



Quarterly Report
March 31, 2012
(Un-audited)



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Company Information

Board of Directors

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

Chairman
Independent Director
Director
Director
Director
Director
Director
Chief Executive Officer

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
Suleman Lalani

Executive Compensation Committee

Mazharul Haq Siddiqui
Chief Justice (R) Mahboob Ahmed

Company Secretary

Farah Qureshi

Chief Financial Officer

Hasan Shahid

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

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

Registered Office

6th Floor, Faysal House Shahr-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 pleased to present the un-audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") along with consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the nine months period ended March 31, 2012.

The Economy

2012 started with the State Bank of Pakistan (SBP) opting to keep the policy rate intact at 12.0%. SBP viewed the twin deficit concerns and absence of foreign fund flows as major challenges for the country which led to keeping interest rates unchanged. Consumer Price Index (CPI) for March 2012 clocked in at 10.8% down from 11.0% in February 2012. Improvement in the CPI came primarily on the back of easing in food prices. As a result, inflation for 9MFY12 stood at 10.8%. Furthermore, exports and remittances continued to rise in 9MFY12 reaching US \$17.1 billion (down 3.03%YoY) and US \$ 9.7 billion (up 21.5%YoY), respectively. Imports, on the other hand, grew by 14.7% YoY to US \$ 33.3 billion during the same period.

Stock Market Review

The local bourse witnessed substantial improvement in 3QFY12, as the KSE-100 index marched up by 21%, its highest gain in preceding 10 quarters. It was primarily led by anticipated changes in the Capital Gain Tax (CGT) regime along with healthy corporate earnings growth. Volumes too improved by 229% QoQ to 196 million shares per day with average traded value rising by 61% to US \$ 52 million. Foreign investors, too, were net buyers as they bought shares worth US \$ 16 million during 3QFY12. During this period, the local bourse outperformed its regional peers by 11%.

Brief Review of Results

The Company has reported an after tax profit of PKR 391.35 million for the nine months period ended March 31, 2012 compared to loss after tax of PKR 601.85 million for the comparative period last year. Overall revenue for the nine months period has declined to PKR 623.23 million as compared to PKR 819.53 million last year. This is mainly because the Company has earned minimal capital gains during the nine months period as compared to gain on sale of investments of PKR 504.08 million in the corresponding period last year. The reversal of provision for impairment against investment of PKR 148.68 million has impacted the results for the nine months period positively as against comparative period last year on account of provision for impairment against investment of PKR 891.50 million. The operating and administrative expenses for the nine months of the current financial year have reduced by 22.35% to PKR 90.22 million from PKR 116.19 million for the comparative period last year. Finance cost for the nine months ended March 31, 2012 has reduced by 29.83% to PKR 292.95 million from PKR 417.47 million due to reduction in long term debt and base rate.



The market value of our listed available for sale investments have appreciated substantially.

The basic and diluted earning per share is PKR 0.51 for the nine months period ended March 31, 2012.

Consolidated Financial Statements

In the consolidated financial statements the Company has reported a net profit of PKR 431.87 million for the nine months ended March 31, 2012 as compared to a net loss of PKR 662.08 million for the comparative period last year.

The revenues from continuing operations have improved by 34.32% over the comparative period last year mainly on account of increase in return on investments and income on fund placements. The reduction in provision for impairment against investments has also contributed positively towards the results.

The basic and diluted earning per share is PKR 0.30 for the nine months period ended March 31, 2012.

Material Information

Transaction for disposal of shares of JS Investments Ltd. (JSIL) held by Jahangir Siddiqui & Co. Ltd. (JSCL) to JS Bank Ltd. (JSBL) in exchange for shares of JSBL to JSCL

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (JSCL) in their meeting held on April 25, 2012 after considering the various options for meeting the State Bank of Pakistan's minimum capital requirements for its subsidiary, JS Bank Ltd. (JSBL) have given an in-principle approval to dispose of its investment in JS Investments Ltd. (JSIL) comprising of its 52.02% shares to JSBL in exchange of new shares of JSBL to JSCL.

The swap ratio for the above transaction will be based on the break up values of shares of JSIL and JSBL which will be determined by an independent professional firm and will be approved by the Board of Directors of JSCL and JSBL.

This transaction will be subject to the approvals of shareholders of JSBL and JSCL and compliance with other necessary legal formalities and consents of regulatory bodies, wherever required.

Change of Accounting Year

In order to comply with the requirement of law that the financial year of the subsidiaries coincides with holding company's own financial year, it has been decided that the Financial Year of the Company be changed from 30th June to 31st December, and that the Annual Accounts of the Company for the period ending on 30th June, 2012 be extended to 31st December, 2012 i.e. for a period of eighteen (18) months, subject to the approval of Securities and Exchange Commission of Pakistan, the Federal Board of Revenue and such other approvals as may be required in this regard.

BankIslami Pakistan Ltd. – Right Issue

The Board of Directors have also decided to make further investment of up to PKR 400 million in BankIslami Pakistan Limited (BIPL) by subscription of its proposed right shares which will be offered to the Company by BIPL subject to the approval of shareholders of JSCL.

Sale of approximately 50% shares of Pakistan International Container Terminal Ltd. held by Jahangir Siddiqui & Co. Ltd.

Jahangir Siddiqui & Co. Ltd. (“JSCL”) has signed a Share Purchase Agreement with ICTSI Mauritius Ltd. for sale of shares of Pakistan International Container Terminal Ltd. (“PICTL”). Under the said Agreement, JSCL shall sell a minimum of 13,000,000 shares of PICTL at a price of PKR 150 per share. The above sale of shares shall be subject to the obtention of applicable regulatory approvals by ICTSI Mauritius Ltd.

In addition JSCL has also signed a Shareholders Agreement with ICTSI Mauritius Limited and Premier Mercantile Services (Pvt.) Ltd. Under the Shareholders Agreement the Parties have agreed on the terms and conditions of the constitution, shareholding and management of PICTL and their relationship inter se.

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.

Future Outlook

With improvement in financial markets we expect the Company to report improved performance in the future.

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: April 25, 2012

Mazharul Haq Siddiqui
Chairman





CONDENSED INTERIM FINANCIAL STATEMENTS



Condensed Interim Balance Sheet

As at March 31, 2012

| | Note | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|------|-----------------------------------|-------------------------------|
|(Rupees in '000)..... | | | |
| ASSETS ■ | | | |
| Non-Current Assets | | | |
| Property and equipment | 6 | 8,252 | 10,407 |
| Investment property | | 1,291 | 1,770 |
| Stock exchange membership cards and room | | 12,201 | 12,201 |
| Long term investments | 7 | 14,550,990 | 9,257,029 |
| Long term loans | | 1,278 | 1,594 |
| Long term security deposits | | 1,499 | 1,499 |
| | | <u>14,575,511</u> | <u>9,284,500</u> |
| Current Assets | | | |
| Loans and advances | | 603 | 537 |
| Prepayments, interest accrued and other receivables | | 304,734 | 20,817 |
| Short term investments | | 697,622 | - |
| Taxation - net | | 294,060 | 274,108 |
| Cash and bank balances | | 36,197 | 1,337,243 |
| | | <u>1,333,216</u> | <u>1,632,705</u> |
| Non-current assets held for sale | 8 | - | 1,270,639 |
| | | <u>1,333,216</u> | <u>2,903,344</u> |
| | | <u>15,908,727</u> | <u>12,187,844</u> |
| EQUITY AND LIABILITIES ■ | | | |
| Share Capital and Reserves | | | |
| Share Capital | | 7,632,853 | 7,632,853 |
| Reserves | | 5,801,109 | 1,508,139 |
| | | <u>13,433,962</u> | <u>9,140,992</u> |
| Non-Current Liability | | | |
| Long term financing | | 996,118 | 1,743,858 |
| Current Liabilities | | | |
| Trade and other payables | | 86,249 | 82,764 |
| Accrued interest / mark-up on borrowings | | 94,875 | 122,536 |
| Current portion of long term financing | | 1,297,523 | 1,097,694 |
| | | <u>1,478,647</u> | <u>1,302,994</u> |
| Contingency | 9 | - | - |
| | | <u>15,908,727</u> | <u>12,187,844</u> |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Condensed Interim Profit and Loss Account

