



Half Yearly Report
December 31, 2011
(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*

Chairman
Independent Director
Director
Director
Director
Director
Chief Executive Officer & Director

*Mr. Munaf Ibrahim has resigned from the office of the Chief Executive Officer and Mr. Suleman Lalani has been appointed as Chief Executive Officer of the Company in his place w.e.f March 01, 2012.

Audit Committee

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

Chairman
Member
Member
Secretary

Executive Committee

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

Executive Compensation Committee

Mazharul Haq Siddiqui
Chief Justice (R) Mahboob Ahmed

Company Secretary

Farah Qureshi

Chief Financial Officer

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 Shahra-e-Faisal
Karachi- 75530, Pakistan

Website

www.js.com



CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Dear Shareholder

On behalf of the Board of Directors, I am presenting the un-audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") along with consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for six months period ended December 31, 2011.

The Economy

2011 did not prove to be any different from last year, as the country was hit once again by massive floods across the Sindh province. Although the flood this year was not on the same scale as the 2010 flood, it affected 7 million people and left 27% of the total crop area in the province either damaged or destroyed. Furthermore, severe energy crisis continues to be a structural impediment to growth.

On a positive note, headline inflation during 2H2011 came in at 10.87%YoY as against 14.32%YoY in the corresponding period last year. Keeping this in view the State Bank of Pakistan cut the discount rate by 200bps during the year. However, fiscal weaknesses, falling foreign inflows and the energy crisis remain as risks to the economy.

Home remittances reached a record level of US\$11.2billion in FY11 (up 26%YoY) and have continued to remain robust during 2H2011 amounting to US\$6.3billion (up 20%YoY). On the other hand, trade deficit swelled to US\$11.5billion, up by 38%, in 2H2011 with total exports up by 4%YoY to US\$11.2billion and imports jumped by 19%YoY to US\$22.7billion. As a result, current account deficit grew to US\$2.1billion in 5MFY12.

Stock Market Review

Following its fall of 5.9% in 1QFY12, the KSE-100 index underperformed by another 3.5% in 2QFY12. This was in contrast to market's performance of +24.96% in 1HFY11. The dismal performance was due to heightened domestic political issues along with the European debt crisis and weak outlook of global economies. Subsequently, the average daily volumes remained dull at 60 million shares, the lowest since 1HFY09. Moreover, foreign investors remained net sellers of US\$157million during the period under review. Amongst the sectors, Cement and Oil & Gas stocks outperformed the market by 17% and 5% while Telecom, Financial Services and Banks remained laggards.



Financial Results

The Company has reported an after tax loss of PKR 290.28 million for the half year ended December 31, 2011 compared to profit after tax of PKR 0.431 million for the comparative period last year. Overall revenue for the half year has declined to PKR 305.46 million as compared to PKR 672.36 million last year. This is mainly because the Company has not earned any capital gains during the current half year as compared to gain on sale of investments of PKR 298.17 million in the corresponding period last year. The operating and administrative expenses for the half year of the current financial year have reduced by 21.4% to PKR 57.13 million from PKR 72.7 million for the comparative period last year.

Subsequent to the balance sheet date, the market value of our listed available for sale investments have appreciated substantially which, hopefully will positively affect the financial position of the Company.

The basic and diluted loss per share is PKR (0.38) per share.

Consolidated Financial Statements

In the consolidated financial statements the Company has reported a net loss of PKR 77 million for the half year ended December 31, 2011 as compared to a net loss of PKR 227.3 million for the comparative period last year.

The revenues from continuing operations have improved by 26% over the last year mainly on account of increase in return on investments and income on fund placements made during the year 2011. The reduction in operating and administrative expenses by 16% over the same period last year has also contributed positively towards the results.

The basic and diluted loss per share is PKR (0.22).

Material Information

Jahangir Siddiqui & Co. Ltd. held 70.82% shares of Network Microfinance Bank Ltd. which have been sold at a price of PKR 6.75 per share aggregating PKR 143,404,992. The shares have been duly transferred to the new buyers.

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

We expect financial markets to improve going forward and therefore 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: February 23, 2012

Mazharul Haq Siddiqui
Chairman



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

Introduction

We have reviewed the accompanying condensed interim balance sheet of Jahangir Siddiqui & Co. Ltd. (the Company) as at 31 December 2011 and the related condensed interim profit and loss, condensed interim statement of comprehensive income, condensed Interim statement of changes in equity, condensed Interim cash flow statement together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months period then ended. The Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

February 23, 2012
Karachi



CONDENSED INTERIM FINANCIAL STATEMENTS



Condensed Interim Balance Sheet

As at December 31, 2011

	Note	December 31, 2011 (Un-audited)(Rupees in '000).....	June 30, 2011 (Audited)
ASSETS ◊			
Non-Current Assets			
Property and equipment	6	8,823	10,407
Investment properties		1,450	1,770
Stock exchange membership cards and room		12,201	12,201
Long term investments	7	9,963,893	9,257,029
Long term loans		1,330	1,594
Long term security deposits		1,499	1,499
		<u>9,989,196</u>	<u>9,284,500</u>
Current Assets			
Loans and advances		591	537
Prepayments, interest accrued and other receivables		3,974	20,817
Taxation - net		293,242	274,108
Cash and bank balances		699,197	1,337,243
		997,004	1,632,705
Non-current assets held for sale	8	143,405	1,270,639
		<u>1,140,409</u>	<u>2,903,344</u>
		<u>11,129,605</u>	<u>12,187,844</u>
EQUITY AND LIABILITIES ◊			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		1,010,971	1,508,139
		<u>8,643,824</u>	<u>9,140,992</u>
Non-Current Liability			
Long term financing		1,619,582	1,743,858
Current Liabilities			
Trade and other payables		80,504	82,764
Accrued interest / mark-up on borrowings		111,952	122,536
Current portion of long term financing		673,743	1,097,694
		866,199	1,302,994
Contingency	9		
		<u>11,129,605</u>	<u>12,187,844</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Profit and Loss Account

