



Jahangir Siddiqui & Co.Ltd.

QUARTERLY REPORT

SEPTEMBER 30, 2013

(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 - Non-Executive Director - Independent Non-Executive Director - Non-Executive Director - Non-Executive Director - Non-Executive Director - Non-Executive Director - Non-Executive Chief Executive Officer
Company Secretary	Naveed Khimani	
Chief Financial Officer	Hasan Shahid	
Audit Committee	Chief Justice (R) Mahboob Ahmed Ali J. Siddiqui Ali Hussain Naveed Khimani	Chairman Member Member Secretary
Executive Committee	Chief Justice (R) Mahboob Ahmed Ali J. Siddiqui Suleman Lalani	
Human Resource & Remuneration Committee	Mazharul Haq Siddiqui Chief Justice (R) Mahboob Ahmed Suleman Lalani	Chairman Member Member
External Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants	
Internal Auditors	Anjum Asim Shahid Rahman Chartered Accountants	
Legal Advisors	Bawaney & Partners	
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 UAN: (+92-21) 111-574-111 Phone: (+92-21) 32799005 Fax: (+92-21) 32800090	
Website	www.js.com	

JAHANGIR SIDDIQUI & CO. LTD.

CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the nine month and quarter ended September 30, 2013. I am pleased to present, on behalf of the board, the report on the performance of your Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Economic Review

Pakistan's economy continued to face challenges over January-September 2013 (9M2013). With limited improvement in the energy shortage scenario, GDP growth for FY13 clocked in at 3.6%, below the government's target of 4.3%. Likewise, the fiscal account remained strained in the first six months of the period under review where FY13 Fiscal Deficit clocked in at 8.2% of GDP vis-à-vis 4.7% target. With ongoing hefty repayments to the International Monetary Fund (IMF), the external account was also an area of concern. Current Account Deficit was moderate in the period under review, given relatively calm international oil prices and soft import demand in a slow growth environment. FY13 current account deficit was reported at US\$ 2.3 billion (~1.0% of GDP) and July-August 2013 current account deficit clocked in at US\$ 632 million (or ~0.2% of GDP). That said, with hefty debt repayments to the IMF ongoing, the overall Balance of Payments remained under pressure resulting in depletion of Foreign Exchange (FX) Reserves and Pak Rupee weakness. Pakistan's foreign exchange reserves have declined from US\$ 13.86 billion as of 31 December, 2012 to US\$ 9.92 billion as on 30 September, 2013. Meanwhile the Pak Rupee has depreciated by 9.2% vs. the US Dollar over January-September 2013, where the lion's share of currency weakness was witnessed over July-September 2013 (-6.5% vs. US Dollar). Meanwhile two key developments on the macro-economic front were witnessed in September 2013:

- (1) In a much awaited development, the IMF approved a 3-year loan program for Pakistan, equaling US\$ 6.64 billion. With an upfront disbursement of US\$ 550 million, the program targets (1) averting an immediate Balance of Payments crisis and building Central Bank foreign exchange reserves; (2) paring the fiscal deficit by lifting tax-to-GDP; (3) undertaking comprehensive structural reforms, including fiscal and energy sector reforms as well as the re-structuring of problematic Public Sector Entities (PSEs).
- (2) After a monetary easing cycle that lasted 25 months and delivered 500 basis points worth of rate cuts, the State Bank of Pakistan shifted to a monetary tightening stance and raised the Discount Rate by 50 basis points in its September 2013 Monetary Policy Statement.

Stock Market Review

The Karachi Stock Exchange (KSE) posted strong returns in the 9-month period under review, where the benchmark KSE-100 Index rose by 29.2% over January-September 2013,

JAHANGIR SIDDIQUI & CO. LTD.

CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

beating the region's average return of 4.8% for the same period. This has resulted in the KSE-100 outperforming regional markets by 24.4% in 9M2013. Trading volumes at the local bourse also showed an improvement, where Average Daily Turnover at the KSE rose to 153 million shares over January-September 2013, as against Average Daily Turnover of 112 million shares in the corresponding period last year. Overall, in the period under review, Net Foreign Portfolio Investment (FPI) at the KSE rose to US\$ 316 million, well above the Net FPI of US\$ 132 million reported in the corresponding period last year. That said, the 9-month period under review was a tale of two halves; where market buoyancy seen over January-June 2013 was not replicated in the July-September 2013 period.

Brief Review of Results

Your Company has reported an after tax profit of PKR 161.077 million for the nine month period ended September 30, 2013. Overall revenue for the nine month has declined to PKR 519.573 million as compared to PKR 620.667 million last year comparative period. The major reason for decline in revenue is reductions on return on investments during the nine month ended September 30, 2013 which is PKR 371.992 million as compared to PKR 530.031 million in the corresponding period last year. The operating and administrative expenses for the period under review remain approximately stable to comparative period last year. Finance cost for the period under review has decreased to PKR 151.314 million from PKR 220.464 million in the last year comparative period.

The basic and diluted earnings per share is PKR 0.21 for the nine month period ended September 30, 2013.

Consolidated Financial Statements

In the consolidated financial statements the Company has reported a net profit of PKR 1,052.450 million for the nine month period ended September 30, 2013 as compared to a net profit of PKR 1,516.506 million for the comparative period last year.

The revenues from continuing operations have improved by 12.9% over the comparative period last year primarily on account of increase in return on investments. However, the total operating, administrative and finance cost have increased by 26.3%.

The basic and diluted earnings per share from continuing operations is PKR 0.57 for the nine month period ended September 30, 2013.

JAHANGIR SIDDIQUI & CO. LTD.

CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Credit Rating

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

Future Outlook

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

Acknowledgement

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

For and on behalf of the Board of Directors

Mazharul Haq Siddiqui
Chairman
Karachi: October 29, 2013

**CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2013

		September 30, December 31,	
	Note	2013	2012
		(Un-audited)	(Audited)
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	5	8,595	8,756
Investment property		2,622	3,191
Trading right entitlement certificates	6	28	11,201
Long term investments	7	10,489,317	11,451,896
Long term loans		2,168	2,228
Long term security deposits		704	1,674
		10,503,434	11,478,946
Current Assets			
Loans and advances	8	400,894	100,463
Prepayments, interest accrued and other receivables		14,934	16,274
Short term investments	9	1,073,895	1,846,364
Taxation - net		354,003	347,670
Cash and bank balances		1,428,122	2,629,053
		3,271,848	4,939,824
Non-current assets held for sale	10	-	-
		3,271,848	4,939,824
		13,775,282	16,418,770
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		4,777,916	5,989,508
		12,410,769	13,622,361
Non-Current Liability			
Long term financing		620,209	855,370
Current Liabilities			
Trade and other payables		194,814	79,577
Accrued interest / mark-up on borrowings		54,926	109,728
Current portion of long term financing		494,564	1,751,734
		744,304	1,941,039
Contingencies and Commitment	11		
		13,775,282	16,418,770

