JS

Jahangir Siddiqui & Co. Ltd.

ANNUAL REPORT 2012

CONTENTS

VISION

To be recognized as the premier and best performing investment company in Pakistan.

MISSION

To build value for our shareholders by providing competitive returns on a sustainable basis through prudent investment decisions by employing best practices of Corporate Governance and Risk Management and conducting our business in accordance with the highest standards of ethics and legal compliance.

CODE OF CONDUCT

The success of our Company depends on adopting high ethical standards and business practices in conducting business. Every member of JSCL family is expected to review and strictly abide by the following code of conduct:

1. Transparency in conducting business and appropriate public disclosures.
2. Fairness in conducting business while striving for highest returns.
3. Protecting and preserving clients' interests.
4. Adopting principle of good corporate citizenship and striving to fulfill corporate social responsibilities.
5. Financial Statements should reflect fair view of business operations and should not conceal any fact.
6. Exhibit integrity, dignity and honesty in business conduct and upholding loyalty.
7. Endeavor to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
8. Professional communication and open environment where everyone has right to speak.
9. We value quality of work and employees' best contribution in achieving clients' and shareholders' financial goals.

10. Maintain highest level of confidentiality and privacy of data during and after employment at JSCL.

11. Avoid any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Company.

12. Employees should not hold any position in other organization without prior approval.

13. Insider trading is strictly prohibited.

14. Avoid workplace harassment and report unethical practices immediately.

15. Treating employees equally and avoiding authority misuse.

16. Company's assets should be used effectively and proprietary information should be kept confidential.

17. Gifts and Bribery should neither be offered nor accepted except for nominal gifts with appropriate disclosures and permission.

18. Striving to provide healthy and secure environment and avoid wasting natural resources.

COMPANY INFORMATION

Board of Directors	**Mazharul Haq Siddiqui**	Chairman - Non Executive
	Chief Justice (R) Mahboob Ahmed	Director - Independent Non Executive
	Ali J. Siddiqui	Director - Non Executive
	Ali Hussain	Director - Non Executive
	Munawar Alam Siddiqui	Director - Non Executive
	Stephen Christopher Smith	Director - Non Executive
	Munaf Ibrahim	Director - Non Executive
	Suleman Lalani	Chief Executive Officer
Company Secretary	**Naveed Khimani**	
Chief Financial Officer	**Hasan Shahid**	
Audit Committee	**Chief Justice (R) Mahboob Ahmed**	Chairman
	Ali J. Siddiqui	Member
	Ali Hussain	Member
	Naveed Khimani	Secretary
Executive Committee	**Chief Justice (R) Mahboob Ahmed**	
	Ali J. Siddiqui	
	Suleman Lalani	
Human Resource & Remuneration Committee	**Mazharul Haq Siddiqui**	Chairman
	Chief Justice (R) Mahboob Ahmed	Member
	Suleman Lalani	Member

External Auditors	**Ernst & Young Ford Rhodes Sidat Hyder** **Chartered Accountants**
Internal Auditors	**Anjum Asim Shahid Rahman** **Charted 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**

BOARD OF DIRECTORS

Mr. Mazharul Haq Siddiqui
Chairman (Non - Executive Director)

Mr. Siddiqui is one of Pakistan's senior most civil servants and an eminent educationist. He has held many senior positions with the Government of Pakistan. He joined Income Tax Department in 1957 through Central Superior Services Competitive examination and served in various capacities including the Commissioner of Income Tax. He served the Provincial Government of Sindh as Secretary Education, Finance and Services and General Administration Departments. He has served the Federal Government as Secretary Establishment, Education, Management Services, Economic Affairs & Statistics and Youth Affairs Divisions. He was Vice Chancellor, Sindh University for three terms of 4 Years each, during 1984 -1988, 2001 - 2005 & 2005 to January 2010. He has also been the President Sindh Madressa Board, Chairman Academic Council Institute of Business Management and Member of its Board of Governors, - all in honorary capacity. He also held the positions of Chairman, National Insurance Corporation and Member, Federal Public Services Commission.