For the Half Year and Quarter ended December 31, 2011
(Un-audited)

Note	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
.....(Rupees in '000).....				
INCOME c				
Return on investments	259,637	287,038	24,715	277,191
Gain on sale of investments - net	310	298,169	310	265,138
Income from long-term loans and fund placements	29,599	202	14,574	112
Other income	15,915	15,342	7,640	7,867
Gain on revaluation of investments carried at fair value through profit and loss account - net	-	71,611	-	70,649
	<u>305,461</u>	<u>672,362</u>	<u>47,239</u>	<u>620,957</u>
EXPENDITURE c				
Operating and administrative expenses	57,131	72,703	26,749	37,787
Finance cost	212,738	290,103	100,580	141,662
Provision for impairment against investments	328,477	313,854	328,477	313,854
	<u>598,346</u>	<u>676,660</u>	<u>455,806</u>	<u>493,303</u>
(LOSS) / PROFIT BEFORE TAXATION c	<u>(292,885)</u>	<u>(4,298)</u>	<u>(408,567)</u>	<u>127,654</u>
Taxation				
Current	-	85	(35)	(235)
Prior	(2,609)	(3,952)	(2,609)	(3,952)
	<u>(2,609)</u>	<u>(3,867)</u>	<u>(2,644)</u>	<u>(4,187)</u>
NET (LOSS) / PROFIT FOR THE PERIOD c	<u><u>(290,276)</u></u>	<u><u>(431)</u></u>	<u><u>(405,923)</u></u>	<u><u>131,841</u></u>
.....(Rupees).....				
(LOSS) / EARNINGS PER SHARE	10			
Basic and diluted	<u><u>(0.38)</u></u>	<u><u>(0.00)</u></u>	<u><u>(0.53)</u></u>	<u><u>0.17</u></u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



Condensed Interim Statement of Comprehensive Income

For the Half Year and Quarter ended December 31, 2011
(Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
.....(Rupees in '000).....				
NET (LOSS) / PROFIT FOR THE PERIOD c	(290,276)	(431)	(405,923)	131,841
OTHER COMPREHENSIVE (LOSS) / INCOME				
Net (loss) / profit on available for sale investments (Loss) / profit during the period	(506,353)	63,201	(247,416)	767,674
Reclassification adjustments included in the profit and loss account for:				
- Gain on sale of investments - net	-	(205,632)	-	(205,632)
- Impairment on investments	299,461	313,854	299,461	313,854
(Loss) / profit during the period	(206,892)	171,423	52,045	875,896
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD c	<u>(497,168)</u>	<u>170,992</u>	<u>(353,878)</u>	<u>1,007,737</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Cash Flow Statement

For the Half Year ended December 31, 2011

(Un-audited)

Note	Half Year Ended	
	December 31, 2011	December 31, 2010
 (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES ☺		
Loss before taxation for the period	(292,885)	(4,298)
Adjustment for non cash charges and other items:		
Depreciation	1,898	4,465
Gain on sale of property and equipment	(673)	(1,528)
Amortisation of transaction costs on term finance certificates	1,133	1,227
Gain on revaluation of investments carried at fair value through profit or loss - net	-	(71,611)
Provision for impairment against investments - net	328,477	313,854
Specie dividend income	(115,000)	-
Finance cost	211,605	288,876
	<u>427,440</u>	<u>535,283</u>
Operating profit before working capital changes	134,555	530,985
(Increase) / decrease in operating assets:		
Loans and advances	(54)	561
Prepayments, accrued mark-up and other receivables	16,843	1,620
Short term investments	-	(448,774)
Long term loans, advance and security deposits	264	68
	<u>17,053</u>	<u>(446,525)</u>
(Decrease) / increase in trade and other payables	(2,224)	78,481
Net cash generated from operations	<u>149,384</u>	<u>162,941</u>
Mark-up paid	(222,189)	(366,943)
Taxes paid - net	(16,524)	(30,022)
Dividend paid	(36)	(275)
Net cash used in operating activities	<u>(89,365)</u>	<u>(234,299)</u>
CASH FLOWS FROM INVESTING ACTIVITIES ☺		
Capital expenditure incurred	-	(78)
Proceeds from sale of property and equipment	679	1,907
Investments sold - net of acquired	-	965,262
Net cash generated from investing activities	<u>679</u>	<u>967,091</u>
CASH FLOWS FROM FINANCING ACTIVITIES ☺		
Redemption of term finance certificates	(549,360)	(375,195)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(638,046)</u>	<u>357,597</u>
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	<u>11</u> <u>699,197</u>	<u>(1,346,994)</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



Condensed Interim Statement Of Changes In Equity

For the Half Year ended December 31, 2011
(Un-audited)