For the Nine Months period and Quarter ended March 31, 2012
(Un-audited)

| Note | Nine Months Ended | | Quarter Ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| (Rupees in '000) | | | | |
| INCOME ■ | | | | |
| Return on investments | 561,165 | 292,627 | 301,528 | 5,589 |
| Gain on sale of investments - net | 310 | 504,081 | - | 205,912 |
| Income from long-term loans and fund placements | 36,729 | 11,545 | 7,130 | 11,343 |
| Other income | 25,025 | 23,534 | 9,110 | 8,192 |
| Loss on revaluation of investments carried at fair value through profit and loss account - net | - | (12,261) | - | (83,872) |
| | 623,229 | 819,526 | 317,768 | 147,164 |
| EXPENDITURE ■ | | | | |
| Operating and administrative expenses | 90,217 | 116,190 | 33,086 | 43,487 |
| Finance cost | 292,951 | 417,468 | 80,213 | 127,365 |
| (Reversal of) / provision for impairment against investments - net | (148,683) | 891,499 | (477,160) | 577,645 |
| | 234,485 | 1,425,157 | (363,861) | 748,497 |
| PROFIT / (LOSS) BEFORE TAXATION ■ | 388,744 | (605,631) | 681,629 | (601,333) |
| TAXATION | | | | |
| - Current | - | 168 | - | 83 |
| - Prior | (2,609) | (3,952) | - | - |
| | (2,609) | (3,784) | - | 83 |
| NET PROFIT / (LOSS) FOR THE PERIOD ■ | 391,353 | (601,847) | 681,629 | (601,416) |
| (Rupees) | | | | |
| EARNINGS / (LOSS) PER SHARE ■ | | | | |
| | 10 | | | |
| - Basic and diluted | 0.51 | (0.79) | 0.89 | (0.79) |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive



Condensed Interim Statement of Comprehensive Income

For the Nine Months period and Quarter ended March 31, 2012

(Un-audited)

| | Nine Months Ended | | Quarter Ended | |
|---|------------------------------|-------------------|-------------------|-------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| | (Rupees in '000) | | | |
| NET PROFIT / (LOSS) FOR THE PERIOD ■ | 391,353 | (601,847) | 681,629 | (601,416) |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | | | |
| Net gain / (loss) on available for sale investments | | | | |
| Profit / (loss) during the period | 3,602,156 | (542,331) | 4,108,509 | (605,532) |
| Reclassification adjustments included in the profit and loss account for: | | | | |
| - Gain on sale of investments - net | - | (339,388) | - | (133,756) |
| - Impairment on investments | 299,461 | 891,499 | - | 577,645 |
| | 3,901,617 | 9,780 | 4,108,509 | (161,643) |
| TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ■ | 4,292,970 | (592,067) | 4,790,138 | (763,059) |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Condensed Interim Cash Flow Statement

For the Nine Months period ended March 31, 2012

(Un-audited)

| | Nine Months Ended | |
|---|-----------------------------|-------------------|
| | March 31, 2012 | March 31, 2011 |
| | (Rupees in '000)..... | |
| CASH FLOWS FROM OPERATING ACTIVITIES ■ | | |
| Profit / (loss) before taxation for the period | 388,744 | (605,631) |
| Adjustment for non cash charges and other items: | | |
| Depreciation | 2,677 | 5,471 |
| Gain on sale of property and equipment | (2,197) | (2,823) |
| Amortisation of transaction costs on term finance certificates | 1,699 | 1,794 |
| Loss on revaluation of investments carried at fair value through profit or loss - net | - | 12,261 |
| (Reversal of) / provision for impairment against investments - net | (148,683) | 891,499 |
| Specie dividend income | (115,000) | - |
| Finance cost | 291,252 | 415,674 |
| | 29,748 | 1,323,876 |
| Operating profit before working capital changes | 418,492 | 718,245 |
| (Increase) / decrease in operating assets: | | |
| Loans and advances | (66) | 1,280 |
| Prepayments, accrued mark-up and other receivables | (283,917) | (6,665) |
| Short term investments | (699,048) | 1,541,889 |
| Long term loans, advance and security deposits | 316 | 135 |
| | (982,715) | 1,536,639 |
| Increase / (decrease) in trade and other payables | 3,525 | (18,901) |
| Net cash (used in) / generated from operations | (560,698) | 2,235,983 |
| Mark-up paid | (318,913) | (492,547) |
| Taxes paid - net | (17,343) | (31,778) |
| Dividend paid | (40) | (313) |
| Net cash (used in) / generated from operating activities | (896,994) | 1,711,345 |
| CASH FLOWS FROM INVESTING ACTIVITIES ■ | | |
| Capital expenditure incurred | (100) | (107) |
| Proceeds from sale of property and equipment | 2,254 | 4,253 |
| Investments sold- net of acquired | 143,404 | 1,693,061 |
| Net cash generated from investing activities | 145,558 | 1,697,207 |
| CASH FLOWS FROM FINANCING ACTIVITIES ■ | | |
| Redemption of term finance certificates | (549,610) | (375,445) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (1,301,046) | 3,033,107 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,337,243 | (1,704,591) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD ■ | 36,197 | 1,328,516 |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Condensed Interim Statement of Changes in Equity

For the Nine Months period ended March 31, 2012

(Un-audited)

| | Issued, subscribed and paid-up capital | Reserves | | | Sub-total | Total | |
|---------------------------------------|---|------------------------------|-------------------|---------------------|--|------------------|-------------------|
| | | Capital | Revenue | Other | | | |
| | Ordinary share capital | Ordinary Share premium | General | Accumulated loss | Unrealised gain/(loss) on revaluation of available for sale invest- ments - net | | |
|(Rupees in '000) | | | | | | | |
| Balance as at July 1, 2010 | 7,632,853 | 4,497,894 | 10,000,000 | (12,574,484) | 571,467 | 2,494,877 | 10,127,730 |
| Net loss for the period | - | - | - | (601,847) | - | (601,847) | (601,847) |
| Other comprehensive income | - | - | - | - | 9,780 | 9,780 | 9,780 |
| Total comprehensive loss | - | - | - | (601,847) | 9,780 | (592,067) | (592,067) |
| 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>1,902,810</u> | <u>9,535,663</u> |
| Balance as at July 01, 2011 | 7,632,853 | 4,497,894 | 10,000,000 | (13,851,007) | 861,252 | 1,508,139 | 9,140,992 |
| Net profit for the period | - | - | - | 391,353 | - | 391,353 | 391,353 |
| Other comprehensive income | - | - | - | - | 3,901,617 | 3,901,617 | 3,901,617 |
| Total comprehensive income | - | - | - | 391,353 | 3,901,617 | 4,292,970 | 4,292,970 |
| Balance as at March 31, 2012 ■ | <u>7,632,853</u> | <u>4,497,894</u> | <u>10,000,000</u> | <u>(13,459,654)</u> | <u>4,762,869</u> | <u>5,801,109</u> | <u>13,433,962</u> |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Notes to the Condensed Interim Financial Statements

For the Nine Months period ended March 31, 2012
(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 and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

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, 2011, except for the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a minimum funding requirement (Amendment)

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

- IFRS 7 - Financial Instrument Disclosures
 - Clarification of Disclosures
- IAS 1 - Presentation of Financial Statements
 - Clarification of statement of changes in equity
- IFRIC 13 - Presentation of Financial Statements
 - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements except for the enhanced disclosure requirements of the amended IAS 34 regarding transfers between different levels of fair value hierarchy as disclosed in note 12 to these condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT ■

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, 2011.

5. 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, 2011.