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
(Rupees in '000)					
INCOME					
Return on investments		371,992	530,031	62,204	61,713
Gain on sale of investment - net		10,746	(221)	212	4
Income from long-term loans and fund placements		112,106	15,252	33,530	2,817
Other income		24,695	75,605	8,618	9,033
Gain on revaluation of investments carried at fair value through profit or loss account - net		34	-	34	-
		519,573	620,667	104,598	73,567
EXPENDITURE					
Operating and administrative expenses		81,403	78,092	25,920	25,273
Finance cost		151,314	220,464	35,663	68,536
Provision for Workers' Welfare Fund	12	58,031	-	700	-
Provision for / (reversal of) impairment against investments - net		38,162	(351,761)	8,061	137
		328,910	(53,205)	70,344	93,946
PROFIT / (LOSS) BEFORE TAXATION					
		190,663	673,872	34,254	(20,379)
Taxation					
Current		29,586	-	5,092	-
Prior		-	-	-	-
		29,586	-	5,092	-
NET PROFIT / (LOSS) FOR THE PERIOD					
		161,077	673,872	29,162	(20,379)
(Rupees)					
EARNINGS / (LOSS) PER SHARE					
	13				
Basic and diluted		0.21	0.88	0.04	(0.03)

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Nine Months Ended		Quarter Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	2013	2012	2013	2012
	(Rupees in '000)			
NET PROFIT / (LOSS) FOR THE PERIOD	161,077	673,872	29,162	(20,379)
OTHER COMPREHENSIVE (LOSS) / INCOME:				
Items that will not be reclassified to profit and loss	-	-	-	-
Items that may be reclassified subsequently to profit and loss				
Net (loss) / gain on revaluation of available for sale investments during the period	(791,186)	3,843,736	(376,619)	(3,401)
(Gain) / loss realized on disposal of investments - net	(9,019)	(324)	(121)	-
Total items that may be reclassified subsequently to profit and loss	(800,205)	3,843,412	(376,740)	(3,401)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(639,128)	4,517,284	(347,578)	(23,780)

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(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 investments - net		
(Rupees in '000)							
Balance as at January 1, 2012	7,632,853	4,497,894	10,000,000	(14,141,283)	654,360	1,010,971	8,643,824
Total comprehensive income for the nine month period							
Net profit for the period	-	-	-	673,872	-	673,872	673,872
Other comprehensive income							
Total items that may be reclassified subsequently to profit and loss account	-	-	-	-	3,843,412	3,843,412	3,843,412
	-	-	-	673,872	3,843,412	4,517,284	4,517,284
Appropriation during the period:							
Transfer from general reserve	-	-	(10,000,000)	10,000,000	-	-	-
Balance as at September 30, 2012	<u>7,632,853</u>	<u>4,497,894</u>	<u>-</u>	<u>(3,467,411)</u>	<u>4,497,772</u>	<u>5,528,255</u>	<u>13,161,108</u>
Balance as at January 1, 2013	7,632,853	4,497,894	-	(1,488,444)	2,980,058	5,989,508	13,622,361
Total comprehensive income for the nine month period							
Net profit for the period	-	-	-	161,077	-	161,077	161,077
Other comprehensive loss							
Total items that may be reclassified subsequently to profit and loss account	-	-	-	-	(800,205)	(800,205)	(800,205)
	-	-	-	161,077	(800,205)	(639,128)	(639,128)
Transaction with owners:							
Final dividend @ Re. 0.75 per ordinary share for the eighteen months period ended December 31, 2012	-	-	-	(572,464)	-	(572,464)	(572,464)
Balance as at September 30, 2013	<u>7,632,853</u>	<u>4,497,894</u>	<u>-</u>	<u>(1,899,831)</u>	<u>2,179,853</u>	<u>4,777,916</u>	<u>12,410,769</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

September 30, September 30,

	Note	2013	2012
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		190,663	673,872
Adjustment for non cash charges and other items:			
Depreciation		2,612	2,229
Gain on sale of property and equipment		(176)	(3,121)
Amortisation of transaction costs on term finance certificates		4,867	1,326
Gain on revaluation of investments carried at fair value through profit or loss - net		(34)	-
Provision for / (reversal of) impairment against investments - net		38,162	(351,761)
Liability written back		-	(50,000)
Finance cost		146,447	219,138
		191,878	(182,189)
Operating profit before working capital changes		382,541	491,683
Decrease / (increase) in operating assets:			
Loans and advances		(400,431)	46
Prepayments, accrued mark-up and other receivables		1,340	(1,419)
Short term investments		1,007,888	(946,402)
Long term loans, advance and security deposits		1,030	(1,094)
		609,827	(948,869)
Increase in trade and other payables		107,404	95
Net cash generated from / (used in) operations		1,099,772	(457,091)
Mark-up paid		(201,249)	(255,671)
Taxes paid- net		(35,919)	(49,782)
Dividend paid		(564,631)	(13)
Net cash generated from / (used in) operating activities		297,973	(762,557)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,882)	(893)
Proceeds from sale of property and equipment		176	3,508
Investments sold - net of acquired		-	143,408
Net cash (used in) / generated from investing activities		(1,706)	146,023
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates - net		(1,497,198)	(54,207)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,200,931)	(670,741)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,629,053	699,197
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14	1,428,122	28,456

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(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 Limited. The Company is also a Trading Right Entitlement Certificate holder of Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited. The registered office of the Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

2. BASIS OF PREPARATION

2.1 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 Karachi Stock Exchange Limited.

2.2 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 eighteen month period ended December 31, 2012.

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

2.4 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 eighteen month period ended December 31, 2012.

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. 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 eighteen month period ended December 31, 2012.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)



	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
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5. PROPERTY AND EQUIPMENT

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

Additions – cost		
Office equipment	164	200
Motor vehicles	1,718	2,451
	<u>1,882</u>	<u>2,651</u>
Disposals – cost		
Office equipment	-	798
Motor vehicles	879	11,815
	<u>879</u>	<u>12,613</u>

	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
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6. TRADING RIGHT ENTITLEMENT CERTIFICATES

Trading rights entitlement certificates:			
- Karachi Stock Exchange Limited		27	100
- Islamabad Stock Exchange Limited		1	11,101
	6.1	<u>28</u>	<u>11,201</u>

6.1 These represent Trading Right Entitlement Certificates (TRECs) received from Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE and ISE after completion of the demutualisation process. The TRECs have been recorded at Rs. 28,000 (for details please refer note 7.4.1 and 7.4.2).

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
7. LONG TERM INVESTMENTS			
Investments in related parties			
Investment in subsidiaries	7.1	5,561,616	5,634,194
Investment in associate	7.2	-	101,150
Other related parties - Available for sale	7.3	4,769,628	5,563,621
		10,331,244	11,298,965
Other investments	7.4	158,073	152,931
		10,489,317	11,451,896

7.1 Investment in subsidiaries - at cost

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

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
September 30, 2013	December 31, 2012		September 30, 2013 %	December 31, 2012 %	September 30, 2013 (Rupees in '000)	December 31, 2012	
Quoted							
755,245,007*	755,245,007	JS Bank Limited Market value Rs. 3,285.32 (December 31, 2012: Rs. 4,433.40) million	Commercial Banking	70.42	70.42	4,673,400	4,673,400
Un-quoted							
73,736,250	73,736,250	JS Infocom Limited Net assets value Rs. 395.82 (December 31, 2012: Rs. 462.45) million based on un-audited financial statements for the period ended September 30, 2013 Less: Impairment	Telecom Media & Technology	100.00	100.00	708,490	708,490
						(312,673)	(246,037)
						395,817	462,453
10,000	10,000	JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs. 21.17 (September 30, 2012: Rs. 24.78) million based on un-audited financial statements for the period ended June 30, 2013 Less: Impairment	Investment services	100.00	100.00	294,882	294,882
						(294,882)	(294,882)
						-	-
63,000,000	63,000,000	Energy Infrastructure Holding (Private) Limited Net assets value Rs. 492.40 (December 31, 2012: 498.34) million based on un-audited financial statements for the period ended September 30, 2013 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000	630,000
						(137,601)	(131,659)
						492,399	498,341
						5,561,616	5,634,194