	Issued, subscribed and paid-up capital	Reserves			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	10,127,730
Net loss for the period	-	-	-	(431)	-	(431)
Other comprehensive income	-	-	-	-	171,423	171,423
Total comprehensive income	-	-	-	(431)	171,423	170,992
Balance as at December 31, 2010	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(12,574,915)</u>	<u>742,890</u>	<u>10,298,722</u>
Balance as at June 30, 2011	7,632,853	4,497,894	10,000,000	(13,851,007)	861,252	9,140,992
Net loss for the period	-	-	-	(290,276)	-	(290,276)
Other comprehensive loss	-	-	-	-	(206,892)	(206,892)
Total comprehensive loss	-	-	-	(290,276)	(206,892)	(497,168)
Balance as at December 31, 2011 C	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,000,000</u>	<u>(14,141,283)</u>	<u>654,360</u>	<u>8,643,824</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



Notes to the Condensed Interim Financial Statements

For the Half Year ended December 31, 2011

(Un-audited)

1. THE COMPANY AND ITS OPERATIONS ☺

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

2. BASIS OF PREPARATION ☺

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. These are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 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 13 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 six months period are as follows:

	Note	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
.....(Rupees in '000).....			
Additions – cost			
Office equipment		-	42
Motor vehicles		-	137
		<u>-</u>	<u>179</u>
Disposals – cost			
Office equipment		-	470
Motor vehicles		950	4,797
		<u>950</u>	<u>5,267</u>

7. LONG TERM INVESTMENTS ☺

Investment in related parties:

Investment in subsidiaries	7.1	5,298,784	4,200,567
Investment in associates	7.2	95,193	95,193
Other related parties - Available for sale	7.3	2,833,101	3,092,519
		<u>8,227,078</u>	<u>7,388,279</u>
Other investments	7.4	1,736,815	1,868,750
		<u>9,963,893</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) December 31, 2011	(Audited) June 30, 2011
December 31, 2011	June 30, 2011			December 31, 2011 %	June 30, 2011 %		
<u>Quoted</u>							
683,368,538*	525,566,192	7.1.1 7.1.2	Commercial & Banking	68.32	64.49	4,114,500	2,987,267
		JS Bank Limited Market value Rs. 1,127.56 (June 30, 2011: Rs. 1,271.87) million					
52,023,617**	52,023,617		Asset Management & Investment Advisor	52.02	52.02	3,046,057	3,046,057
		JS Investments Limited Market value Rs. 136.82 (June 30, 2011: Rs. 265.32) million					
		Less: Impairment				(2,780,737) 265,320	(2,780,737) 265,320
<u>Un-quoted</u>							
73,736,250	73,736,250		Telecom Media & Technology	100.00	100.00	708,490	708,490
		JS Infocom Limited Net assets value Rs. 395.42 (June 30, 2011: Rs. 389.20) million based on unaudited financial statements for the period ended December 31, 2011					
		Less: Impairment				(313,067) 395,423	(319,289) 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. 121.73 (March 31, 2011: Rs. 124.85) million based on unaudited financial statements for the period ended September 30, 2011					
		Less: Impairment				(173,151) 121,731	(170,030) 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. 37.28 (June 30, 2011: Rs. 35.86) million based on unaudited financial statements for the period ended December 31, 2011					
		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. 401.81 (June 30, 2011: 444.28) million based on unaudited financial statements for the period ended December 31, 2011					
		Less: Impairment				(228,190) 401,810	(200,204) 429,796
						5,298,784	4,200,567

* 525,566,192 shares 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 company calculates the recoverable amount of its investments based on value in use calculation as prescribed under IAS 36 - Impairment of Assets which was higher than carrying amount. The calculations have been made on a discounted cash flow based valuation methodology using a discount rate of 24.36% derived on basis of the Capital Asset Pricing Model and assuming a terminal growth rate of 10%.

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) December 31, 2011	(Audited) June 30, 2011	
December 31, 2011	June 30, 2011		December 31, 2011 %	June 30, 2011 %			
<u>Quoted</u>							
11,238,812	11,238,812	JS Value Fund Limited Net asset value Rs. 102.95 (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
						<u>95,193</u>	<u>95,193</u>

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) December 31, 2011	(Audited) June 30, 2011	
December 31, 2011	June 30, 2011			December 31, 2011 %	June 30, 2011 %			
<u>Quoted - at fair value</u>								
7,000,000	7,000,000		Hum Network Limited (formerly Eye Television Network Limited)	Television Network	14.00	14.00	112,000	105,420
111,256,116*	111,256,116		BankIslami Pakistan Limited	Islamic Banking	21.07	21.07	344,894	378,271
20,299,455	20,299,455		EFU General Insurance Limited	General Insurance	16.24	16.24	774,424	704,594
17,040,552	17,040,552		EFU Life Assurance Limited	Life Assurance	20.05	20.05	1,274,633	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	319,650	619,112
<u>Un-quoted - at cost</u>								
750,000	750,000		EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500
							<u>2,833,101</u>	<u>3,092,519</u>

* 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	1,621,815	1,868,750
- unquoted		115,000	-
		<u>1,736,815</u>	<u>1,868,750</u>

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.



	Note	December 31, 2011 (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	159,339
Less: Impairment		<u>(15,934)</u>	<u>(15,934)</u>
		143,405	143,405
Investment in a associate:			
- JS Global Capital Limited (JSGCL)	7.1.1	-	1,208,022
Less: Impairment		-	<u>(80,788)</u>
		-	1,127,234
		<u>143,405</u>	<u>1,270,639</u>

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. Accordingly, investment in NMBL is classified as non-current asset held for sale and are carried at net realisable value.

Subsequent to the period end, 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.