6. PROPERTY AND EQUIPMENT ■

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

| | Note | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|----------------------------|------|-----------------------------------|-------------------------------|
|(Rupees in '000)..... | | | |
| Additions – cost | | | |
| Office equipment | | 100 | 42 |
| Motor vehicles | | - | 137 |
| | | <u>100</u> | <u>179</u> |
| Disposals – cost | | | |
| Office equipment | | 93 | 470 |
| Motor vehicles | | 6,989 | 4,797 |
| | | <u>7,082</u> | <u>5,267</u> |

7. LONG TERM INVESTMENTS ■

Investment in related parties:

| | | | |
|--|-----|-------------------|------------------|
| Investment in subsidiaries | 7.1 | 5,775,945 | 4,200,567 |
| Investment in associates | 7.2 | 95,193 | 95,193 |
| Other related parties - Available for sale | 7.3 | 5,337,011 | 3,092,519 |
| | | <u>11,208,149</u> | <u>7,388,279</u> |

| | | | |
|--------------------------|-----|-------------------|------------------|
| Other investments | 7.4 | <u>3,342,841</u> | <u>1,868,750</u> |
| | | <u>14,550,990</u> | <u>9,257,029</u> |

7.1 Investment in subsidiaries - at cost

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

| Number of shares | | Note | Activity | Holding | | (Un-audited) March 31, 2012(Rupees in '000)..... | (Audited) June 30, 2011 |
|-------------------|------------------|--|--|------------------------|-----------------------|---|-------------------------------|
| March 31, 2012 | June 30, 2011 | | | March 31, 2012 % | June 30, 2011 % | | |
| Quoted | | | | | | | |
| 683,368,538* | 525,566,192 | 7.1.1 | Commercial Banking | 68.32 | 64.49 | 4,114,500 | 2,987,267 |
| | | JS Bank Limited Market value Rs.4,722.08 (June 30, 2011: Rs. 1,271.87) million | | | | | |
| 52,023,617** | 52,023,617 | 7.1.2 | Asset Management & Investment Advisor | 52.02 | 52.02 | 3,046,057 | 3,046,057 |
| | | JS Investments Limited Market value Rs. 709.60 (June 30, 2011: Rs. 265.32) million | | | | | |
| | | Less: Impairment | | | | (2,336,455) | (2,780,737) |
| | | | | | | 709,602 | 265,320 |
| Un-quoted | | | | | | | |
| 73,736,250 | 73,736,250 | | Telecom Media & Technology | 100.00 | 100.00 | 708,490 | 708,490 |
| | | JS Infocom Limited Net assets value Rs. 395.82 (June 30, 2011: Rs. 389.20) million based on unaudited financial statements for the period ended March 31, 2012 | | | | | |
| | | Less: Impairment | | | | (313,067) | (319,289) |
| | | | | | | 395,423 | 389,201 |
| 10,000 | 10,000 | | Investment services | 100.00 | 100.00 | 294,882 | 294,882 |
| | | JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs. 109.11 (March 31, 2011: Rs. 124.85) million based on unaudited financial statements for the period ended December 31, 2011 | | | | | |
| | | Less: Impairment | | | | (185,771) | (170,030) |
| | | | | | | 109,111 | 124,852 |
| 1,895,000 | 1,895,000 | | Credit information & credit rating | 82.84 | 82.84 | 189,500 | 189,500 |
| | | Credit Chex (Private) Limited Ordinary Shares of Rs. 100/- each having negative equity balance Rs. 42.54 (June 30, 2011: Rs. 35.86) million based on unaudited financial statements for the period ended March 31, 2012 | | | | | |
| | | Less: Impairment | | | | (189,500) | (185,369) |
| | | | | | | - | 4,131 |
| 63,000,000 | 63,000,000 | | Power Generation & Distribution | 100.00 | 100.00 | 630,000 | 630,000 |
| | | Energy Infrastructure Holding (Private) Limited Net assets value Rs. 447.31 (June 30, 2011: 444.28) million based on unaudited financial statements for the period ended March 31, 2012 | | | | | |
| | | Less: Impairment | | | | (182,691) | (200,204) |
| | | | | | | 447,309 | 429,796 |
| | | | | | | 5,775,945 | 4,200,567 |

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

** 52,023,612 shares are blocked for trading as per the requirements of the Securities and Exchange Commission of Pakistan.

7.1.1 The Shareholders of the Company, in order to meet the State Bank of Pakistan's minimum capital requirements for JS Bank Limited (JSBL), a subsidiary of the Company, in their extraordinary general meeting held on June 15, 2011 have passed a special resolution to dispose of entire investment in JS Global Capital Limited (JSGCL) - an associate of the Company to JSBL in exchange for issue of new shares of JSBL in the ratio of 7.26034550 shares of face value of Rs. 10 each in JSBL for every one share of the face value of Rs. 10 each in JSGCL.

The new shares of JSBL are issued otherwise than right shares at a price per share of Rs. 7.14332508 i.e. at a discount of Rs. 2.85667492 per share to the Company for which requisite approvals were obtained by JSBL from the Securities and Exchange Commission of Pakistan on October 5, 2011. Accordingly, the Company entered into a share purchase agreement (SPA) with JSBL whereby 21,734,826 ordinary shares of JSGCL held by the Company were sold to JSBL against the issuance of 157,802,346 new ordinary shares of JSBL by way of otherwise than right shares in favour of the Company.

7.1.2 The Board of Directors of the Company in their meeting held on April 25, 2012, in order to meet the State Bank of Pakistan's minimum capital requirements for JS Bank Limited (JSBL), a subsidiary of the company, has approved to dispose of its entire investment in JS Investments Limited (JSIL) 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 JSIL and JSBL.

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.

7.2 Investment in associate - at cost

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

| Number of shares | | Activity | Holding | | (Un-audited) March 31, 2012 | (Audited) June 30, 2011 | |
|-------------------|------------------|---|---------------------------|-----------------------|-----------------------------------|-------------------------------|---------------|
| March 31, 2012 | June 30, 2011 | | March 31, 2012 % | June 30, 2011 % | | | |
| Quoted | | | | | | | |
| 11,238,812 | 11,238,812 | JS Value Fund Limited Net asset value Rs. 122.73 (June 30, 2011: Rs. 114.29) million Less: Impairment | Closed end mutual fund | 9.48 | 9.48 | 135,566 | 135,566 |
| | | | | | | (40,373) | (40,373) |
| | | | | | | 95,193 | 95,193 |
| | | | | | | 95,193 | 95,193 |

7.3 Other related parties

Available for sale

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

| Number of shares | | Note | Activity | Holding | | (Un-audited) March 31, 2012 | (Audited) June 30, 2011 | |
|-------------------------------|------------------|-------|---------------------------------------|------------------------|-----------------------|-----------------------------------|-------------------------------|-----------|
| March 31, 2012 | June 30, 2011 | | | March 31, 2012 % | June 30, 2011 % | | | |
| Quoted - at fair value | | | | | | | | |
| 7,000,000 | 7,000,000 | | Hum Network Limited | Television Network | 14.00 | 14.00 | 136,500 | 105,420 |
| 111,256,116* | 111,256,116 | | BankIslami Pakistan Limited | Islamic Banking | 21.07 | 21.07 | 972,379 | 378,271 |
| 20,299,455 | 20,299,455 | | EFU General Insurance Limited | General Insurance | 16.24 | 16.24 | 1,791,021 | 704,594 |
| 17,040,552 | 17,040,552 | | EFU Life Assurance Limited | Life Assurance | 20.05 | 20.05 | 1,431,406 | 1,175,798 |
| - | 6,527,158 | 7.4.1 | Singer Pakistan Limited | Electrical Goods | - | 17.39 | - | 101,824 |
| 112,157,863 | 112,157,863 | | Azgard Nine Limited | Textile Composite | 24.96 | 24.96 | 998,205 | 619,112 |
| Un-quoted - at cost | | | | | | | | |
| 750,000 | 750,000 | | EFU Services (Private) Limited | Investment company | 37.50 | 37.50 | 7,500 | 7,500 |
| | | | | | | | 5,337,011 | 3,092,519 |

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

7.4 Other investments

Available for sale - Equity securities

| | | | |
|------------|---------------|------------------|------------------|
| - quoted | 7.4.1 & 7.4.2 | 3,227,841 | 1,868,750 |
| - unquoted | | 115,000 | - |
| | | 3,342,841 | 1,868,750 |

7.4.1 Included herein is investment in Singer Pakistan Limited. Until last year, Singer Pakistan Limited was a related party of the Company. During the period on July 28, 2011, the related party relationship has ceased.

7.4.2 Included herein is investment in Pakistan International Container Terminal Limited (PICT). The Company has signed a Share Purchase Agreement with ICTSI Mauritius Ltd for sale of shares of PICT. Under the said Agreement, the Company shall sell a minimum of 13,000,000 shares of PICT at a price of Rs. 150/- per share. The above sale of shares shall be subject to the obtention of applicable regulatory approvals by ICTSI Mauritius Ltd.

