c	<u>7,632,853</u>	<u>5,284,746</u>	<u>10,000,000</u>	<u>25,831</u>	<u>(15,141,306)</u>	<u>772,208</u>	<u>68,841</u>	<u>-</u>	<u>-</u>	<u>8,643,173</u>	<u>3,897,771</u>	<u>12,540,944</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

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months period ended March 31, 2011

(Un-audited)

1. THE GROUP AND ITS OPERATIONS ☺

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

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

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

Subsidiary Companies	Nature of Business	Note	Date of Acquisition / Disposal	Holding (including indirect holding)	
				March 2011	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 nine months period ended March 31, 2010.



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 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 ninth months period ended March 31, 2011 are as follows:

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	.....(Rupees in '000).....	
Additions - cost		
- Office premises - leasehold	255	53,768
- Leasehold improvements	28,156	120,954
- Office equipment	44,339	188,445
- Office furniture and fixtures	23,959	38,842
- Motor vehicles	19,861	26,968
	<u>116,570</u>	<u>428,977</u>
Disposals - cost		
- Office premises - leasehold	6,351	8,574
- Leasehold improvements	370	28,591
- Office equipment	7,722	27,910
- Office furniture and fixtures	3,167	8,581
- Motor vehicles	24,052	14,949
	<u>41,662</u>	<u>88,605</u>

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....			
6. LONG TERM INVESTMENTS ☺			
Related parties:			
- Investment in associates	6.1	1,300,897	1,295,460
- Investment in joint venture	9.1.2	66,877	67,087
- Other related parties - Available for sale		3,386,624	7,688,911
		4,754,398	9,051,458
Other investments:			
- Available for sale		80,928	80,928
- Held to maturity		1,696,020	359,726
		<u>6,531,346</u>	<u>9,492,112</u>

- 6.1 Included herein is investment in JS Global Capital Limited (JSGCL) an associate of the Holding Company. The Board of Directors of the Holding Company in their meeting held on March 12, 2011, in order to meet the State Bank of Pakistan's minimum capital requirements for JS Bank Limited (JSBL), a subsidiary of the Holding Company, have given in-principal approval to dispose of its entire investments in JSGCL to JSBL in exchange for issue of new shares of JSBL.

The swap ratio for the issue of new shares of JSBL to the Holding Company will be determined on the basis of break up values of JSGCL and JSBL as on the date of transaction.

The number of shares of JSBL to be issued in favour of the company and the value of discount per share of JSBL shall be determined by the Board of Directors of the Holding Company and JSBL acting on the advice of independent financial advisors.

The proposed transaction is subject to the approval of shareholders of the Holding Company and JSBL and compliance with other necessary legal formalities and consents of regulatory bodies, wherever required.

In this connection, State Bank of Pakistan has granted in-principal approval to JSBL for the proposed transaction subject to compliance with the applicable laws and regulations.

7. SHORT TERM INVESTMENTS ☺

Assets at fair value through profit or loss	321,547	1,969,938
Available for sale	12,888,833	14,278,089
Held to maturity	187,443	72,689
	<u>13,397,823</u>	<u>16,320,716</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	115,659	129,086
Deposits and other accounts	22,353,579	24,087,068
	<u>23,019,168</u>	<u>24,591,824</u>

9. CONTINGENCIES AND COMMITMENTS ☺

9.1 Contingencies

- 9.1.1 The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued order to the Holding Company under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax year 2009. According to the order, the ACIR has raised tax liability of Rs. 162.61 million in respect of the above mentioned tax year. 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 appeal against the above order 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.

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 year 2009 will eventually be decided in favor of the Holding Company.

9.1.2(a) 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.

(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 Honorable High Court of Sindh has restricted Wartsila from en-cashing the guarantee till the adjudication of the application filed by the Venture. The stay order is still in filed and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

9.1.3 The JS Investments Limited (JSIL), a subsidiary company, has filed appeals against orders passed for the tax years 2006 and 2009 against demand of 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.