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
.....(Un-audited).....				
.....(Rupees in '000).....				
10. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE ☺				
(Loss) / profit after taxation attributable to Ordinary shareholders	<u>(290,276)</u>	<u>(431)</u>	<u>(405,923)</u>	<u>131,841</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).....			
(Loss) / earnings per share:	<u>(0.38)</u>	<u>(0.00)</u>	<u>(0.53)</u>	<u>0.17</u>
- Basic and diluted				



December 31, December 31,
2011 2010
..... (Un-audited)
..... (Rupees in '000)

11. CASH AND CASH EQUIVALENTS ☺

Cash and bank balances	699,197	6,923
Short term running finance utilised under mark-up arrangement	-	(1,353,917)
	699,197	(1,346,994)

12. RELATED PARTY TRANSACTIONS ☺

Related parties comprise subsidiaries, associates, joint venture, directors, key management personnel and provident fund scheme. Significant transactions with related parties during the six months period ended December 31, 2011 are as follows:

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(Un-audited).....			
(Rupees in '000).....			
TRANSACTIONS				
Subsidiary Companies				
Sale of government securities	597,478	-	597,478	-
Rent income	356	-	178	-
Profit received on fund placements and deposit accounts	11,267	31	11,267	-
Amount paid against subscription of right shares	-	391,211	-	391,211
Right shares received (No. of shares)	-	130,403,641	-	130,403,641
Shares received other than right issue (No. of shares)	157,802,346	-	157,802,346	-
Sale of shares of an associate (No. of shares)	21,734,826	-	21,734,826	-
Associates				
Dividend income	2,248	108,674	-	108,674
Brokerage expense	127	6,934	50	5,562
Purchase of government securities	194,982	-	-	-
Rental income	14,127	13,807	6,750	7,103
Common Directorship				
Dividend income	7,000	168,261	7,000	168,261
Other Related Parties				
Contributions to Staff Provident Fund	2,176	2,776	1,095	1,307
Interest / markup paid	10,584	6,186	8,248	2,835
Principal redemptions made against TFCs	45,571	16,984	45,565	7
Insurance premium paid	1,321	1,443	-	10
Royalty paid	4,950	4,950	2,475	2,475
Advisory fee paid	3,000	3,000	1,500	1,500
Key management personnel				
Remuneration to Chief Executive Officer	6,756	6,781	3,352	3,406
Advisory fee to Director	3,000	3,000	1,500	1,500
Fee paid to directors for directors / committee meetings	1,200	1,200	1,200	1,200
Remuneration to Executives	7,292	13,910	3,386	5,167
Interest on long term loans to executives	101	95	55	47
Loan repayments from executives	97	585	44	343

	December 31, 2011 (Un-audited)(Rupees in '000).....	June 30, 2011 (Audited)
BALANCES		
Subsidiary Companies		
Amount due from subsidiaries against expenses incurred on their behalf	22	247
Cash at bank accounts	559,922	291
Associates		
Amount due from associate against expenses incurred on its behalf	199	3,116

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

13. 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)

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
(Rupees in '000).....			
Available for sale investments				
Equity Securities- quoted	4,343,373	-	122,500	4,465,873
	<u>4,343,373</u>	<u>-</u>	<u>122,500</u>	<u>4,465,873</u>

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

14. DATE OF AUTHORISATION ☺

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on February 23, 2012.

15. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive





CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Condensed Interim Consolidated Balance Sheet

As at December 31, 2011

	Note	December 31, 2011 (Un-audited)	June 30, 2011 (Audited)
ASSETS ◊			
.....(Rupees in '000).....			
Non-Current Assets			
Property and equipment	7	1,656,615	1,696,103
Intangible assets		1,308,784	1,309,624
Investment properties		1,450	1,770
Membership cards and room		59,201	35,701
Long term investments	8	4,840,176	6,369,573
Long term loans, advances and other receivables		2,702,590	3,538,442
Long term deposits		32,786	32,991
Deferred taxation		1,258,665	1,196,895
		11,860,267	14,181,099
Current Assets			
Short term investments	9	24,188,071	19,628,279
Trade debts - unsecured		311,414	9,883
Loans and advances		15,402,073	12,757,227
Accrued markup		632,992	632,188
Deposits, prepayments and other receivables		470,864	317,948
Fund placements		4,076,636	1,663,914
Taxation - net		440,597	407,877
Cash and bank balances		4,823,427	4,442,934
		50,346,074	39,860,250
Assets classified as held for sale	10	223,619	222,069
		50,569,693	40,082,319
		<u>62,429,960</u>	<u>54,263,418</u>
EQUITY AND LIABILITIES ◊			
Share Capital and Reserves			
Share Capital		7,632,853	7,632,853
Reserves		1,395,920	1,830,635
Equity attributable to equity holders' of the parent		9,028,773	9,463,488
Non-controlling interests		4,364,886	2,758,828
Total equity		13,393,659	12,222,316
Non-Current Liabilities			
Long term financing		1,831,945	2,016,204
Deposits and other accounts		12,848,392	108,189
Employee benefit liability		78,946	78,384
		14,759,283	2,202,777
Current Liabilities			
Trade and other payables		2,247,799	1,215,274
Accrued interest / mark-up on borrowings		385,383	377,804
Short term borrowings		3,654,511	4,212,256
Current portion of non-current liabilities	11	27,976,184	34,016,277
		34,263,877	39,821,611
Liabilities directly associated with assets classified as held for sale	10	13,141	16,714
		34,277,018	39,838,325
Contingencies and Commitments	12	<u>62,429,960</u>	<u>54,263,418</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Profit and Loss Account