In addition, the Company has also signed a Shareholders Agreement with ICTSI Mauritius Limited and Premier Mercantile Services (Private) Limited. Under the Shareholders Agreement the Parties have agreed on the terms and conditions of the constitution, shareholding and management of PICT and their relationship *inter se*.

| | Note | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|-------|-----------------------------------|-------------------------------|
|(Rupees in '000)..... | | | |
| 8. NON-CURRENT ASSETS HELD FOR SALE ■ | | | |
| Investment in a subsidiary: | | | |
| - Network Microfinance Bank Limited (NMBL) | 8.1 | - | 159,339 |
| Less: Impairment | | - | (15,934) |
| | | - | 143,405 |
| Investment in a associate: | | | |
| - JS Global Capital Limited (JSGCL) | 7.1.1 | - | 1,208,022 |
| Less: Impairment | | - | (80,788) |
| | | - | 1,127,234 |
| | | - | 1,270,639 |

8.1 Pursuant to the decision of the Board of Directors of the Company in their meeting held on April 26, 2011 for disposal of entire investment in Network Microfinance Bank Limited - a subsidiary of the Company, the shareholders have also accorded their approval of the above referred disposal in their extraordinary general meeting held on June 15, 2011. During the period, the Company entered into a share purchase agreement dated September 12, 2011 with a group of investors (the Acquirers) subject to the fulfillment of all legal formalities by the Acquirers. On January 13, 2012, the company has transferred entire holding in Network Microfinance Bank Limited to the Acquirers.

9. CONTINGENCY ■

There were no material changes in the status of contingency as reported in the annual financial statements for the year ended June 30, 2011 except for the following:

9.1 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 2010. According to the order, the ACIR has raised tax liability of Rs. 63.49 million in respect of the above mentioned tax year. Subsequent to the period end, the Company has filed application for rectification in the order on various grounds including credit for tax of Rs. 54.10 million not allowed by the ACIR. Further, the Company has also filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals).

Based on the discussions with the tax advisors of the Company, the management is confident that the subject matter in respect of tax years 2010 will eventually be decided in favor of the Company. Hence, no provision for liability has been made in these condensed interim financial statements.



10. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE ■

| | Nine Months Ended | | Quarter Ended | |
|--|----------------------------|------------------|----------------|------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| Profit / (loss) after taxation attributable to Ordinary shareholders | <u>391,353</u> | <u>(601,847)</u> | <u>681,629</u> | <u>(601,416)</u> |
| |(Number in '000)..... | | | |
| 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)..... | | | |
| Earnings / (loss) per share: | | | | |
| - Basic and diluted | <u>0.51</u> | <u>(0.79)</u> | <u>0.89</u> | <u>(0.79)</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 months period ended March 31, 2012 are as follows:

| | Nine Months Ended | | Quarter Ended | |
|--|----------------------------|----------------|----------------|----------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| |(Un-audited)..... | | | |
| |(Rupees in '000)..... | | | |
| TRANSACTIONS | | | | |
| Subsidiary and Sub-subsidiary Companies | | | | |
| Brokerage expense | 91 | - | 91 | - |
| Sale of government securities | 597,478 | - | - | - |
| Rent income | 8,510 | - | 8,154 | - |
| Profit received on fund placements and deposit accounts | 17,093 | 32 | 5,826 | 1 |
| Amount paid against subscription of right shares | - | 391,211 | - | - |
| Right shares received (No. of shares) | - | 130,403,641 | - | - |
| Shares received other than right issue (No. of shares) | 157,802,346 | - | - | - |
| Sale of shares of an associate (No. of shares) | 21,734,826 | - | - | - |
| Associates | | | | |
| Dividend income | 2,248 | 108,674 | - | - |
| Brokerage expense | 127 | 15,572 | - | 8,638 |
| Purchase of government securities | 194,982 | - | - | - |
| Rental income | 14,127 | 20,711 | - | 6,904 |
| Common Directorship | | | | |
| Dividend income | 7,000 | 168,261 | - | - |
| Other Related Parties | | | | |
| Contributions to Staff Provident Fund | 3,088 | 3,834 | 912 | 1,058 |
| Interest / markup paid | 13,640 | 8,326 | 3,056 | 2,140 |
| Principal redemptions made against TFCs | 45,579 | 16,990 | 8 | 6 |
| Insurance premium paid | 1,322 | 1,444 | 1 | 1 |
| Proceeds against insurance claim / cancellation | 13 | - | 13 | - |
| 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 | 9,736 | 10,163 | 2,980 | 3,382 |
| Advisory fee to Director | 4,500 | 4,500 | 1,500 | 1,500 |
| Fee paid to directors for directors / committee meetings | 1,200 | 1,200 | - | - |
| Remuneration to Executives | 10,613 | 19,191 | 3,321 | 5,281 |
| Interest on long term loans to executives | 143 | 139 | 42 | 44 |
| Loan repayments from executives | 154 | 1,401 | 57 | 816 |
| Proceeds from sale of vehicles | 974 | - | 974 | - |



| | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|--|-------------------------------|
| |(Rupees in '000)..... | |
| BALANCES | | |
| Subsidiary Companies | | |
| Amount due from subsidiaries against expenses incurred on their behalf | 205 | 247 |
| Cash at bank accounts | 29,926 | 291 |
| Associates | | |
| Amount due from associate against expenses incurred on its behalf | - | 3,116 |

All transactions with related parties are entered into arm's length prices using admissible valuation method.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS ■

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and;

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

| | March 31, 2012 | | | |
|---------------------------------------|----------------------------|----------------|----------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| |(Rupees in '000)..... | | | |
| Available for sale investments | | | | |
| Equity Securities | 8,557,352 | - | 122,500 | 8,679,852 |
| Government Securities | - | 697,622 | - | 697,622 |
| | 8,557,352 | 697,622 | 122,500 | 9,377,474 |

There have been no transfers among different levels during the period.

13. DATE OF AUTHORISATION ■

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on April 25, 2012.

14. GENERAL ■

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive





CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Condensed Interim Consolidated Balance Sheet

As at March 31, 2012

| | Note | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| | |(Rupees in '000)..... | |
| ASSETS ■ | | | |
| Non-Current Assets | | | |
| Property and equipment | 7 | 1,689,653 | 1,696,103 |
| Intangible assets | | 1,307,756 | 1,309,624 |
| Investment property | | 1,291 | 1,770 |
| Membership cards and room | | 59,499 | 35,701 |
| Long term investments | 8 | 8,973,988 | 6,369,573 |
| Long term loans, advances and other receivables | | 2,664,680 | 3,538,442 |
| Long term deposits | | 33,274 | 32,991 |
| Deferred taxation | | 1,198,619 | 1,196,895 |
| | | 15,928,760 | 14,181,099 |
| Current Assets | | | |
| Short term investments | 9 | 26,826,923 | 19,628,279 |
| Trade debts - unsecured | | 472,020 | 9,883 |
| Loans and advances | | 17,453,401 | 12,757,227 |
| Accrued markup | | 678,374 | 632,188 |
| Deposits, prepayments and other receivables | | 1,367,838 | 317,948 |
| Fund placements | | 2,471,508 | 1,663,914 |
| Taxation - net | | 429,724 | 407,877 |
| Cash and bank balances | | 3,751,707 | 4,442,934 |
| | | 53,451,495 | 39,860,250 |
| Assets classified as held for sale | 10 | - | 222,069 |
| | | 53,451,495 | 40,082,319 |
| | | 69,380,255 | 54,263,418 |
| EQUITY AND LIABILITIES ■ | | | |
| Share Capital and Reserves | | | |
| Share Capital | | 7,632,853 | 7,632,853 |
| Reserves | | 5,992,654 | 1,830,635 |
| Equity attributable to equity holders' of the parent | | 13,625,507 | 9,463,488 |
| Non-controlling interests | | 4,535,576 | 2,758,828 |
| Total equity | | 18,161,083 | 12,222,316 |
| Non-Current Liabilities | | | |
| Long term financing | | 1,146,910 | 2,016,204 |
| Deposits and other accounts | | 13,181,483 | 108,189 |
| Employee benefit liability | | - | 78,384 |
| | | 14,328,393 | 2,202,777 |
| Current Liabilities | | | |
| Trade and other payables | | 1,823,265 | 1,215,274 |
| Accrued interest / mark-up on borrowings | | 398,199 | 377,804 |
| Short term borrowings | | 2,546,392 | 4,212,256 |
| Current portion of non-current liabilities | 11 | 32,122,923 | 34,016,277 |
| | | 36,890,779 | 39,821,611 |
| Liabilities directly associated with assets classified as held for sale | 10 | - | 16,714 |
| | | 36,890,779 | 39,838,325 |
| Contingencies and Commitments | 12 | 69,380,255 | 54,263,418 |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Condensed Interim Consolidated Profit and Loss Account