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
.....(Rupees in '000).....		
- Government	538,082	510,776
- Banking companies and other financial institutions	91,871	18,866
- Others	617,499	632,664
	1,247,452	1,162,306

9.1.5 Trade related contingent liabilities

Documentary credits	1,878,911	1,750,888
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9.1.6 Other Contingencies

Claims not acknowledged as debts	66,481	66,463
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March 31,
2011
(Un-audited)
.....(Rupees in '000).....

June 30,
2010
(Audited)

9.2 Commitments

Commitments in respect of:

Future purchase transactions of listed equity securities - net	-	211,429
Forward purchase of government securities	-	153,567
Commitments in respect of capital expenditure	6,122	5,564
Assets acquired under operating lease	8,653	9,889
Forward exchange contracts:		
- Purchase	2,310,605	3,762,253
- Sale	1,772,297	3,438,680

Nine Month Ended		Quarter ended	
March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
..... (Un-audited)			
..... (Rupees in '000)			

10. BASIC (LOSS) / EARNINGS PER SHARE ¢

(Loss) / profit after taxation attributable to Ordinary shareholders of the parent	(646,827)	637,978	(489,715)	(647,250)
	..... (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	(0.85)	0.84	(0.64)	(0.85)

March 31,
2011
..... (Un-audited)

March 31,
2010
..... (Rupees in '000)

11. CASH AND CASH EQUIVALENTS ¢

Cash and bank balances	3,682,331	2,028,790
Short term running finances under mark-up arrangements	(304,288)	(3,346,618)
Borrowings from banks / NBFCs	(1,280,289)	(2,796,100)
	<u>2,097,754</u>	<u>(4,113,928)</u>

12. RELATED PARTY TRANSACTIONS ¢

Related parties comprise of associates, companies under common directorship, joint ventures, directors, key management personnel and provident fund schemes.

Significant transactions with related parties during the nine months period are as follows:

	Nine Months Ended		Quarter Ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Un-audited)			
	(Rupees in '000)			
Brokerage and commission expense	15,572	33,796	8,638	10,090
Purchase of money market instruments	6,382,065	2,413,550	3,355,344	542,289
Sale of money market instruments	20,657,709	6,120,478	9,761,462	1,588,264
Purchase of units	368,800	5,300	163,500	-
Sale of units	202,372	85,000	162,372	-
Encashment of short term placements	229,495	491,983	46,654	307,811
Fund placements	223,740	5,722,315	44,620	1,680,315
Return on investments in related parties	187,164	470,783	-	22,094
Advisory and consultancy fee	47,267	100	17,622	-
Commission income	51,437	54,836	24,184	14,402
Foreign exchange purchases transaction	2,380,978	9,753,946	598,430	846,797
Foreign exchange sale transaction	2,043,095	8,797,873	668,458	1,254,267
Rental income	23,164	18,394	7,753	2,087
Interest / markup earned	884	44,004	110	869
Interest / markup paid	11,074	10,211	4,572	3,498
Principal redemptions made against TFCs	16,990	2,110	6	690
Rent expense	9,645	12,086	2,084	3,637
Royalty paid	11,175	7,425	3,725	2,475
Advisory fee paid	14,036	9,000	4,250	6,000
Insurance premium paid	21,950	4,796	15,361	3,089
Insurance claim received	5,419	2,522	2,885	19
Trustee fee	-	1,140	-	-
Investments disposed off in funds under management - at cost	413,263	89,192	98,709	44,372
Investments made in funds under management	209,610	75,300	110,583	75,300
Markup income on loan to CEO of a subsidiary	-	1,706	-	439
Sale of shares	263,496	120,068	-	120,068
Remuneration and commission income from funds	186,845	285,289	58,802	90,195
Contribution to provident fund	25,898	28,396	1,708	10,042
Expenses incurred on behalf of funds	-	3,916	-	996
Dividend paid	-	355,844	-	-
Loan repayment from executives	1,401	117	816	41
	(Number)			
Bonus shares/units received from related parties	261,365	3,582,221	3,011	3,344,238