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

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

7.2 Investment in associate - at cost

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

Number of shares		Note	Activity	Holding		(Un-audited)		(Audited)	
September 30, 2013	December 31, 2012			September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
						(Rupees in '000)			
Quoted									
-	11,238,812	9.1	Closed end mutual fund	-	9.48	-	-	135,566	-
		JS Value Fund Limited						-	
		Net asset value Nil						(34,416)	
		(December 31, 2012: Rs. 101.15) million						101,150	
		Less: Impairment						-	
								101,150	

7.3 Other related parties

Available for sale

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

Number of shares		Activity	Holding		(Un-audited)		(Audited)		
September 30, 2013	December 31, 2012		September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	
						(Rupees in '000)			
Quoted - at fair value									
7,000,000	7,000,000	Hum Network Limited	Television Network	14.00	14.00	400,540	184,800		
111,256,116*	111,256,116	BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	668,649	1,024,669		
20,299,455	20,299,455	EFU General Insurance Limited	General Insurance	16.24	16.24	1,603,657	1,735,604		
20,047,708	17,040,552	EFU Life Assurance Limited	Life Assurance	20.05	20.05	1,382,089	1,588,691		
112,157,863	112,157,863	Azgard Nine Limited	Textile Composite	24.96	24.96	592,193	907,357		
Un-quoted - at cost									
750,000	750,000	EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500		
11,500,000	11,500,000	Pakistan International Bulk Terminal Limited	Bulk Terminal	21.07	21.07	115,000	115,000		
						4,769,628	5,563,621		

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

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

7.4 Other investments

Available for sale

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

Number of shares		Note	(Un-audited)	(Audited)
September 30, 2013	December 31, 2012		September 30, 2013	December 31, 2012
(Rupees in '000)				
<u>Quoted - at fair value</u>				
7,897,860	7,179,873		146,900	152,931
<u>Un-quoted - at cost</u>				
4,007,383	-	7.4.1	73	-
3,034,603	-	7.4.2	11,100	-
			<u>158,073</u>	<u>152,931</u>

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

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

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

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

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

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

Therefore, based on the above estimates of fair values of KSE shares (Rs. 40 million) and TREC (Rs. 15 million), the Company has allocated its carrying value of the membership card in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs. 73,000 and TREC at Rs. 27,000.

7.4.2 These represent shares received from Islamabad Stock Exchange (ISE) pursuant to similar demutualization process as mentioned in note 7.4.1 relating to KSE because no reasonable basis has yet been finalized, the management has recorded TREC at token value of Rs. 1,000 whereas the remaining amount (Rs. 11.099 million) has been allocated to shares.

8. Included herein is a sum of Rs. 400.00 million paid to Pakistan International Bulk Terminal Limited (PIBT) as advance against its future rights issue call of 500,000,000 ordinary shares of Rs. 10/- each.

	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
9. SHORT TERM INVESTMENTS			
Financial assets at fair value through profit or loss			
Listed equity securities		87,488	-
Available for sale - at fair value			
Listed equity securities		9,655	-
Government securities - Treasury Bills		638,316	1,644,314
Mutual funds - open end (at redemption value)			
Related parties	9.1	130,999	202,050
Others		207,437	-
		986,407	1,846,364
		1,073,895	1,846,364

9.1 Included herein is investment in 1,123,881.20 units valuing Rs. 131.606 million (December 31, 2012: Nil) of JS Value Fund (JSVF), an open end fund managed by JS Investments Limited (a sub-subsidiary of the Company). The investment is JSVF was previously classified as investment in associates, however, subsequent to the conversion of the fund to an open ended fund on June 28, 2013, the investment was classified to available-for-sale category.

10. NON-CURRENT ASSETS HELD FOR SALE

Investment in a subsidiary:			
- Credit Chex (Private) Limited	10.1	189,500	189,500
Less: Impairment		(189,500)	(189,500)
		-	-

10.1 The Board of Directors of the Company in their meeting held on August 30, 2012 have approved to dispose of entire investment in Credit Chex (Private) Limited - a subsidiary of the Company. Accordingly, on December 24, 2012, the Company entered into a share purchase agreement with LoanLink International (BVI) Limited to sell 1,895,000 shares of Credit Chex (Private) Limited subject to completion of necessary regulatory formalities.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

11. CONTINGENCIES AND COMMITMENT

11.1 Contingencies

11.1.1 The Additional Commissioner of Inland Revenue – Audit Division (ACIR) issued orders under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax years 2008 and 2009. According to the orders, the ACIR raised tax liability of Rs. 217.14 million in respect of the above mentioned tax years. Such additions were made mainly because income was classified under different heads instead of treating income from all sources as business income. Accordingly, expenses were apportioned under section 67 of the Ordinance read with Rule 13 of Income Tax Rules, 2002. The Company filed appeals against the above orders before the Commissioner Inland Revenue – Appeals (CIR-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 CIR-Appeals eliminating the tax liability restored the return versions for the above tax years. The tax department filed appeals to the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals. The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in income tax refund of Rs. 11.02 million. Rectification applications have been filed with ACIR to allow appeal effect in accordance with the order passed by the ATIR.

The management, based on its discussions with its tax advisors, is confident that the rectifications applied for in respect of appeal effect orders for tax years 2008 and 2009 will eventually be allowed in favor of the Company. Hence, no provision for liability has been made in this condensed interim financial information.

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

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

11.1.3 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. The Company filed application for rectification in the order on various grounds including credit for tax of Rs. 54.10 million not allowed by the ACIR against which rectification order under section 221 of the Ordinance was issued according to which the tax demand was reduced to Rs. 9.64 million after accounting for the tax credit. Further, the Company has also filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals). The CIR-Appeals has confirmed the order of ACIR. As a result of the aforesaid order of CIR-Appeals, the Company has filed an Appeal before the Appellate Tribunal Inland Revenue (ATIR).

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

The management, based on its discussions with its tax advisors, is confident that the subject matter in respect of tax year 2010 will eventually be decided in favor of the Company. Hence, no provision for liability has been made in this condensed interim financial information.

- 11.1.4** Citibank Overseas Investment Corporation (COIC) had on February 1, 1999 entered into an agreement to sell 6.00 million shares of Jahangir Siddiqui Investment Bank Limited, now merged into JS Bank Limited, (JSIBL) [formerly Citicorp Investment Bank Limited] to the Company. In that agreement it was agreed by the parties that the purchase consideration of Rs.123.90 million (representing 6.00 million shares at the rate of Rs. 20.65 per share) would be adjusted to the extent of 70.00% if there is any subsequent reduction in total disputed tax liability as of December 31, 1998 amounting to Rs.68.65 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of JSIBL, the Company would pay to the COIC the above amount to the extent of 70.00% which would be adjusted against the purchase consideration for the investment in JSIBL. It should be noted that even if the matter is decided in favour of JSIBL, the matter is most likely to be referred to a higher forum.

	September 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	..... (Rupees in '000)	
11.2 Commitment		
Commitment in respect of Future sale transaction of equity securities	<u>92,478</u>	<u>-</u>

12. WORKERS' WELFARE FUND

This represents provision for Workers Welfare Fund (WWF) of Rs. 58.031 million at the rate of 2% of the profit before taxation for the period from January 1, 2012 to September 30, 2013. During the period, on March 1, 2013, the Honorable Sindh High Court (SHC) pronounced the verdict holding WWF a "tax" rather than "fee". Previously, the Honorable High Court of Lahore, in a separate Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and 2008 declared the said amendments as unlawful and unconstitutional. However, the decision of the SHC resulted in the applicability of aforesaid amendments.