For the Half Year and Quarter ended December 31, 2011
(Un-audited)

Note	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
.....(Rupees in '000).....				
CONTINUING OPERATIONS c				
INCOME				
Return on investments	1,565,264	1,040,952	748,421	602,362
Gain on sale of investments - net	302,750	333,542	259,509	276,728
Income from long term loans and fund placements	1,130,442	927,928	511,145	449,367
Fee, commission and brokerage	338,104	276,122	179,569	132,570
Other income	122,624	54,446	52,219	24,164
Gain on revaluation of investments carried at fair value through profit and loss - net	(50,321)	60,703	(65,992)	58,986
	<u>3,408,863</u>	<u>2,693,693</u>	<u>1,684,871</u>	<u>1,544,177</u>
EXPENDITURE				
Operating and administrative expenses	1,412,826	1,217,895	713,918	603,198
Finance cost	1,649,887	1,454,555	858,355	713,472
Bargain purchase gain	-	-	-	-
Provision for impairment against investments	341,436	313,854	341,436	313,854
	<u>3,404,149</u>	<u>2,986,304</u>	<u>1,913,709</u>	<u>1,630,524</u>
	4,714	(292,611)	(228,838)	(86,347)
Share of profit / (loss) from:				
- associates	37,717	96,329	18,754	74,333
- joint venture	(739)	(140)	(739)	(49)
	<u>36,978</u>	<u>96,189</u>	<u>18,015</u>	<u>74,284</u>
Profit / (loss) before taxation from continuing operations	<u>41,692</u>	<u>(196,422)</u>	<u>(210,823)</u>	<u>(12,063)</u>
TAXATION				
- Current	37,475	28,548	18,513	16,154
- Prior	(11,453)	(5,553)	(11,453)	(3,952)
- Deferred	90,716	(4,320)	92,716	(3,393)
	<u>116,738</u>	<u>18,675</u>	<u>99,776</u>	<u>8,809</u>
Loss after taxation from continuing operations	<u>(75,046)</u>	<u>(215,097)</u>	<u>(310,599)</u>	<u>(20,872)</u>
DISCONTINUED OPERATIONS c				
Loss after taxation from discontinued operations	16 (1,876)	(12,197)	(565)	(7,208)
LOSS AFTER TAXATION FOR THE PERIOD c	<u>(76,922)</u>	<u>(227,294)</u>	<u>(311,164)</u>	<u>(28,080)</u>
Attributable to:				
Equity holders of the parent	(165,432)	(157,112)	(359,099)	6,580
Non-controlling interests	88,510	(70,182)	47,935	(34,660)
	<u>(76,922)</u>	<u>(227,294)</u>	<u>(311,164)</u>	<u>(28,080)</u>
.....(Rupees).....				
EARNINGS / (LOSS) PER SHARE				
13 Basic and diluted				
Continuing operations	(0.22)	(0.21)	(0.47)	0.01
Discontinued operations	0.00	(0.01)	0.00	(0.01)
	<u>(0.22)</u>	<u>(0.22)</u>	<u>(0.47)</u>	<u>0.00</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Statement of Comprehensive Income
For the Half Year and Quarter ended December 31, 2011
(Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(Rupees in '000).....			
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION c	(76,922)	(227,294)	150,372	(1,602,447)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Revaluation of available for sale investments	(67,205)	(701,722)	(774,865)	(2,497,034)
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency	5,274	1,136	276	(6,156)
Share of other comprehensive (loss) / income of associates	(3,020)	(2,084)	(1,238)	(135,461)
	(64,951)	(702,670)	(775,827)	(2,638,651)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD c	<u>(141,873)</u>	<u>(929,964)</u>	<u>(625,455)</u>	<u>(4,241,098)</u>
Attributable to:				
Equity holders of the parent	(429,621)	(899,236)	(613,732)	(4,066,413)
Non-controlling interests	287,748	(30,728)	(11,723)	(174,685)
	<u>(141,873)</u>	<u>(929,964)</u>	<u>(625,455)</u>	<u>(4,241,098)</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Cash Flow Statement

For the Half Year ended December 31, 2011

(Un-audited)