For the Nine Months period and Quarter ended March 31, 2012

(Un-audited)

| Note | Nine Months Ended | | Quarter Ended | |
|---|-------------------|------------------|------------------|------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| (Rupees in '000) | | | | |
| CONTINUING OPERATIONS ■ | | | | |
| INCOME | | | | |
| Return on investments | 2,518,661 | 1,411,820 | 953,397 | 370,868 |
| Gain on sale of investments - net | 416,887 | 680,847 | 114,137 | 347,305 |
| Income from long term loans and fund placements | 1,767,267 | 1,432,239 | 636,825 | 504,311 |
| Fee, commission and brokerage | 572,289 | 418,309 | 234,185 | 142,187 |
| Other income | 197,863 | 153,394 | 75,239 | 98,948 |
| Gain / (loss) on revaluation of investments carried at fair value through profit and loss - net | 5,134 | (18,278) | 55,455 | (78,981) |
| | 5,478,101 | 4,078,331 | 2,069,238 | 1,384,638 |
| EXPENDITURE | | | | |
| Operating and administrative expenses | 2,094,698 | 1,844,172 | 681,872 | 626,277 |
| Finance cost | 2,490,345 | 2,228,205 | 840,458 | 773,650 |
| Provision / (reversal of provision) for impairment against investments | 326,528 | 900,448 | (14,908) | 586,594 |
| | 4,911,571 | 4,972,825 | 1,507,422 | 1,986,521 |
| | 566,530 | (894,494) | 561,816 | (601,883) |
| Share of profit / (loss) from: | | | | |
| - associates | 63,095 | 123,445 | 25,378 | 27,116 |
| - joint venture | (2,007) | (210) | (1,268) | (70) |
| | 61,088 | 123,235 | 24,110 | 27,046 |
| Profit / (loss) before taxation from continuing operations | 627,618 | (771,259) | 585,926 | (574,837) |
| TAXATION | | | | |
| - Current | 71,041 | 42,092 | 33,566 | 13,544 |
| - Prior | (11,453) | (5,553) | - | - |
| - Deferred | 134,281 | (161,514) | 43,565 | (157,194) |
| | 193,869 | (124,975) | 77,131 | (143,650) |
| Profit / (loss) after taxation from continuing operations | 433,749 | (646,284) | 508,795 | (431,187) |
| DISCONTINUED OPERATIONS ■ | | | | |
| Loss after taxation from discontinued operations | (1,876) | (15,799) | - | (3,602) |
| PROFIT / (LOSS) AFTER TAXATION FOR THE PERIOD ■ | 431,873 | (662,083) | 508,795 | (434,789) |
| Attributable to: | | | | |
| Equity holders of the parent | 225,918 | (646,827) | 391,350 | (489,715) |
| Non-controlling interests | 205,955 | (15,256) | 117,445 | 54,926 |
| | 431,873 | (662,083) | 508,795 | (434,789) |
| (Rupees) | | | | |
| EARNINGS / (LOSS) PER SHARE ■ | | | | |
| Basic and diluted | | | | |
| Continuing operations | 0.30 | (0.85) | 0.51 | (0.64) |
| Discontinued operations | 0.00 | (0.03) | 0.00 | (0.02) |
| | 0.30 | (0.88) | 0.51 | (0.66) |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive



Condensed Interim Consolidated Statement of Comprehensive Income

For the Nine Months period and Quarter ended March 31, 2012

(Un-audited)

| | Nine Months Ended | | Quarter Ended | |
|--|----------------------------|-------------------|-------------------|-------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| |(Rupees in '000)..... | | | |
| PROFIT / (LOSS) FOR THE PERIOD AFTER TAXATION ■ | 431,873 | (662,083) | 508,795 | (434,789) |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | | | |
| Revaluation of available for sale investments | 4,189,296 | 533,216 | 4,256,501 | (174,444) |
| Exchange difference of translation of net assets of foreign subsidiaries to reporting currency | 7,403 | 2,759 | 2,129 | (2,239) |
| Share of other comprehensive (loss) / income of associates | (3,021) | (9,334) | (1) | (7,552) |
| | 4,193,678 | 526,641 | 4,258,629 | (184,235) |
| TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD ■ | 4,625,551 | (135,442) | 4,767,424 | (619,024) |
| Attributable to: | | | | |
| Equity holders of the parent | 4,167,163 | (469,974) | 4,596,784 | (654,085) |
| Non-controlling interests | 458,388 | 334,532 | 170,640 | 35,061 |
| | 4,625,551 | (135,442) | 4,767,424 | (619,024) |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive



Condensed Interim Consolidated Cash Flow Statement

For the Nine Months period ended March 31, 2012

(Un-audited)

| | Nine Months Ended | |
|--|------------------------------|-------------------|
| | March 31, 2012 | March 31, 2011 |
| Note | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES ■ | | |
| Profit / (loss) before taxation from continuing operations | 627,618 | (771,259) |
| Loss before taxation from discontinued operations | (1,735) | (15,468) |
| Profit / (loss) for the period before taxation | <u>625,883</u> | <u>(786,727)</u> |
| Adjustments for non cash charges and other items: | | |
| Depreciation | 191,559 | 199,821 |
| Amortisation on intangible assets | 15,154 | 20,486 |
| Amortisation of transaction cost on term finance certificates | 1,699 | 1,794 |
| Profit on sale of property and equipment | (11,716) | (11,396) |
| Specie dividend income | (115,000) | - |
| Share of profit from associates and joint ventures | (61,088) | (123,235) |
| (Reversal of charge) / charge for defined benefit plan | (78,384) | 13,635 |
| Provision for / (reversal of) provision for impairment against investments | 321,975 | 900,448 |
| (Gain) / loss on revaluation of investments carried at fair value through profit or loss - net | (5,134) | 18,278 |
| Finance cost | 2,489,003 | 2,228,007 |
| | <u>2,748,068</u> | <u>3,247,838</u> |
| Operating profit before working capital changes | 3,373,951 | 2,461,111 |
| (Increase) / decrease in operating assets : | | |
| Short term investments | (5,090,308) | 3,223,926 |
| Trade debts | (320,317) | 152 |
| Loans and advances | (4,685,287) | (5,110,587) |
| Long term loans, advances, deposits and other receivables | 878,883 | (846,813) |
| Fund placements | (807,594) | 3,299,357 |
| Deposits, prepayments, accrued mark-up and other receivables | (823,917) | (107,560) |
| | <u>(10,848,540)</u> | <u>458,475</u> |
| Increase / (decrease) in operating liabilities: | | |
| Trade and other payables | 409,079 | (68,322) |
| Deposits and other accounts | 10,933,466 | 1,139,827 |
| Net cash generated from operations | 3,867,956 | 3,991,091 |
| Interest / mark-up paid | (2,468,608) | (2,472,754) |
| Taxes paid | (79,312) | (45,523) |
| Dividend paid | (2,543) | (318) |
| Net cash generated from operating activities | 1,317,493 | 1,472,496 |
| CASH FLOWS FROM INVESTING ACTIVITIES ■ | | |
| Capital expenditure incurred | (177,138) | (119,244) |
| Intangible assets acquired | (13,286) | (8,708) |
| Proceeds from sale of property and equipment | 24,370 | 18,497 |
| Investment acquired - net of sale | 447,717 | 2,183,999 |
| Net cash generated from investing activities | 281,663 | 2,074,544 |
| CASH FLOWS FROM FINANCING ACTIVITIES ■ | | |
| Redemption of term finance certificates | (630,719) | (516,268) |
| 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 | 6,200 | 7,707 |
| Securities sold under repurchase agreements | (1,277,115) | 4,170,316 |
| Net cash (used in) / generated from financing activities | (1,901,634) | 3,889,989 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (302,478) | 7,437,029 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 2,636,821 | (5,339,275) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD ■ | 2,334,343 | 2,097,754 |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity

For the Nine Months period ended March 31, 2012
(Un-audited)

| | ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | | | | | | | | | | NON-CONTROLLING INTERESTS | TOTAL |
|--|--|------------------------|-------------------|------------------------------|--|--|---------------|-------------------|------------------|-------------------|---------------------------|-------|
| | Capital | | | Reserves | | | Others | | | | | |
| | 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 | Sub-total | | | | |
| 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 | - | - | - | - | (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 | <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>8,643,173</u> | <u>3,897,771</u> | <u>12,540,944</u> | | |
| Balance as at July 1, 2011 | 7,632,853 | 5,284,746 | 10,000,000 | 28,028 | (14,546,402) | 1,046,103 | 18,160 | 9,463,488 | 2,758,829 | 12,222,317 | | |
| Non-controlling interest created on acquisition of sub-subsidary | 6.1 | - | - | - | - | - | - | - | 1,739,449 | 1,739,449 | | |
| Loss for the period | - | - | - | - | 225,918 | - | - | 225,918 | 205,955 | 431,873 | | |
| Other comprehensive income / (loss) | - | (786,852) | - | 7,403 | 787,035 | 3,933,659 | - | 3,941,245 | 252,433 | 4,193,678 | | |
| Transfer from statutory reserve | - | - | - | - | (76,139) | - | 76,139 | - | - | - | | |
| Acquisition of non-controlling interest | 1.2.2 | - | - | - | - | - | (5,144) | (5,144) | (421,090) | (426,234) | | |
| Balance as at March 31, 2012 | <u>7,632,853</u> | <u>4,497,894</u> | <u>10,000,000</u> | <u>35,431</u> | <u>(13,609,588)</u> | <u>4,979,762</u> | <u>89,155</u> | <u>13,625,507</u> | <u>4,535,576</u> | <u>18,161,083</u> | | |

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

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months period ended March 31, 2012

(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, brokerage, 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) | |
|---|--|-------|--------------------------------------|--------------------------------------|---------------|
| | | | | March 31, 2012 | June 30, 2011 |
| JS Investments Limited (JSIL) | Investment Advisor, Asset Manager | 1.2.1 | 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 | 1.2.2 | December 30, 2006 | 68.32% | 64.49% |
| JS Fund Management (Mauritius) Limited (Sub-subsidiary) | Investment Advisory & Investment Management Services | 1.2.3 | April 04, 2007 September 28, 2012 | - | 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 | 10 | March 11, 2009 January 13, 2012 | - | 70.82% |
| JS Global Capital Limited (Sub-subsidiary) | Brokerage, advisory and consultancy services | 6.1 | December 21, 2011 | 34.88% | - |

1.2.1 The Board of Directors of the Holding Company in their meeting held on April 25, 2012, in order to meet the State Bank of Pakistan's minimum capital requirements for JS Bank Limited (JSBL), a subsidiary of the Holding Company, has approved to dispose of its entire investment in JS Investments Limited (JSIL), a subsidiary of the Holding Company 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 JSIL and JSBL.

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.

1.2.2 To meet the Minimum Capital Requirement as specified by the State Bank of Pakistan (SBP) for the Bank's Balance Sheet as at 31 December 2010, the State Bank has allowed JSBL to increase the paid up capital through swap of new shares of JSBL against shares of JS Global Capital Limited (JSGCL) held by the Holding Company and other investors.

The new shares of JSBL were issued otherwise than right shares at a price per share of Rs. 7.14332508 i.e. at a discount of Rs. 2.85667492 per share to the Holding Company for which requisite approvals were obtained by JSBL from the Securities and Exchange Commission of Pakistan on October 5, 2011. Accordingly, the Holding Company entered into a share purchase agreement (SPA) with JSBL whereby 21,734,826 ordinary shares of JSBL held by the Holding Company were sold to JSBL against the issuance of 157,802,346 new ordinary shares of JSBL by way of otherwise than right shares in favour of the Company on October 20, 2011. As a result, the holding percentage of the Group in JSBL increased from 64.49% to 68.32%.

1.2.3 During the period, JS Fund Management (Mauritius) Limited, a sub-subsidiary of JS International Limited has ceased its operations and is being wound 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, 2011.

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, 2011, 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, 2011.

The comparative figures of profit and loss account for the nine months period and quarter ended March 31, 2011 have been re-arranged to present the discontinued operations.

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, 2011, except for the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 1 - Prepayments of a minimum funding requirement (Amendment)

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

- IFRS 7 - Financial Instrument Disclosures
 - Clarification of Disclosures
- IAS 1 - Presentation of Financial Statements
 - Clarification of statement of changes in equity
- IFRIC 13 - Presentation of Financial Statements
 - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim consolidated financial statements except for the enhanced disclosure requirements of the amended IAS 34 regarding transfers between different levels of fair value hierarchy as disclosed in note 17 to these condensed interim consolidated financial statements.

4. FINANCIAL RISK MANAGEMENT ■

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended June 30, 2011.

5. 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, 2011.

6. BUSINESS COMBINATION ■

6.1 Acquisition of JS Global Capital Ltd

6.1.1 During the period, JS Bank Limited (JSBL) - a subsidiary, acquired 25,525,169 ordinary shares of JS Global Capital Limited (JSGCL) in lieu of issuance of 185,321,546 shares of JSBL at an agreed share-exchange ratio of 7.26034550 shares of JSBL for each share of JSGCL. The transaction consisted of acquiring entire shareholding of the Holding Company (43.47%) comprising of 21,734,826 shares on October 21, 2011 whereas remaining shares of 3,790,343 shares were acquired from open market through public offer on December 21, 2011. The total shareholding of JSBL in JSGCL amounts to 51.05%. The Group effective holding in JSGCL - sub-subsidiary is 34.88%.

The details of net assets acquired and bargain purchase gain as on December 21, 2011 is as follows:

| | Note | Carrying Amounts | Fair Values |
|--|-------|---------------------|------------------|
|(Rupees in '000)..... | | | |
| Assets | | | |
| Property and equipment | | 20,145 | 20,145 |
| Stock exchange membership cards and room | | 23,500 | 23,500 |
| Long term loans, advances and other receivables | | 5,404 | 5,404 |
| Deferred taxation | | 141,586 | 141,586 |
| Short term investments | | 1,977,138 | 1,977,138 |
| Trade debts - unsecured | | 141,586 | 141,586 |
| Loans and advances | | 10,887 | 10,887 |
| Accrued markup | | 10,733 | 10,733 |
| Deposits, prepayments and other receivables | | 39,976 | 39,976 |
| Taxation - net | | 4,282 | 4,282 |
| Cash and bank balances | | 481,322 | 481,322 |
| Total assets | | 2,856,559 | 2,856,559 |
| Trade and other payables | | 184,922 | 184,922 |
| Total identifiable net assets at fair value | | 2,671,637 | 2,671,637 |
| Consideration transferred | | | 49,535 |
| Fair value of previously held interest | | | 315,155 |
| Fair value of purchase consideration | | | 364,690 |
| Purchase consideration of the Group | | | 249,144 |
| Net assets acquired | | | 931,760 |
| Bargain purchase gain | | | 682,616 |
| Loss on revaluation of investment held under equity method / cost | | | 678,551 |
| Net Gain of acquisition on consolidation | 6.1.2 | | 4,065 |
| Cash acquired with the sub-subsidiary (included in cash flows from investing activities) | | | 481,033 |

6.1.2 In accordance with the State Bank of Pakistan's letter No. BSD/BAI-3/608/1330/2011 dated February 2, 2011 regarding approval granted to JSBL for acquisition of JSGCL shares, the swap ratio for share-exchange arrangement would be fixed at break-up values of both the JSBL and JSGCL as of December 31, 2010 and there would be no creation of any goodwill. Accordingly, carrying value of the net assets of the acquiree have been appropriately adjusted to avoid recognition of goodwill or bargain purchase.



7. PROPERTY AND EQUIPMENT ■

The details of additions in and disposals of operating assets during nine months period ended March 31, 2012 are as follows:

| | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|---------------------------------|--|-------------------------------|
| Note |(Rupees in '000)..... | |
| Additions - cost | | |
| - Office premises - leasehold | - | 107,281 |
| - Leasehold improvements | 20,823 | 36,943 |
| - Office equipment | 96,471 | 80,103 |
| - Office furniture and fixtures | 16,069 | 32,065 |
| - Motor vehicles | 47,598 | 62,310 |
| | <u>180,961</u> | <u>318,702</u> |
| Disposals - cost | | |
| - Office premises - leasehold | - | 6,404 |
| - Leasehold improvements | 174 | 8,390 |
| - Office equipment | 1,626 | 11,373 |
| - Office furniture and fixtures | 396 | 5,042 |
| - Motor vehicles | 42,807 | 33,216 |
| | <u>45,003</u> | <u>64,425</u> |

8. LONG TERM INVESTMENTS ■

Related parties:

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

| | |
|------------------|-----------|
| 157,702 | 1,271,363 |
| 64,491 | 64,998 |
| 5,337,011 | 3,092,519 |
| 5,559,204 | 4,428,880 |

Other investments:

- Available for sale

8.1 **3,414,784** 1,940,693

| | |
|-------------------------|------------------|
| <u>8,973,988</u> | <u>6,369,573</u> |
|-------------------------|------------------|

8.1 Included herein is investment in Pakistan International Container Terminal Limited (PICT). The Holding Company has signed a Share Purchase Agreement with ICTSI Mauritius Ltd for sale of shares of PICT. Under the said Agreement, the Holding Company shall sell a minimum of 13,000,000 shares of PICT at a price of Rs. 150/- per share. The above sale of shares shall be subject to the obtention of applicable regulatory approvals by ICTSI Mauritius Ltd.