	Nine Months Ended		Quarter Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	..... (Un-audited)			
	..... (Rupees in '000)			
13. BASIC AND DILUTED EARNINGS PER SHARE				
Profit / (loss) after taxation attributable to Ordinary shareholders	<u>161,077</u>	<u>673,872</u>	<u>29,162</u>	<u>(20,379)</u>
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>
Earnings / (loss) per share:	..... (Rupees)			
- Basic and diluted	<u>0.21</u>	<u>0.88</u>	<u>0.04</u>	<u>(0.03)</u>

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)



	September 30, 2 0 1 3	September 30, 2 0 1 2
	..... (Un-audited)	
	..... (Rupees in '000)	
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>1,428,122</u>	<u>28,456</u>

15. 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 period ended September 30, 2013 are as follows:

	September 30, 2 0 1 3	September 30, 2 0 1 2
	..... (Un-audited)	
	..... (Rupees in '000)	
TRANSACTIONS		
Direct and indirect subsidiaries		
Dividend income	66,363	-
Brokerage expense	271	150
Purchase of government securities	2,240,275	-
Rent income	25,310	25,038
Market maker fee paid	450	-
Interest / markup paid	6,396	-
Principal redemptions made against TFCs	13,375	-
Profit received on fund placements and deposit accounts	96,121	13,769
Advance against issuance of term finance certificates	-	92,000
Bank charges paid	5	-
Reimbursement of expenses by the Company	200	-
Reimbursement of expenses to the Company	11,627	-
Associate		
Dividend income	29,221	-
Units issued on conversion to open end fund (No. of units)	1,123,881	-

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)



	September 30, 2013 (Un-audited)	September 30, 2012 (Rupees in '000)
Companies having common directorship		
Dividend income	-	7,000
Reimbursement of expenses to the Company	205	-
Other Related Parties		
Dividend paid	346,197	-
Dividend income	199,731	186,887
Contributions to Staff Provident Fund	2,214	2,526
Interest / markup paid	10,404	9,541
Principal redemptions made against TFCs	56,039	45,580
Insurance premium paid	1,234	590
Proceeds against insurance claim / cancellation	72	61
Royalty paid	7,425	7,425
Advisory fee paid	4,500	4,500
Investments during the period	100,000	-
Disinvestments during the period	309,086	-
Advance against future rights call	400,000	-
Units purchased during the period (No. of Units)	975,277	-
Units Sold during the period (No. of Units)	3,018,653	-
Bonus shares received during the period (No. of Shares)	3,007,156	-
Bonus units received during the period (No. of Units)	65,013	-
Key Management Personnel		
Remuneration to Chief Executive Officer	6,725	7,474
Advisory fee to Director	4,500	4,500
Dividend paid to Directors	3,742	-
Remuneration to Executives	5,232	7,309
Interest on long term loans to executives	223	132
Loan and advances disbursed during the peirod	760	2,500
Loan and advances repayments from executives	410	1,517
Proceeds from sale of vehicle	176	1,519

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)



	September 30, 2 0 1 3 (Un-audited) (Rupees in '000)	December 31, 2 0 1 2 (Audited)
BALANCES		
Direct and indirect subsidiaries		
Receivable against expenses incurred on their behalf	1,924	291
Cash at bank accounts	1,424,855	1,984,899
Profit receivable on deposit accounts	12,080	910
Payable against purchase of equity securities - net	39,746	-
Outstanding principal of TFCs issued by the Company	464	107,000
Markup payable on TFCs issued by the Company	9,188	2,210
Companies having common directorship		
Receivable against expenses incurred on their behalf	-	140
Other Related Parties		
Outstanding principal of TFCs issued by the Company	91,875	247,914
Markup payable on TFCs issued by the Company	4,644	7,126
Key Management Personnel		
Loans and advances receivable	2,752	2,402

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on October 29, 2013.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

**CONDENSED
INTERIM
CONSOLIDATED
FINANCIAL
STATEMENTS**

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2013

		September 30, December 31,	
	Note	2013	2012
		(Un-audited)	(Audited) * Restated
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	2,056,791	1,798,330
Intangible assets		1,259,293	1,258,223
Investment property		2,622	3,191
Trading right entitlement certificates and membership card	7	10,756	48,201
Long term investments	8	5,261,537	6,267,619
Long term loans, advances and other receivables		2,259,857	847,294
Long term deposits		12,542	16,513
Deferred taxation		1,150,866	869,588
		12,014,264	11,108,959
Current Assets			
Short term investments	9	47,069,321	50,118,587
Trade debts - unsecured		1,203,138	564,756
Loans and advances		22,749,604	19,080,993
Accrued markup		977,503	720,352
Deposits, prepayments and other receivables		815,417	603,981
Fund placements		6,157,092	3,940,958
Taxation - net		471,940	525,620
Cash and bank balances		7,523,557	6,934,808
		86,967,572	82,490,055
Assets classified as held for sale	10	3,889	3,788
		86,971,461	82,493,843
		98,985,725	93,602,802
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		7,632,853	7,632,853
Reserves		5,731,277	7,099,634
Equity attributable to equity holders' of the parent		13,364,130	14,732,487
Non-controlling interests		5,053,176	4,893,334
Total equity		18,417,306	19,625,821
Non-Current Liabilities			
Long term financing		614,771	827,908
Deposits and other accounts		131,216	28,521
Defined benefit plan		6,965	11,358
		752,952	867,787
Current Liabilities			
Trade and other payables		3,174,184	1,871,850
Accrued interest / mark-up on borrowings		490,652	574,995
Short term borrowings		3,181,771	8,811,882
Current portion of non-current liabilities	11	72,892,032	61,775,288
		79,738,639	73,034,015
Liabilities directly associated with assets classified as held for sale	10	76,828	75,179
		79,815,467	73,109,194
Contingencies and Commitments	12	98,985,725	93,602,802

* Change in accounting policy as disclosed in note 3.