Note	Half Year Ended	
	December 31, 2011	December 31, 2010
..... (Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES c		
Profit / (loss) before taxation from continuing operations	41,692	(196,422)
Loss before taxation from discontinued operations	(1,735)	(11,966)
Profit / (loss) for the period before taxation	39,957	(208,388)
Adjustments for non cash charges and other items:		
Depreciation	129,286	135,583
Amortisation on intangible assets	10,016	14,881
Amortisation of transaction cost on term finance certificates	1,133	1,227
Profit on sale of property and equipment	(9,564)	(7,719)
Specie dividend income	(115,000)	-
Share of profit from associates and joint ventures	(36,978)	(96,189)
Charge for defined benefit plan	562	15,331
Provision for / (reversal of) provision for impairment against investments	336,882	313,854
Gain on revaluation of investments carried at fair value through profit or loss - net	50,321	(60,703)
Finance cost	1,649,111	1,454,601
	2,015,769	1,770,866
Operating profit before working capital changes	2,055,726	1,562,478
(Increase) / decrease in operating assets :		
Short term investments	(2,741,112)	(741,186)
Trade debts	(159,711)	32
Loans and advances	(2,633,959)	(3,421,121)
Long term loans, advances, deposits and other receivables	841,461	122,632
Fund placements	(2,412,722)	850,053
Deposits, prepayments, accrued mark-up and other receivables	(105,180)	(43,648)
	(7,211,223)	(3,233,238)
Increase / (decrease) in operating liabilities:		
Trade and other payables	844,241	647,660
Deposits and other accounts	7,105,966	2,184,112
Net cash generated from operations	2,794,710	1,161,012
Interest / mark-up paid	(1,641,532)	(1,522,274)
Taxes refunded / (paid) - net	(54,601)	(30,916)
Dividend paid	(30)	(278)
Net cash generated from / (used in) operating activities	1,098,547	(392,456)
CASH FLOWS FROM INVESTING ACTIVITIES c		
Capital expenditure incurred	(75,167)	(35,880)
Intangible assets acquired	(9,176)	(2,989)
Proceeds from sale of property and equipment	15,399	16,545
Investment acquired - net of sale	499,883	1,465,149
Net cash generated from investing activities	430,939	1,442,825
CASH FLOWS FROM FINANCING ACTIVITIES c		
Redemption of term finance certificates	(594,824)	(503,591)
Proceeds from issue of ordinary shares by subsidiary company	-	215,422
Advance against future issue of share capital of subsidiary company	-	9,491
Long term loans - net of repayment	3,576	7,707
Securities sold under repurchase agreements	(213,822)	3,883,220
Net cash (used in) / generated from financing activities	(805,070)	3,612,249
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	724,416	4,662,618
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,636,821	(5,339,275)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,361,237	(676,657)

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity

For the Half Year ended December 31, 2011
(Un-audited)

ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT

	Note	Reserves					Sub-total	NON-CONTROLLING INTERESTS	TOTAL	
		Capital	Revenue	Others	Statutory					
		Ordinary share capital	General	Foreign exchange translation	Unappropriated profit / (accumulated loss)	Unrealised (loss) / gain on revaluation of available for sale investment - net				
Balance as at July 1, 2010		7,632,853	10,000,000	23,072	(14,494,479)	598,114	68,841	9,113,147	3,563,239	12,676,386
Loss for the period		-	-	-	(157,112)	-	-	(157,112)	(70,182)	(227,294)
Other comprehensive income / (loss)		-	-	4,998	-	336,225	-	341,223	369,653	710,876
Balance as at December 31, 2010		<u>7,632,853</u>	<u>10,000,000</u>	<u>28,070</u>	<u>(14,651,591)</u>	<u>934,339</u>	<u>68,841</u>	<u>9,297,258</u>	<u>3,862,710</u>	<u>13,159,968</u>
Balance as at July 1, 2011		7,632,853	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-subsidiary	6.1	-	-	-	-	-	-	-	1,739,449	1,739,449
Loss for the period		-	-	-	(165,432)	-	-	(165,432)	88,510	(76,922)
Other comprehensive income / (loss)		-	-	5,274	787,036	(269,647)	-	(264,189)	199,238	(64,951)
Transfer from statutory reserve		-	-	-	(48,457)	-	48,457	-	-	-
Acquisition of non-controlling interest	1.2.1	-	-	-	-	-	(5,094)	(5,094)	(421,140)	(426,234)
Balance as at December 31, 2011 c		<u>7,632,853</u>	<u>10,000,000</u>	<u>33,302</u>	<u>(13,973,255)</u>	<u>776,456</u>	<u>61,523</u>	<u>9,028,773</u>	<u>4,364,886</u>	<u>13,393,659</u>

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

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year and Quarter ended December 31, 2011

(Un-audited)

1. THE GROUP AND ITS OPERATIONS

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

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

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

Subsidiary Companies	Nature of Business	Note	Date of Acquisition /Disposal	Holding (including indirect holding)	
				December 2011	June 2011
JS Investments Limited (JSIL)	Investment Advisor, Asset Manager		July 31, 2000	52.02%	52.02%
JS Infocom Limited	Telecom, Media and Technology		August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services		July 14, 2005	100.00%	100.00%
JS International LLP (Sub-subsidiary)	Investment Advisory Services		April 11, 2006	100.00%	100.00%
JS Bank Limited (JSBL)	Commercial Banking	1.2.1	December 30, 2006	64.32%	64.49%
JS Fund Management (Mauritius) Limited (Sub-subsidiary)	Investment Advisory & Investment Management Services	1.2.2	April 04, 2007 September 28, 2011	-	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	70.82%	70.82%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services	6.1	December 21, 2011	34.88%	-

1.2.1 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 JSGCL 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%.

1.2.2 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 six months period ended December 31, 2010.

3. ACCOUNTING POLICIES ☺

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 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. As at December 31, 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		<u>2,856,559</u>	<u>2,856,559</u>
Trade and other payables		184,922	184,922
Total identifiable net assets at fair value		<u>2,671,637</u>	<u>2,671,637</u>
Consideration transferred			49,535
Fair value of previously held interest			315,155
Fair value of purchase consideration			<u>364,690</u>
Purchase consideration of the Group			249,144
Net assets acquired			<u>931,760</u>
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		<u>4,065</u>
Cash acquired with the sub-subsidiary (included in cash flows from investing activities)			<u>481,033</u>

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 the six months period ended December 31, 2011 are as follows:

	December 31, 2011 (Un-audited)(Rupees in '000).....	June 30, 2011 (Audited)
Additions - cost		
- Office premises - leasehold	-	107,281
- Leasehold improvements	7,424	36,943
- Office equipment	42,440	80,103
- Office furniture and fixtures	3,925	32,065
- Motor vehicles	35,950	62,310
	<u>89,739</u>	<u>318,702</u>
Disposals - cost		
- Office premises - leasehold	-	6,404
- Leasehold improvements	174	8,390
- Office equipment	174	11,373
- Office furniture and fixtures	396	5,042
- Motor vehicles	15,546	33,216
	<u>16,290</u>	<u>64,425</u>

8. LONG TERM INVESTMENTS ☺

Related parties:

- Investment in associates	132,558	1,271,363
- Investment in joint venture	65,759	64,998
- Other related parties - Available for sale	2,833,101	3,092,519
	<u>3,031,418</u>	<u>4,428,880</u>

Other investments:

- Available for sale	1,808,758	1,940,693
	<u>4,840,176</u>	<u>6,369,573</u>

9. SHORT TERM INVESTMENTS ☺

Assets at fair value through profit or loss	6,300,870	9,940,758
Available for sale	17,887,201	9,687,521
	<u>24,188,071</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. Accordingly, investment in NMBL is classified as non-current asset held for sale and is carried at net realisable value. The results of discontinued operations are presented in Segment Information (refer note 14). Further, figures for the half year ended December 31, 2011 have also been re-presented so that the disclosures relate to all operations that have been discontinued by the end of the reporting period.

Subsequent to the period end, on January 13, 2012, the Holding Company has transferred entire holding in NMBL to the Acquirers.



December 31,
2011
(Un-audited)
.....(Rupees in '000).....

June 30,
2011
(Audited)

11. CURRENT PORTION OF NON-CURRENT LIABILITIES ☺

Long term financing:

- Term finance certificates	673,743	1,097,694
- Liability against Class A, B & C TFCs	94,254	76,159
Deposits and other accounts	27,208,187	32,842,424
	<u>27,976,184</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 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.

12.1.2 Transaction-related Contingent Liabilities

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

December 31,
2011
(Un-audited)
.....(Rupees in '000).....

June 30,
2011
(Audited)

- Government	890,007	693,437
- Banking companies and other financial institutions	98,165	80,706
- Others	403,562	591,717
	<u>1,391,734</u>	<u>1,365,860</u>

12.1.3 Trade related contingent liabilities

Documentary credits	<u>2,921,223</u>	<u>1,837,310</u>
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12.1.4 Other contingencies

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

Commitments in respect of:

Forward purchase of government securities	-	1,229,735
Forward sale commitments	-	397,989
Commitments in respect of capital expenditure	8,438	5,315
Assets acquired under operating lease / ijarah	6,198	9,889
Forward commitments to extend credit	214,800	396,371
Forward exchange contracts:		
- Purchase	1,948,987	1,966,183
- Sale	1,446,561	1,602,492

Half year ended		Quarter ended	
December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
..... (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	(165,431)	(157,112)	(359,099)	6,580
Loss after taxation from discontinued operations	-	(8,638)	-	(5,105)

Profit / (loss) after taxation attributable to Ordinary shareholders

(165,431)	(165,750)	(359,099)	1,475
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..... (Number in '000)

Number of Ordinary shares outstanding during the period

763,285	763,285	763,285	763,285
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..... (Rupees)

Earnings / (loss) per share:

Basic and diluted

Continuing operations	(0.22)	(0.21)	(0.47)	0.01
Discontinued operations	0.00	(0.01)	0.00	(0.01)
	(0.22)	(0.22)	(0.47)	0.00

14. CASH AND CASH EQUIVALENTS ☺

December 31, 2011	December 31, 2010
..... (Un-audited)	
..... (Rupees in '000)	

Cash and bank balances	4,823,427	2,760,874
Short term running finances under mark-up arrangements	(212,630)	(1,646,341)
Borrowings from banks / NBFCs	(1,249,560)	(1,791,190)
	3,361,237	(676,657)

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 six months period are as follows:

	Half year ended		Quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
..... (Un-audited)				
..... (Rupees in '000)				
Brokerage and commission expense	127	6,934	50	5,562
Purchase of money market instruments	2,888,853	3,026,721	226,155	2,588,493
Sale of money market instruments	15,646,201	10,896,247	7,562,479	6,075,185
Purchase of units	374,270	205,300	374,111	5,300
Sale of units	214,788	40,000	214,788	40,000
Call borrowing / repurchase transactions / encashment of fund placements	6,075,000	182,841	2,800,000	-

	Half year ended		Quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	(Un-audited)			
	(Rupees in '000)			
Call lending / reverse repurchase transactions / fund placements	450,000	179,120	-	-
Return on investments in related parties	47,387	187,164	43,087	168,261
Advisory and consultancy fee	37,895	29,645	24,223	-
Commission income	40,998	27,253	40,998	20,239
Foreign exchange purchases transaction	2,668,493	1,782,548	2,668,493	967,810
Foreign exchange sale transaction	3,818,868	1,374,637	3,672,161	806,488
Rental income	15,930	15,411	7,651	7,942
Interest / markup earned	3,797	774	3,797	79
Interest / markup paid	10,584	28,470	7,631	24,803
Principal redemptions made against TFCs	45,571	16,977	45,565	-
Rent expense	1,000	7,561	439	5,527
Royalty paid	4,950	7,450	2,475	4,975
Advisory fee paid	7,000	9,786	5,500	5,269
Insurance premium paid	5,581	6,589	4,260	3,632
Insurance claim received	6,016	2,534	6,016	522
Investments disposed off in funds under management - at cost	91,991	314,554	73,646	175,661
Investments made in funds under management	27,867	99,027	27,867	1,264
Investment in related parties	1,500	-	-	-
Sale of shares	-	263,496	-	-
Remuneration and commission income from funds	101,013	128,043	48,169	62,211
Contribution to provident fund	21,643	24,190	10,983	9,348
Loan repayment from executives	97	585	44	343
	(Number)			
Bonus shares/units received from related parties	4,536,211	258,354	-	2,470