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 nine month ended March 31, 2011					
Return on investments	183,953	1,190,178	27,882	15,687	1,417,700
Gain / (loss) on sale of investments - net	504,081	120,165	62,191	(5,590)	680,847
Income from long term loans and fund placements	11,545	1,434,585	-	13,510	1,459,640
Fee, commission and brokerage	-	182,622	187,612	48,075	418,309
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	(12,261)	2,216	-	(8,233)	(18,278)
Unallocated revenue	-	-	-	-	158,161
	687,318	2,929,766	277,685	63,449	4,116,379
Share of profit / (loss) from:					
Associates	123,445	-	-	-	123,445
Joint venture	(210)	-	-	-	(210)
	810,553	2,929,766	277,685	63,449	4,239,614
Operating and administrative expenses	68,066	1,486,676	167,960	125,266	1,847,968
Finance cost	376,662	1,743,933	109,170	36	2,229,801
Provision for impairment in investments	891,499	8,949	-	-	900,448
	1,336,227	3,239,558	277,130	125,302	4,978,217
Segment results	(525,674)	(309,792)	555	(61,853)	(738,603)
Unallocated expenses	-	-	-	-	(48,124)
(Loss) / profit for the period before taxation	(525,674)	(309,792)	555	(61,853)	(786,727)
Taxation:					
Segment	168	30,526	6,526	5,203	42,423
Prior period	(3,952)	-	(1,601)	-	(5,553)
Deferred	-	(157,765)	(3,749)	-	(161,514)
	(3,784)	(127,239)	1,176	5,203	(124,644)
(Loss) / profit after taxation for the period	(521,890)	(182,553)	(621)	(67,056)	(662,083)
Non-controlling interests	-	18,419	(6,421)	3,258	15,256
	(521,890)	(164,134)	(7,042)	(63,798)	(646,827)



	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 nine month period ended March 31, 2010					
Return on investments	362,200	806,446	62,013	29,020	1,259,679
Gain on sale of investments - net	821,127	40,315	49,112	17	910,571
Income from long term loans and fund placements	(72,581)	1,382,319	-	52,786	1,362,524
Fee, commission and brokerage	-	120,433	286,921	1,340	408,694
Gain / (loss) on revaluation of investments carried at fair value through profit and loss - net	(193,496)	(782)	-	32,826	(161,452)
Unallocated Revenue	-	-	-	-	177,725
	917,250	2,348,731	398,046	115,989	3,957,741
Share of profit / (loss) from:					
Associates	351,810	-	-	-	351,810
Joint venture	(1,604)	-	-	-	(1,604)
	1,267,456	2,348,731	398,046	115,989	4,307,947
Operating and administrative expenses	62,813	1,621,412	209,154	162,611	2,055,990
Finance cost	590,126	1,536,848	147,775	64	2,274,813
Provision for impairment in investments	93,619	(64,752)	-	49,556	78,423
	746,558	3,093,508	356,929	212,231	4,409,226
Segment results	520,898	(744,777)	41,117	(96,242)	(101,279)
Unallocated expenses	-	-	-	-	(69,182)
Profit / (loss) for the period before taxation	520,898	(744,777)	41,117	(96,242)	(170,461)
Taxation:					
Segment	5,790	12,043	5,018	3,045	25,896
Prior period	534	-	-	-	534
Deferred	-	(869,811)	(362)	-	(870,173)
	6,324	(857,768)	4,656	3,045	(831,992)
Profit / (loss) after taxation for the period	514,574	112,991	36,461	(99,287)	661,531
Non-controlling interests	-	(1,135)	(27,014)	4,596	(23,553)
	514,574	111,856	9,447	(94,691)	637,978

14. DATE OF AUTHORISATION FOR ISSUE ☺

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on April 26, 2011.

15. 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

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