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

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		* Restated		* Restated	
(Rupees in '000)					
CONTINUING OPERATIONS					
Income					
Return on investments		3,513,007	2,989,442	1,107,337	1,091,897
Gain on sale of investments - net		867,280	774,749	502,384	486,135
Income from long term loans and fund placements		2,208,306	1,951,697	883,621	658,871
Fee, commission and brokerage		904,117	804,464	293,071	294,274
Other income		284,293	267,579	92,129	49,231
Gain on revaluation of investments carried at fair value through profit and loss - net		19,790	116,733	(8,618)	(1,117)
		<u>7,796,793</u>	<u>6,904,664</u>	<u>2,869,924</u>	<u>2,579,291</u>
Expenditure					
Operating and administrative expenses		3,143,643	2,346,664	1,262,375	867,048
Finance cost		3,401,799	2,835,898	1,033,022	1,040,905
Provision for workers' welfare fund	13	93,437	-	17,944	-
(Reversal of) / provision for impairment against investments - net		(22,246)	27,799	(164,739)	5,478
		<u>6,616,633</u>	<u>5,210,361</u>	<u>2,148,602</u>	<u>1,913,431</u>
		<u>1,180,160</u>	<u>1,694,303</u>	<u>721,322</u>	<u>665,860</u>
Share of profit / (loss) from:					
- associate		107,771	77,045	-	35,484
- joint venture		(379)	(27,697)	(379)	-
		<u>107,392</u>	<u>49,348</u>	<u>(379)</u>	<u>35,484</u>
Profit before taxation from continuing operations					
		<u>1,287,552</u>	<u>1,743,651</u>	<u>720,943</u>	<u>701,344</u>
Taxation					
- Current		205,559	66,289	62,059	14,393
- Prior		-	(50,661)	2,901	-
- Deferred		20,589	192,231	(4,268)	60,333
		<u>226,148</u>	<u>207,859</u>	<u>60,692</u>	<u>74,726</u>
Profit after taxation from continuing operations					
		<u>1,061,404</u>	<u>1,535,792</u>	<u>660,251</u>	<u>626,618</u>
DISCONTINUED OPERATIONS					
Loss after taxation from discontinued operations	17	(8,954)	(19,286)	-	(9,928)
PROFIT AFTER TAXATION FOR THE PERIOD					
		<u>1,052,450</u>	<u>1,516,506</u>	<u>660,251</u>	<u>616,690</u>
Attributable to:					
Equity holders of the parent		426,922	1,089,832	211,805	400,803
Non-controlling interests		625,528	426,674	448,446	215,887
		<u>1,052,450</u>	<u>1,516,506</u>	<u>660,251</u>	<u>616,690</u>
EARNINGS / (LOSS) PER SHARE					
	14	(Rupees)			
Basic and diluted					
Continuing operations		0.57	1.45	0.28	0.53
Discontinued operations		(0.01)	(0.02)	(0.01)	(0.03)
		<u>0.56</u>	<u>1.43</u>	<u>0.27</u>	<u>0.50</u>

* Change in accounting policy as disclosed in note 3.

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

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

	Nine Months Ended		Quarter Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	2013	2012	2013	2012
		* Restated		* Restated
		(Rupees in '000)		
PROFIT FOR THE PERIOD AFTER TAXATION	1,052,450	1,516,506	660,251	616,690
OTHER COMPREHENSIVE (LOSS) / INCOME				
Revaluation of available for sale investments	(1,689,756)	4,059,620	(1,427,154)	197,524
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	1,369	(77,273)	822	(27,476)
Effect if retrospective change in accounting policy as disclosed in note 3	-	(2,546)	-	(849)
Actuarial gains and losses on defined benefit plan	(114)	-	(57)	-
Share of other comprehensive (loss) / income of associates	-	(1)	-	-
	(1,688,501)	3,979,800	(1,426,389)	169,199
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD	(636,051)	5,496,306	(766,138)	785,889
Attributable to:				
Equity holders of the parent	(795,893)	5,019,608	(670,288)	482,330
Non-controlling interest	159,842	476,698	(95,850)	303,559
	(636,051)	5,496,306	(766,138)	785,889

* Change in accounting policy as disclosed in note 3.

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

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)



	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT									
	Ordinary share capital	Reserves					Statutory	Sub-total	NON-CONTROLLING INTERESTS	TOTAL
		Capital	Revenue		Others					
	Ordinary share premium	General	Foreign exchange translation	Unappropriated profit / (accumulated loss)	Unrealised gain on revaluation of available for sale investments - net					
..... (Rupees in '000)										
Balance as at January 1, 2012 - as previously reported	7,632,853	4,497,894	10,000,000	33,302	(13,973,255)	776,456	61,523	9,028,773	4,364,886	13,393,659
Effect of change in accounting policy as disclosed in note 3.	-	-	-	-	9,871	-	(50)	9,821	4,125	13,946
Balance as at January 1, 2012 - restated	7,632,853	4,497,894	10,000,000	33,302	(13,963,384)	776,456	61,473	9,038,594	4,369,011	13,407,605
Profit for the period	-	-	-	-	1,089,832	-	-	1,089,832	426,674	1,516,506
Other comprehensive income / (loss)	-	-	-	(77,273)	-	4,006,971	-	3,929,698	50,103	3,979,801
Transfer from statutory reserve	-	-	-	-	(101,692)	-	101,692	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(50)	(50)	50	-
Transfer to general reserve	-	-	(10,000,000)	-	10,000,000	-	-	-	-	-
Balance as at September 30, 2012 - restated	<u>7,632,853</u>	<u>4,497,894</u>	<u>-</u>	<u>(43,971)</u>	<u>(2,975,244)</u>	<u>4,783,427</u>	<u>163,115</u>	<u>14,058,074</u>	<u>4,845,838</u>	<u>18,903,912</u>
Balance as at January 1, 2013 - Restated	7,632,853	4,497,894	-	55,017	(1,048,853)	3,437,010	158,566	14,732,487	4,893,334	19,625,821
Profit for the period	-	-	-	-	426,922	-	-	426,922	625,528	1,052,450
Other comprehensive loss	-	-	-	1,369	-	(1,224,184)	-	(1,222,815)	(465,686)	(1,688,501)
Appropriation for the eighteen month period ended December 31, 2012:										
- Dividend @ Re. 0.75 per ordinary share	-	-	-	-	(572,464)	-	-	(572,464)	-	(572,464)
Appropriation during the period:										
- Transfer from statutory reserve	-	-	-	-	(40,028)	-	40,028	-	-	-
Balance as at September 30, 2013	<u>7,632,853</u>	<u>4,497,894</u>	<u>-</u>	<u>56,386</u>	<u>(1,234,423)</u>	<u>2,212,826</u>	<u>198,594</u>	<u>13,364,130</u>	<u>5,053,176</u>	<u>18,417,306</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

JAHANGIR SIDDIQUI & CO. LTD.

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

September 30, September 30,

	Note	2013	2012
			* Restated
			(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		1,287,552	1,743,651
Loss before taxation from discontinued operations		(8,941)	(19,286)
Profit for the period before taxation		1,278,611	1,724,365
Adjustments for non cash charges and other items:			
Depreciation		216,724	189,338
Amortisation on intangible assets		15,560	15,379
Amortisation of transaction cost on term finance certificates		4,867	1,326
Profit on sale of property and equipment		(41,033)	(33,861)
Provision for doubtful debts, loans and advances		347,538	-
Share of profit from associate and joint venture		(107,392)	(49,348)
Reversal of charge for defined benefit plan		(4,393)	(44,792)
Liabilities no longer payable written back		-	(50,000)
(Reversal of) / provision for impairment against investments - net		(22,246)	27,800
Gain on revaluation of investments carried at fair value through profit or loss - net		(19,790)	(116,733)
Finance cost		3,396,957	2,834,740
		3,786,792	2,773,849
Operating profit before working capital changes (Increase) / decrease in operating assets :		5,065,403	4,498,214
Short term investments		2,253,852	(18,851,228)
Trade debts		(638,382)	(310,486)
Loans and advances		(4,016,149)	1,728,172
Long term loans, advances, deposits and other receivables		(1,408,592)	(2,187,031)
Fund placements		(2,216,134)	2,309,735
Deposits, prepayments, accrued mark-up and other receivables		(468,688)	(4,156)
		(6,494,093)	(17,314,994)
Increase in operating liabilities:			
Trade and other payables		1,296,234	(196,185)
Deposits and other accounts		12,511,831	13,633,136
Net cash generated from operations		12,379,375	620,171
Interest / mark-up paid		(3,481,300)	(2,677,603)
Taxes paid		(151,892)	(99,855)
Dividend paid		(564,715)	(77,580)
Net cash generated from operating activities		8,181,468	(2,234,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(489,658)	(328,532)
Intangible assets acquired		(16,630)	(6,729)
Proceeds from sale of property and equipment		56,075	52,535
Investments acquired - net of sale		(2,000)	(290,725)
Net cash used in investing activities		(452,213)	(573,451)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates - net of issuance		(1,510,396)	(232,242)
Long term loans - net of repayment		-	6,436
Securities sold under repurchase agreements		(5,884,421)	3,369,556
Net cash (used in) / generated from financing activities		(7,394,817)	3,143,750
NET INCREASE IN CASH AND CASH EQUIVALENTS		334,438	335,432
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		5,604,204	3,361,237
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15	5,938,642	3,696,669

* Change in accounting policy as disclosed in note 3.