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	Banking	Investment Advisor/ assets manager	Others		
Segment results for the six months ended December 31, 2011	(Rupees in '000)					
Return on investments	260,552	1,246,327	48,708	9,677	12,966	1,578,230
Gain on sale of investments - net	2,216	267,248	33,273	13	-	302,750
Income from long term loans and fund placements	30,396	1,091,287	-	8,759	1,194	1,131,636
Fee, commission and brokerage	3,593	194,742	101,027	38,742	-	338,104
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	(1,211)	(1,937)	-	(47,173)	-	(50,321)
Unallocated Revenue	-	-	-	-	-	122,624
	295,546	2,797,667	183,008	10,018	14,160	3,423,023
Share of profit / (loss) from:						
Associates	37,717	-	-	-	-	37,717
Joint venture	(739)	-	-	-	-	(739)
	332,524	2,797,667	183,008	10,018	14,160	3,460,001
Operating and administrative expenses	42,133	1,141,173	110,778	90,263	20,091	1,404,438
Finance cost	184,863	1,400,534	63,301	1,189	357	1,650,244
Provision for impairment in investments	331,238	2,046	8,152	-	(4,553)	336,883
	558,234	2,543,753	182,231	91,452	15,895	3,391,565
Segment results	(225,710)	253,914	777	(81,434)	(1,735)	68,436
Unallocated expenses	-	-	-	-	-	(28,479)
(Loss) / profit for the period before taxation	(225,710)	253,914	777	(81,434)	(1,735)	39,957
Taxation:						
Segment	-	26,873	1,173	9,429	141	37,616
Prior period	(2,609)	-	(8,971)	127	-	(11,453)
Deferred	-	93,301	2,119	(4,704)	-	90,716
	(2,609)	120,174	(5,679)	4,852	141	116,879
(Loss) / profit for the period after taxation	(223,101)	133,740	6,456	(86,286)	(1,876)	(76,922)
Non-controlling interests	-	(82,144)	(7,262)	(980)	1,876	(88,510)
	(223,101)	51,596	(806)	(87,266)	-	(165,432)



	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL
	Capital Market	Banking	Investment Advisor/ assets manager	Others		
Segment results for the six months ended December 31, 2010	(Rupees in '000)					
Return on investments	178,364	823,728	23,166	15,694	-	1,040,952
Gain / (loss) on sale of investments - net	298,169	23,401	17,572	(5,600)	-	333,542
Income from long term loans and fund placements	202	918,953	-	8,773	23,249	951,177
Fee, commission and brokerage	-	116,525	128,723	30,874	-	276,122
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net	71,611	(18)	-	(10,890)	-	60,703
Unallocated Revenue	-	-	-	-	4,122	58,568
	548,346	1,882,589	169,461	38,851	27,371	2,721,064
Share of profit / (loss) from:						
Associates	96,329	-	-	-	-	96,329
Joint venture	(140)	-	-	-	-	(140)
	644,535	1,882,589	169,461	38,851	27,371	2,817,253
Operating and administrative expenses	38,597	943,422	115,532	86,238	38,064	1,221,853
Finance cost	263,553	1,115,602	75,373	27	1,273	1,455,828
Provision for impairment in investments	313,854	-	-	-	-	313,854
	616,004	2,059,024	190,905	86,265	39,337	2,991,535
Segment results	28,531	(176,435)	(21,444)	(47,414)	(11,966)	(174,282)
Unallocated expenses	-	-	-	-	-	(34,106)
(Loss) / profit for the period before taxation	28,531	(176,435)	(21,444)	(47,414)	(11,966)	(208,388)
Taxation:						
Segment	85	19,135	5,526	3,802	231	28,779
Prior period	(3,952)	-	(1,601)	-	-	(5,553)
Deferred	-	-	(4,320)	-	-	(4,320)
	(3,867)	19,135	(395)	3,802	231	18,906
(Loss) / profit after taxation for the period	32,398	(195,570)	(21,049)	(51,216)	(12,197)	(227,294)
Non-controlling interests	-	58,478	5,679	2,466	3,559	70,182
	32,398	(137,092)	(15,370)	(48,750)	(8,638)	(157,112)

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)

	December 31, 2011			Total
	Level 1	Level 2	Level 3	
(Rupees in '000).....			
At fair value through profit or loss				
Open end mutual funds	-	803,413	-	803,413
Term finance certificates	-	5,002	136,240	141,242
Listed equity securities	264,448	-	-	264,448
Government securities	-	5,553,109	6,386	5,559,495
Available for sale investments				
Open end mutual funds	-	1,002,802	-	1,002,802
Close end mutual funds	-	225,878	-	225,878
Equity securities	4,622,913	-	122,500	4,745,413
Sukuk and term finance certificates	-	1,371,255	2,674,911	4,046,166
Government securities	-	12,041,073	-	12,041,073
	<u>4,887,361</u>	<u>21,002,532</u>	<u>2,940,037</u>	<u>28,829,930</u>

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 February 23, 2012.

19. GENERAL ☺

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive



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