In addition, the Holding Company has also signed a Shareholders Agreement with ICTSI Mauritius Limited and Premier Mercantile Services (Private) Limited. Under the Shareholders Agreement the Parties have agreed on the terms and conditions of the constitution, shareholding and management of PICT and their relationship *inter se*.

| | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|--|-------------------------------|
| |(Rupees in '000)..... | |

9. SHORT TERM INVESTMENTS ■

Assets at fair value through profit or loss
Available for sale

| | |
|--------------------------|-------------------|
| 8,253,539 | 9,940,758 |
| 18,573,384 | 9,687,521 |
| <u>26,826,923</u> | <u>19,628,279</u> |

10. DISCONTINUED OPERATION ■

Pursuant to the decision of the Board of Directors of the Holding Company in their meeting held on April 26, 2011 for disposal of entire investment in Network Microfinance Bank Limited (NMBL) - a subsidiary of the Holding Company, the shareholders also accorded their approval of the above referred disposal in their extraordinary general meeting held on June 15, 2011. During the period, the Company entered into a share purchase agreement dated September 12, 2011 with a group of investors (the Acquirers) subject to the fulfillment of all legal formalities by the Acquirers. On January 13, 2012, the Holding Company has transferred entire holding in NMBL to the Acquirers.

The results of discontinued operations are presented in Segment Information (refer note 16).

| March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|-------------------------------|
|(Rupees in '000)..... | |

11. CURRENT PORTION OF NON-CURRENT LIABILITIES ■

Long term financing:

| | | |
|---|--------------------------|-------------------|
| - Term finance certificates | 1,297,523 | 1,097,694 |
| - Liability against Class A, B & C TFCs | 122,804 | 76,159 |
| Deposits and other accounts | 30,702,596 | 32,842,424 |
| | <u>32,122,923</u> | <u>34,016,277</u> |

12. CONTINGENCIES AND COMMITMENTS ■

12.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2011 except for the following:

- 12.1.1** 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 2010. According to the order, the ACIR has raised tax liability of Rs. 63.49 million in respect of the above mentioned tax year. Subsequent to the period end, the Holding Company has filed application for rectification in the order on various grounds including credit for tax of Rs. 54.10 million not allowed by the ACIR. Further, the Holding Company has also filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals).

Based on the discussions with the tax advisors of the Holding Company, the management is confident that the subject matter in respect of tax years 2010 will eventually be decided in favor of the Holding Company. Hence, no provision for liability has been made in these condensed interim consolidated financial statements.

- 12.1.2** In respect of the appeals filed by JS Investments Limited (JSIL), a subsidiary company, against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue Appeal has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for denovo proceedings with the directions to apportionment of expenditure according to actual incurrence of expenditure to the various sources of income.

JSIL has filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowance and taxability of portion of capital gain on dividend received from mutual funds.

The management and tax advisors of JSIL 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 JSIL. Hence, no provision has been made in the condensed interim consolidated financial information.

- 12.1.3** JSIL has also received show cause notice under section 14 of the Federal Excise Act (FED), 2005 for the periods from 2007-2008 to 2010-2011 for excise duty not paid amounting to Rs. 175.22 million on the management fee and commission on management of discretionary client portfolio.

The management and tax advisors of JSIL are of the view that these services are not falling in chapter 98 of the Custom Act, 1969 and therefore, are not subject to excise duty. Hence, no provision has been made in the condensed interim financial information.

12.1.4 A recovery suit has been filed against JS Global Capital Limited, a sub-subsidiary, by the lessor of the previous Islamabad Office. The lessor has demanded Rs. 6.5 million. Management considers that no amount would become payable under the said claim. Accordingly, provision has not been made against the claim.

12.2 Transaction-related Contingent Liabilities

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

| | March 31, 2012 (Un-audited) | June 30, 2011 (Audited) |
|--|-----------------------------------|-------------------------------|
|(Rupees in '000)..... | | |
| - Government | 950,354 | 693,437 |
| - Banking companies and other financial institutions | 61,560 | 80,706 |
| - Others | 649,661 | 591,717 |
| | <u>1,661,575</u> | <u>1,365,860</u> |
| 12.3 Trade related contingent liabilities | | |
| Documentary credits | <u>3,929,318</u> | <u>1,837,310</u> |
| 12.4 Other contingencies | | |
| Claims not acknowledged as debts | <u>66,576</u> | <u>66,481</u> |
| 12.5 Commitments | | |
| Commitments in respect of: | | |
| Future sale of listed equity securities | <u>232,042</u> | - |
| Forward purchase of government securities | - | <u>1,229,735</u> |
| Forward sale commitments | - | <u>397,989</u> |
| Commitments in respect of capital expenditure | <u>11,306</u> | <u>5,315</u> |
| Bank guarantee | <u>400,000</u> | - |
| Assets acquired under operating lease / ijarah | <u>2,479</u> | <u>9,889</u> |
| Forward commitments to extend credit | <u>1,614,645</u> | <u>396,371</u> |
| Forward exchange contracts: | | |
| - Purchase | <u>2,826,471</u> | <u>1,966,183</u> |
| - Sale | <u>3,908,553</u> | <u>1,602,492</u> |

| | Nine Months Ended | | Quarter ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| (Un-audited) | | | | |
| (Rupees in '000) | | | | |
| 13. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE ■ | | | | |
| Attributable to equity holders' of the parent: | | | | |
| Profit / (loss) from continuing operations | 225,918 | (646,827) | 391,350 | (489,715) |
| Loss after taxation from discontinued operations | - | (20,409) | - | (16,876) |
| Profit / (loss) after taxation attributable to Ordinary shareholders | <u>225,918</u> | <u>(667,236)</u> | <u>391,350</u> | <u>(506,591)</u> |
| (Number in '000) | | | | |
| 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) | | | | |
| Earnings / (loss) per share: | | | | |
| Basic and diluted | | | | |
| Continuing operations | 0.30 | (0.85) | 0.51 | (0.64) |
| Discontinued operations | 0.00 | (0.03) | 0.00 | (0.02) |
| | <u>0.30</u> | <u>(0.88)</u> | <u>0.51</u> | <u>(0.66)</u> |

14. CASH AND CASH EQUIVALENTS ■

| | March 31, 2012 | March 31, 2011 |
|--|----------------------------|-------------------|
| |(Un-audited)..... | |
| |(Rupees in '000)..... | |
| Cash and bank balances | 3,751,707 | 3,682,331 |
| Short term running finances under mark-up arrangements | (211,926) | (304,288) |
| Borrowings from banks / NBFCs | (1,205,438) | (1,280,289) |
| | <u>2,334,343</u> | <u>2,097,754</u> |