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

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013
(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 Limited. The Holding Company is also a Trading Right Entitlement Certificate holder of Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Holding Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

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

Subsidiary Companies	Nature of Business	Note	Date of Acquisition /Disposal	Holding (including indirect holding)	
				September 30, 2013	December 31, 2012
JS Bank Limited (JSBL)	Commercial Banking		December 30, 2006	70.42%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager		November 1, 2012	36.79%	36.79%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services		December 21, 2011	35.95%	35.95%
JS Infocom Limited	Telecom, Media and Technology		August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services		July 14, 2005	100.00%	100.00%
JS International LLP (Sub-subsidiary)	Investment Advisory Services		April 11, 2006	100.00%	100.00%
Credit Chex (Private) Limited	Credit Information and Credit Rating Services	10	October 8, 2007	82.84%	82.84%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		November 1, 2012	36.79%	36.79%
Energy Infrastructure Holding (Private) Limited	Power generation		July 07, 2008	100.00%	100.00%

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

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 eighteen month period ended December 31, 2012.

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

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 eighteen month period ended December 31, 2012, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are extracted from the un-audited condensed interim consolidated financial statements for the fifteen months period ended September 30, 2012.

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 eighteen month period ended December 31, 2012, except for change in accounting policy due to adoption of revised IAS 19 "Employee Benefit" with effect from January 1, 2013 and as fully explained in note 3.1 below:

3.1 Change in accounting policy - Staff retirement benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The significant changes are as follows:

a) Unrecognized actuarial gains and losses:

The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net plan asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. Previously, actuarial gains and losses over and above the corridor limit were amortised over the expected average remaining working lives of employees as allowed under the relevant provision of previous IAS 19.

b) Past service cost:

Past service cost (either vested or non-vested) is recognised immediately in the profit and loss as soon as the change in the benefit plans are made. Previously, it was amortised over the expected average lives of employees.

c) Interest cost and expected return on plan assets

The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

d) Presentation of changes in defined benefit obligations and plan assets

Presentation of changes in defined benefit obligations and plan assets will be split into three components:

i) Service cost

recognised in profit or loss and includes current and past service cost as well as gains or losses on settlements.

ii) Net interest

recognised in profit or loss and calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset at the beginning of each reporting period.

iii) Re-measurement

recognised in other comprehensive income and comprises actuarial gains and losses on the defined benefit obligation, the excess of the actual return on plan assets over the change in plan assets due to the passage of time and the changes, if any, due to the impact of the asset ceiling. As a result, the profit or loss will no longer include an expected return on plan assets; instead, imputed finance income is calculated on the plan assets and is recognised as part of the net interest cost in profit or loss. Any actual return above or below the imputed finance income on plan assets is recognised as part of re-measurement in other comprehensive income.

3.2 Revised accounting policy of staff retirement benefits is as follows:

3.2.1 Defined benefit plans

JS Bank Limited (a subsidiary of the Holding Company) operates an approved funded gratuity scheme covering all its eligible employees, which requires contribution to be made in accordance with the actuarial recommendations. An actuarial valuation of defined benefit scheme is conducted at the end of every year or any significant change occur. The most recent valuation in this regard was carried out as at June 30, 2013, using the projected unit credit actuarial valuation method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Actuarial gains and losses are recognised immediately in other comprehensive income. Past-service costs are recognised immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

3.3 Effects of change in accounting policy

With effect from January 1, 2013, IAS 19 revised has become effective. The change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard - 8 Accounting Policies, Changes in Accounting Estimates 'and Errors'. Accordingly the opening equity has been adjusted and cost related to past service has not deferred. Cost deferred in the past has been recognised retrospectively so that the profit and loss account for the current period reflects values related to the current period only as if the revised standard had always applied.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

Effect of retrospective application of change in accounting policy are as follows:

	December 31, 2012 (Audited)		
	As previously reported	Effect of Re-statement	As Restated
	..... (Rupees in '000)		
Effect on balance Sheet			
Decrease in defined benefit plan	22,967	(11,609)	11,358
Increase in reserves	11,981,359	11,609	11,992,968
Prior to January 01, 2012			
	As previously reported	Effect of Re-statement	As Restated
	..... (Rupees in '000)		
Effect on balance Sheet			
Decrease in defined benefit plan	78,946	(13,946)	65,000
Increase in reserves	5,760,806	13,946	5,774,752
Effect on profit and loss account			
Net increase/ (decrease) in profit after tax due to amortisation of actuarial gains and losses recognised in other comprehensive income	(167)	(500)	(354)
Increase / (decrease) in profit after tax due to recognition of past service cost immediately	(94)	(283)	-
Increase / (decrease) in profit after tax due to increase in expected return on plan assets	656	1,969	-
Increase / (decrease) in profit after tax due to decrease in curtailment gain	(131)	(393)	-
	264	793	(354)

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)



	Nine month ended September 30, 2012		
	As previously reported	Effect of Restatement	As Restated
		(Un-audited)	
		(Rupees in '000)	
Decrease in administrative expenses	2,932,270	(793)	2,931,477

	Quarter ended September 30, 2012	Nine month ended September 30, 2012	Prior to January 01, 2012
	(Un-audited)		Audited
Effect on other comprehensive income	..... (Rupees in '000)		
Amortisation of actuarial gains reclassified to other comprehensive income	-	-	354
Net (expense) / income recognised in other comprehensive income	(849)	(2,546)	12,814
Increase in profit after tax due to recognition of past service cost immediately	-	-	1,132
	(849)	(2,546)	14,300

	Nine month ended September 30, 2012		
	As previously reported	Effect of Restatement	As Restated
		(Un-audited)	
		(Rupees in '000)	
Decrease in other comprehensive income	-	(2,546)	(2,546)

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

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 eighteen month period ended December 31, 2012.

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 eighteen month period ended December 31, 2012.

6. PROPERTY AND EQUIPMENT

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

	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Additions - cost		
Owned:		
- Office premises - leasehold	45,416	12,341
- Leasehold improvements	-	22,578
- Office equipment	203,831	184,768
- Office furniture and fixtures	26,044	47,438
- Motor vehicles	120,990	207,304
	396,281	474,429
Disposals - cost		
- Office premises - leasehold	-	50
- Leasehold improvements	2,285	174
- Office equipment	6,578	9,231
- Office furniture and fixtures	-	698
- Motor vehicles	62,070	95,892
	70,933	106,045

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)



	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
7. TRADING RIGHT ENTITLEMENT CERTIFICATES AND MEMBERSHIP CARD			
Trading right entitlement certificates			
Karachi Stock Exchange Limited	7.1	5,754	21,100
Islamabad Stock Exchange Limited	7.1	2	22,101
		5,756	43,201
Pakistan Mercantile Exchange Limited - Membership card		5,000	5,000
		10,756	48,201

7.1 These represent Trading Right Entitlement Certificates (TRECs) received from Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) by the Holding Company, JS Bank Limited (subsidiary company) and JS Global Capital Limited (a sub-subsidiary company) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. The Company has also received shares of KSE and ISE after completion of the demutualisation process. The TRECs have been recorded at Rs. 5.76 million (for details refer note 8.1).