Other Directorships:

- JS Bank Limited
- JS Investments Limited
- Hum Network Limited

Mr. Suleman Lalani
Chief Executive Officer (Executive Director)

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Ltd. ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years.

Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First MicroFinance Bank Limited as its Chief Financial Officer and Company Secretary.

Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 20 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

Other Directorships:

- JS Investments Limited
- AL-Abbas Sugar Mills Limited

Chief Justice (R) Mahboob Ahmed
(Independent Non - Executive Director)

Chief Justice (R) Mahboob Ahmed is an eminent and well respected lawyer and practiced as an advocate of the High Court and the Supreme Court of Pakistan for over 20 years. He was the counsel to all statutory corporations, a number of Insurance Companies as well as large foreign and domestic companies. He graduated from the University of Punjab and completed his Bar in 1957. He then practiced at the Bar of Lahore High Court and the Supreme Court of Pakistan for 19 years and particularly deliberated on constitutional and commercial issues.

Mr. Mahboob Ahmed was then appointed as a Judge of the Lahore High Court in 1978 and became its Chief Justice in 1990 - 1991. He was Chairman of the Provincial Election Authority of Punjab for eleven years and also Chairman of Insurance Reforms Commission of Pakistan. Mr. Mahboob Ahmed was Banking Judge of the Lahore High Court and the company Judge of spurious companies. The task force setup by SECP for framing Rules for establishment of Takaful Insurance Companies was also headed by him as its Chairman.

He served as the Chief Justice of the Federal Shariyat Court in 1997 to 2000. He also acted as Governor of Punjab province number of times.

He is an active philanthropist and is President of the Muslim Education Conference, a Member of the Managing Committee of Gulab Devi Chest Hospital, a Member of Governing Body and Executive Committee of Liaquat National Hospital, Karachi, Chairman of the Board of Management Fatima Jinnah Medical College and the Sir Ganga Ram Hospital, Lahore, Patron in Chief of Bu-Ali Seena Hospital, Lahore Chairman Kulli Khan Waqf an Educational Foundation for welfare of Industrial workers, a founding member of Heart Association of Lahore and the Pakistan Society for Cancer Control. He has also been the Chairman of the Pakistan Red Crescent Society.

Other Directorships:

- East West Insurance Co. Ltd.
- East West Life Assurance Co. Ltd.
- BankIslami Pakistan Limited

Mr. Ali J. Siddiqui
(Non - Executive Director)

Mr. Siddiqui is the Managing Partner of JS Private Equity, Pakistan's largest private equity firm. From 2002-2003 he was an Executive Director of JS Investments Limited private sector mutual fund manager. Prior to JS Group, Mr. Siddiqui was a Director with Crosby, a private equity firm, and was based in Hong Kong. Prior to Crosby, he was an Associate with Techpacific Capital where he was part of a team that managed over US $ 400 million in private equity and venture investing in Asia-Pacific. Mr. Siddiqui holds B.A. in Economics from Cornell University.

Other Directorships in Pakistan

- Mahvash & Jahangir Siddiqui Foundation
- Agrow Limited
- Airblue Limited
- Acumen Fund Limited
- Ghani Glass Limited
- AL-Abbas Sugar Mills Limited
- AJS Holding (Pvt) Limited

Air Commodore Munawar Alam Siddiqui, SI (M), TI(M) (Retd.)
(Non - Executive Director)

Mr. Munawar Alam Siddiqui retired as an Air Commodore from the Pakistan Air Force (PAF) in 2003. His last post was Assistant Chief of Air Staff (Administration) at Pakistan Air Force Headquarters. For his meritorious services to the PAF, he was awarded Tamgha-e-Imtiaz (Military) and Sitara-e-Imtiaz (Military).

He was commissioned in the GD(P) Branch of the Pakistan Air Force in 1974. He is a qualified flying instructor and has flown over 8000 hours on different aircraft including C-130, Boeing-707 and Dassault Falcon 20. He has served as a VVIP and Presidential pilot during his tenure of service and has held various key Command and Staff appointments in the PAF. He served as Director of Air Transport at Air Headquarters from 1996 to 1998 and commanded an operational air force base with over 8,500 personnel from 2000 to 2002.