15. 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, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| |(Un-audited)..... | | | |
| |(Rupees in '000)..... | | | |
| Brokerage and commission expense | 127 | 15,572 | - | 8,638 |
| Purchase of money market instruments | 9,565,053 | 6,382,065 | 6,676,200 | 3,355,344 |
| Sale of money market instruments | 25,458,453 | 20,657,709 | 9,812,252 | 9,761,462 |
| Purchase of units | 537,301 | 368,800 | 163,031 | 163,500 |
| Sale of units | 272,800 | 202,372 | 58,012 | 162,372 |
| Call borrowing / repurchase transactions / encashment of fund placements | 7,375,000 | 229,495 | 1,300,000 | 46,654 |
| Call lending / reverse repurchase transactions / fund placements | 450,000 | 223,740 | - | 44,620 |
| Return on investments in related parties | 47,387 | 187,164 | - | - |
| Advisory and consultancy fee | 39,923 | 47,267 | 2,028 | 17,622 |
| Commission income | 58,940 | 51,437 | 17,942 | 24,184 |
| Foreign exchange purchases transaction | 5,355,155 | 2,380,978 | 2,686,662 | 598,430 |
| Foreign exchange sale transaction | 6,402,772 | 2,043,095 | 2,583,904 | 668,458 |
| Rental income | 17,073 | 23,164 | 1,143 | 7,753 |
| Interest / markup earned | 3,797 | 884 | - | 110 |
| Interest / markup paid | 13,640 | 33,042 | 3,056 | 4,572 |
| Principal redemptions made against TFCs | 45,579 | 16,990 | 8 | 13 |
| Rent expense | 1,500 | 9,645 | 500 | 2,084 |
| Royalty paid | 14,925 | 11,175 | 9,975 | 3,725 |
| Advisory fee paid | 10,000 | 14,036 | 3,000 | 4,250 |
| Insurance premium paid | 28,160 | 21,950 | 22,579 | 15,361 |
| Insurance claim received | 10,352 | 5,419 | 4,336 | 2,885 |
| Investments disposed off in funds under management - at cost | 326,559 | 413,263 | 234,568 | 98,709 |
| Investments made in funds under management | 278,957 | 209,610 | 251,090 | 110,583 |
| Investment in related parties | 1,500 | - | - | - |
| Sale of shares | - | 263,496 | - | - |
| Remuneration and commission income from funds | 151,021 | 186,845 | 50,008 | 58,802 |
| Contribution to provident fund | 41,036 | 25,898 | 19,393 | 1,708 |
| Loan repayment from executives | 154 | 1,401 | 57 | 816 |
| |(Number)..... | | | |
| Bonus shares/units received from related parties | 4,536,257 | 261,365 | 46 | 3,011 |

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

16. SEGMENT INFORMATION

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

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

The operating results of the group operations were as follows:

| | CONTINUING OPERATIONS | | | | DISCONTINUED OPERATIONS | TOTAL |
|--|------------------------------|------------------|------------------------------------|------------------|-------------------------|------------------|
| | Capital Market & Brokerage | Banking | Investment Advisor/ assets manager | Others | | |
| | (Rupees in '000) | | | | | |
| Segment results for the nine months ended March 31, 2012 | | | | | | |
| Return on investments | 557,014 | 1,901,387 | 51,806 | 8,454 | 12,966 | 2,531,627 |
| Gain on sale of investments - net | 5,936 | 297,478 | 113,424 | 49 | - | 416,887 |
| Income from long term loans and fund placements | 51,997 | 1,705,307 | - | 9,963 | 1,194 | 1,768,461 |
| Fee, commission and brokerage | 55,271 | 326,080 | 151,167 | 39,771 | - | 572,289 |
| Gain / (loss) on revaluation of investments carried at fair value through profit or loss – net | 10,382 | (3,795) | - | (1,453) | - | 5,134 |
| Unallocated Revenue | - | - | - | - | - | 197,863 |
| | 680,600 | 4,226,457 | 316,397 | 56,784 | 14,160 | 5,492,261 |
| Share of profit / (loss) from: | | | | | | |
| Associates | 63,095 | - | - | - | - | 63,095 |
| Joint venture | (2,007) | - | - | - | - | (2,007) |
| | 741,688 | 4,226,457 | 316,397 | 56,784 | 14,160 | 5,553,349 |
| Operating and administrative expenses | 113,884 | 1,641,226 | 165,792 | 122,221 | 20,091 | 2,063,214 |
| Finance cost | 208,717 | 2,187,882 | 88,327 | 5,419 | 357 | 2,490,702 |
| Provision for impairment in investments | 331,238 | (12,862) | 8,152 | - | (4,553) | 321,975 |
| | 653,839 | 3,816,246 | 262,271 | 127,640 | 15,895 | 4,875,891 |
| Segment results | 87,849 | 410,211 | 54,126 | (70,856) | (1,735) | 677,458 |
| Unallocated expenses | - | - | - | - | - | (51,575) |
| Profit / (loss) for the period before taxation | 87,849 | 410,211 | 54,126 | (70,856) | (1,735) | 625,883 |
| Taxation: | | | | | | |
| Segment | - | 46,595 | 2,943 | 21,503 | 141 | 71,182 |
| Prior period | (2,609) | - | (8,971) | 127 | - | (11,453) |
| Deferred | - | 139,608 | (623) | (4,704) | - | 134,281 |
| | (2,609) | 186,203 | (6,651) | 16,926 | 141 | 194,010 |
| Profit / (loss) for the period after taxation | 90,458 | 224,008 | 60,777 | (87,782) | (1,876) | 431,873 |
| Non-controlling interests | - | (146,324) | (34,782) | (26,725) | 1,876 | (205,955) |
| | 90,458 | 77,684 | 25,995 | (114,507) | - | 225,918 |



| | CONTINUING OPERATIONS | | | | DISCONTINUED OPERATIONS | TOTAL |
|--|----------------------------|-----------|------------------------------------|----------|-------------------------|-----------|
| | Capital Market & Brokerage | Banking | Investment Advisor/ assets manager | Others | | |
| (Rupees in '000) | | | | | | |
| Segment results for the nine months ended March 31, 2011 | | | | | | |
| Return on investments | 183,953 | 1,184,298 | 27,882 | 15,687 | 5,880 | 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 | 1,407,184 | - | 13,510 | 27,401 | 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 | - | - | - | - | 4,767 | 158,161 |
| | 687,318 | 2,896,485 | 277,685 | 63,449 | 38,048 | 4,116,379 |
| Share of profit / (loss) from: | | | | | | |
| Associates | 123,445 | - | - | - | - | 123,445 |
| Joint venture | (210) | - | - | - | - | (210) |
| | 810,553 | 2,896,485 | 277,685 | 63,449 | 38,048 | 4,239,614 |
| Operating and administrative expenses | 68,066 | 1,434,756 | 167,960 | 125,266 | 51,920 | 1,847,968 |
| Finance cost | 376,662 | 1,742,337 | 109,170 | 36 | 1,596 | 2,229,801 |
| Provision for impairment in investments | 891,499 | 8,949 | - | - | - | 900,448 |
| | 1,336,227 | 3,186,042 | 277,130 | 125,302 | 53,516 | 4,978,217 |
| Segment results | (525,674) | (289,557) | 555 | (61,853) | (15,468) | (738,603) |
| Unallocated expenses | - | - | - | - | - | (48,124) |
| (Loss) / profit for the period before taxation | (525,674) | (289,557) | 555 | (61,853) | (15,468) | (786,727) |
| Taxation: | | | | | | |
| Segment | 168 | 30,195 | 6,526 | 5,203 | 331 | 42,423 |
| Prior period | (3,952) | - | (1,601) | - | - | (5,553) |
| Deferred | - | (157,765) | (3,749) | - | - | (161,514) |
| | (3,784) | (127,570) | 1,176 | 5,203 | 331 | (124,644) |
| Loss after taxation for the period | (521,890) | (161,987) | (621) | (67,056) | (15,799) | (662,083) |
| Non-controlling interests | - | 23,029 | (6,421) | 3,258 | (4,610) | 15,256 |
| | (521,890) | (138,958) | (7,042) | (63,798) | (20,409) | (646,827) |

17. FAIR VALUE OF FINANCIAL INSTRUMENTS ■

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and;

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

| | March 31, 2012 | | | Total |
|---|------------------|-------------------|----------------|-------------------|
| | Level 1 | Level 2 | Level 3 | |
|(Rupees in '000)..... | | | | |
| At fair value through profit or loss | | | | |
| Open end mutual funds | - | 683,696 | - | 683,696 |
| Term finance certificates | - | 244,612 | - | 244,612 |
| Listed equity securities | 515,912 | - | - | 515,912 |
| Government securities | - | 6,809,319 | - | 6,809,319 |
| Available for sale investments | | | | |
| Open end mutual funds | - | 1,166,400 | - | 1,166,400 |
| Close end mutual funds | - | 367,342 | - | 367,342 |
| Equity securities | 8,773,781 | - | 122,500 | 8,896,281 |
| Sukuk and term finance certificates | - | 4,411,717 | 126,943 | 4,538,660 |
| Government securities | - | 12,356,496 | - | 12,356,496 |
| | 9,289,693 | 26,039,582 | 249,443 | 35,578,718 |

18. DATE OF AUTHORISATION ■

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 25, 2012.

19. GENERAL ■

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive



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