	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
8. LONG TERM INVESTMENTS			
Related parties:			
- Investment in associates		-	241,124
- Investment in joint venture		1,621	-
- Other related parties - Available for sale		4,769,628	5,563,621
		4,771,249	5,804,745
Other investments:			
- Available for sale	8.1	490,288	462,874
		5,261,537	6,267,619

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

8.1 Included herein are shares received from Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) by the Holding Company, JS Bank Limited (subsidiary company) and JS Global Capital Limited (a sub-subsidiary company) in pursuance of corporatisation and demutualisation of KSE and ISE as public companies limited by shares in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. In addition, the Holding Company, JS Bank Limited and JS Global Capital Limited have also received Trading Right Entitlement Certificates from KSE and ISE.

Accordingly, the Holding Company and JS Global Capital Limited have been allotted total 8,014,766 shares of KSE having face value of Rs. 10/- each. Further, the Holding Company and JS Bank Limited have also been allotted total 6,069,206 shares of ISE having face value of Rs. 10/- each. The face value of shares of KSE and ISE has been determined on the basis of their revalued assets and liabilities and trading right entitlements in respect thereof out of which 40% shares have been received by the above referred companies. The remaining 60% shares are transferred to CDC sub-account in Companies' names under KSE's and ISE's participant IDs with the CDC which will remain blocked until these are divested to strategic investor(s), general public and financial institutions.

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

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

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

Therefore, based on the above estimates of fair values of KSE shares (Rs. 40 million) and TREC (Rs. 15 million) issued to each member of KSE, the Group has allocated its carrying value of the membership card in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs. 15.35 million and TRECs at Rs. 5.75 million.

However, in the absence availability of any estimate of fair value of ISE shares and TREC and no reasonable basis has yet been finalised, the management has recorded TRECs at token value of Rs. 2,000 whereas the remaining amount (Rs. 22.198 million) has been allocated to shares of ISE issued to the Holding Company and JS Bank Limited.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)



	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
9. SHORT TERM INVESTMENTS			
Assets at fair value through profit or loss		23,077,498	4,472,908
Available for sale	9.1	23,991,823	45,645,679
		47,069,321	50,118,587

9.1 Included herein is investment in units of JS Value Fund (JSVF), an open end fund managed by JS Investments Limited (a sub-subsidiary of the Holding Company). The investment in JSVF was previously classified as investment in associates, however, subsequent to the conversion of the fund to an open ended fund from closed end fund on June 28, 2013, the investment was classified to available-for-sale category.

10. DISCONTINUED OPERATION

The Board of Directors of the Holding Company in their meeting held on August 30, 2012 have approved to dispose of entire investment in Credit Chex (Private) Limited - a subsidiary of the Group. Accordingly, on December 24, 2012, the Holding Company entered into a share purchase agreement with LoanLink International (BVI) Limited to sell 1,895,000 shares of Credit Chex (Private) Limited subject to completion of necessary regulatory formalities.

The results of discontinued operations are presented in Segment Information (refer note 17).

	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
11. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing:		
- Term finance certificates	490,814	1,751,734
- Liability against Class A, B & C TFCs	71,648	103,120
Deposits and other accounts	72,329,570	59,920,434
	72,892,032	61,775,288

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

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 eighteen month period ended December 31, 2012 except for the following:

- 12.1.1** The Additional Commissioner of Inland Revenue – Audit Division (ACIR) issued orders to the Holding Company under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax years 2008 and 2009. According to the orders, the ACIR raised tax liability of Rs. 217.14 million in respect of the above mentioned tax years. Such additions were made mainly because income was classified under different heads instead of treating income from all sources as business income. Accordingly, expenses were apportioned under section 67 of the Ordinance read with Rule 13 of Income Tax Rules, 2002. The Holding Company filed appeals against the above orders before the Commissioner Inland Revenue – Appeals (CIR-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 CIR-Appeals eliminating the tax liability restored the return versions for the above tax years. The tax department filed appeals to the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals.

The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Holding Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in income tax refund of Rs. 11.02 million. Rectification applications have been filed with ACIR to allow appeal effect in accordance with the order passed by the ATIR.

The management of the Holding Company, based on its discussions with its tax advisors, is confident that the rectifications applied for in respect of appeal effect orders for tax years 2008 and 2009 will eventually be allowed in favor of the Company. Hence, no provision for liability has been made in this condensed interim financial information.

- 12.1.2** The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has also 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. The Holding Company filed application for rectification in the order on various grounds including credit for tax of Rs. 54.10 million not allowed by the ACIR against which rectification order under section 221 of the Ordinance was issued according to which the tax demand was reduced to Rs. 9.64 million after accounting for the tax credit. Further, the Holding Company has also filed appeal against the above order before the Commissioner Inland Revenue – Appeals (CIR-Appeals). The CIR-Appeals has confirmed the order of ACIR. As a result of the aforesaid order of CIR-Appeals, the Holding Company has filed an Appeal before the Appellate Tribunal Inland Revenue (ATIR).

The management of the Holding Company, based on its discussions with its tax advisors, is confident that the subject matter in respect of tax year 2010 will eventually be decided in favor of the Company. Hence, no provision for liability has been made in this condensed interim financial information.

- 12.1.3** In respect of the appeals filed by JS Investments Limited (JSIL), a sub-subsidiary company, against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and Rs. 66 million respectively, the Commissioner Inland Revenue (CIR) Appeal had 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.

JAHANGIR SIDDIQUI & CO. LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

(UN-AUDITED)

JSIL has filed second appeal in Appellate Tribunal Inland Revenue (ATIR) in respect of disallowances, resulting which, the CIR Appeals rectified the order passed by his predecessor for the Tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted.

Appeal effect of the CIR (Appeals) order in both the years received as a result the demand were reduced at Rs 77.33 and Rs 59.93 million respectively however, the direction of apportionment of expenditure according to actual incurrence of expenditure to the various sources of income was not followed. The company again filed appeals before the CIR (Appeals) against the above orders.

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

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

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

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.

	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
- Government	1,674,422	1,950,045
- Banking companies and other financial institutions	194,100	588,099
- Others	272,994	293,522
	2,141,516	2,831,666

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	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
12.3 Trade related contingent liabilities		
Documentary credits	<u>4,237,516</u>	<u>4,992,746</u>
12.4 Other Contingencies		
Claims not acknowledged as debts	<u>66,913</u>	<u>66,718</u>
12.5 Commitments		
Commitments in respect of:		
Forward exchange contracts:		
- Purchase	<u>3,090,599</u>	<u>2,292,630</u>
- Sale	<u>3,739,450</u>	<u>2,450,968</u>
Forward commitments to extend credit	<u>780,918</u>	<u>604,511</u>
Capital expenditure	<u>243,197</u>	<u>33,149</u>
Bank guarantee	<u>-</u>	<u>400,000</u>
Assets acquired under operating lease / ijarah	<u>2,418</u>	<u>3,720</u>
Future sale transactions of equity securities	<u>300,344</u>	<u>-</u>

13. WORKERS' WELFARE FUND

Included herein is the provision for Workers' Welfare Fund (WWF) of Rs. 58.031 million at the rate of 2% of the profit before taxation of the Holding Company for the period from January 1, 2012 to September 30, 2013. During the period, on March 1, 2013, the Honorable Sindh High Court (SHC) pronounced the verdict holding WWF a "tax" rather than "fee". Previously, the Honorable High Court of Lahore, in a separate Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and 2008 declared the said amendments as unlawful and unconstitutional. However, the decision of the SHC resulted in the applicability of aforesaid amendments.

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	Nine Months Ended		Quarter Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	..... (Un-audited)			
	..... (Rupees in '000)			
14. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE				
Attributable to equity holders' of the parent:				
Profit from continuing operations	434,339	1,105,808	211,805	400,803
Loss after taxation from discontinued operations	(7,417)	(15,976)	(7,417)	(24,937)
Profit after taxation attributable to Ordinary shareholders	426,922	1,089,832	204,388	375,866
	..... (Number in '000)			
Weighted average number of Ordinary shares outstanding during the period	763,285	763,285	763,285	763,285
	..... (Rupees)			
Earnings / (loss) per share:				
Basic and diluted				
Continuing operations	0.57	1.45	0.28	0.53
Discontinued operations	(0.01)	(0.02)	(0.01)	(0.03)
	0.56	1.43	0.27	0.50

September 30, 2013, September 30, 2012
 (Un-audited)
 (Rupees in '000)

15. CASH AND CASH EQUIVALENTS

Cash and bank balances	7,523,557	4,332,486
Short term investments	-	946,713
Short term running finances under mark-up arrangements	(52,005)	(174,157)
Borrowings from banks / NBFCs	(1,532,910)	(1,408,373)
	5,938,642	3,696,669

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16. RELATED PARTY TRANSACTIONS

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

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

	September 30, 2013	September 30, 2012
	..... (Un-audited)	
	..... (Rupees in '000)	
Brokerage and commission expense	6,919	12,322
Purchase of money market instruments	16,452,127	15,498,821
Sale of money market instruments	69,547,499	38,967,713
Purchase of units	200,000	984,675
Sale of units	1,278,175	477,450
Call borrowing / repurchase transactions / encashment of fund placements	14,950,000	3,750,000
Call lending / reverse repurchase transactions / fund placements	-	1,993,778
Return on investments in related parties	457,572	288,763
Advisory and consultancy fee	45,559	64,331
Commission income	73,618	66,436
Foreign exchange purchases transaction	5,965,282	6,384,673
Foreign exchange sale transaction	8,457,974	7,063,147
Rental income	746	2,877
Interest / markup earned	105,175	306,551
Interest / markup paid	345,259	9,541
Principal redemptions made against TFCs	56,039	45,580
Rent expense	1,769	1,629
Royalty paid	14,925	19,925
Advisory fee paid	12,000	12,000
Insurance premium paid	49,660	28,802
Insurance claim received	5,122	8,552
Investments disposed off in funds under management - at cost	-	1,180,843
Investments made in funds under management	70,000	1,408,741
Proceeds from sale of property and equipment	176	1,519
Investment / Advance against investment in related parties	402,000	1,500
Remuneration and commission income from funds	169,573	152,925
Contribution to provident fund	31,340	57,905
Expenses incurred on behalf of funds	5,564	-
Loan repayment from executives	27,310	3,661
Loans disbursed to executives	91,180	4,392
Dividend paid	349,939	-
Letter of Guarantees	5,613	-

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	September 30, 2013	September 30, 2012
 (Un-audited) (Number)
Bonus shares/units received from related parties	6,802,684	5,041,549
Purchase of units	975,277	-
Sale of units	3,021,951	-
Units issued on conversion to open end fund	1,123,881	-

17. SEGMENT INFORMATION

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

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

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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 quarter ended September 30, 2013						
Return on investments	505,377	2,742,023	253,921	11,686	-	3,513,007
Gain on sale of investments - net	29,939	315,900	516,678	4,763	-	867,280
Income from long term loans and fund placements	149,471	2,053,801	-	5,034	-	2,208,306
Fee, commission and brokerage	204,724	496,286	170,763	32,344	2,545	906,662
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	28,221	485	-	(8,916)	-	19,790
Unallocated revenue	-	-	-	-	55	284,348
	917,732	5,608,495	941,362	44,911	2,600	7,799,393
Share of profit / (loss) from:						
Associate	107,771	-	-	-	-	107,771
Joint venture	(379)	-	-	-	-	(379)
	1,025,124	5,608,495	941,362	44,911	2,600	7,906,785
Operating and administrative expenses	241,545	2,629,320	153,281	72,328	11,516	3,107,990
Finance cost	33,702	3,308,000	45,650	14,447	25	3,401,824
Provision for workers' welfare fund	58,031	9,962	18,415	7,029	-	93,437
(Reversal of) provision for impairment in investments	(34,416)	8,170	-	4,000	-	(22,246)
	298,862	5,955,452	217,346	97,804	11,541	6,581,005
Segment results	726,262	(346,957)	724,016	(52,893)	(8,941)	1,325,780
Unallocated expenses	-	-	-	-	-	(47,169)
Profit / (loss) for the period before taxation	726,262	(346,957)	724,016	(52,893)	(8,941)	1,278,611
Taxation:						
Segment	79,712	92,426	30,070	3,351	13	205,572
Prior period	(2,080)	25,126	(2,457)	-	-	20,589
Deferred	77,632	117,552	27,613	3,351	13	226,161
	648,630	(464,509)	696,403	(56,244)	(8,954)	1,052,450
Non-controlling interests	(94,931)	(84,069)	(447,343)	(722)	1,537	(625,528)
	553,699	(548,578)	249,060	(56,966)	(7,417)	426,922
Segment results for the quarter ended September 30, 2012 - restated						
Return on investments	620,003	2,280,407	62,095	26,937	-	2,989,442
Gain / (loss) on sale of investments - net	90,731	510,820	169,073	4,125	-	774,749
Income from long term loans and fund placements	54,683	1,886,197	-	10,817	-	1,951,697
Fee, commission and brokerage	168,365	401,989	153,290	80,820	1,937	806,401
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	22,345	42,465	-	51,923	-	116,733
Unallocated revenue	-	-	-	-	53	267,632
	956,127	5,121,878	384,458	174,622	1,990	6,906,654
Share of profit / (loss) from:						
Associate	77,045	-	-	-	-	77,045
Joint venture	(27,697)	-	-	-	-	(27,697)
	1,005,475	5,121,878	384,458	174,622	1,990	6,956,002
Operating and administrative expenses	188,002	1,866,413	146,530	75,743	21,108	2,297,796
Finance cost	104,649	2,648,295	69,221	13,733	168	2,836,066
Provision for workers' welfare fund	(894)	-	-	(376)	-	(1,270)
Provision for impairment in investments	-	7,799	-	20,000	-	27,799
	291,757	4,522,507	215,751	109,100	21,276	5,160,391
Segment results	713,718	599,371	168,707	65,522	(19,286)	1,795,611
Unallocated expenses	-	-	-	-	-	(71,246)
Profit / (Loss) for the period before taxation	713,718	599,371	168,707	65,522	(19,286)	1,724,365
Taxation:						
Segment	-	19,089	1,107	46,093	-	66,289
Prior period	-	(50,661)	-	-	-	(50,661)
Deferred	-	187,485	(4,453)	9,199	-	192,231
	-	155,913	(3,346)	55,292	-	207,859
	713,718	443,458	172,053	10,230	(19,286)	1,516,506
Non-controlling interests	-	(235,464)	(84,809)	(109,711)	3,310	(426,674)
	713,718	207,994	87,244	(99,481)	(15,976)	1,089,832

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18. 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 October 29, 2013.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive



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