Mr. Siddiqui holds an M. Sc. in Defence and Strategic Studies from Quaid-e-Azam University, an M. Sc. in Strategic Studies from Karachi University, a B. Sc. (Honours) in War Studies from Karachi University and B. Sc. Avionics from Peshawar University. He is also an alumna of the National Defence College.

Other Directorships:

- JS Investments Limited
- JS Value Fund Limited.
- JS ABAMCO Commodities Limited
- Mahvash & Jahangir Siddiqui Foundation
- Peregrine Aviation (Private) Limited
- Hum Network Limited
- Karachi Education Initiative
- Karigar Training Institute

Mr. Ali Hussain
(Non - Executive Director)

Mr. Ali Hussain brings more than thirty years of managerial and entrepreneurial experience in both corporate and private entities. Mr. Hussain has invested, owned and managed multiple technology and financial investment companies in the international arena with global operations. Prior to starting his own business, Mr. Hussain has managed operations for Hewlett Packard, in California and Singapore. He holds a Masters degree in Engineering from Stanford University. Mr. Hussain also founded Sajjad Foundation; a private charitable foundation primarily devoted to educational health care and humanitarian projects in Singapore, Pakistan and other disadvantaged countries.

Other Directorships

- BankIslami Pakistan Limited

Mr. Munaf Ibrahim
(Non - Executive Director)

Mr. Ibrahim joined JSCL in 1993 and in 1995 he was elected to the Board as an Executive Director. He was the Chief Executive Officer from September 1999 to February 2012. Mr. Ibrahim is a Fellow member of Institute of Chartered Accounts of Pakistan and Fellow member of the Institute of Cost & Management Accountants of Pakistan.

Other Directorships

- Mahvash & Jahangir Siddiqui Foundation
- Attock Refinery Limited

Mr. Stephen Christopher Smith
(Non - Executive Director)

Mr. Smith joined JS Group in 2004 and is responsible for JSCL's international activities. Prior to JS, Mr. Smith qualified as a Chartered Accountant at Ernst & Young, London before joining European Capital, a UK-based project and corporate finance company. He then moved to Techpacific Capital, a Hong Kong-listed finance company where he rose to become Group CFO and Company Secretary. Mr. Smith holds a Joint Honours degree in Economics and Mathematics from the University of Bristol.

Other Directorships

- JS International Companies
- Credit Chex (Pvt) Limited

BOARD COMMITTEES

Board Audit Committee

Chief Justice (R) Mahboob Ahmed	**Chairman**
Mr. Ali J. Siddiqui	**Member**
Mr. Ali Hussain	**Member**

Terms of Reference

The Board of Directors of JSCL has determined the terms of reference of the Audit Committee. The Audit Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors shall act in accordance with the recommendations of the Audit Committee in all these matters.

The terms of reference of the Audit Committee of JSCL shall also include the following:

(a) Determination of appropriate measures to safeguard the Company's assets;
(b) Review of preliminary announcements of results prior to publication;
(c) Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas;
- Significant adjustments resulting from the audit;
- The going-concern assumption;
- Any changes in accounting policies and practices;
- Compliance with applicable accounting standards; and
- Compliance with listing regulations and other statutory and regulatory requirements.

(d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
(e) Review of management letter issued by external auditors and management's response thereto;
(f) Ensuring coordination between the internal and external auditors of the Company;
(g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
(h) Consideration of major findings of internal investigations and management's response thereto;
(i) Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
(j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;

(k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;

(l) Determination of compliance with relevant statutory requirements;

(m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

(n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Members of the Board Audit Committee	**Date of Board Audit Committee Meetings and Attendance**						
	September 24, 2011	October 26, 2011	February 23, 2012	April 25, 2012	August 30, 2012	October 30, 2012	October 31, 2012
Chief Justice (R) Mahboob Ahmed	✓	✓	✓	✓	✓	✓	✓
Mr. Ali J. Siddiqui	✓	✓	✗	✗	✗	✗	✗
Mr. Ali Hussain	✓	✓	✓	✓	✓	✓	✓

Executive Committee

Chief Justice (R) Mahboob Ahmed
Mr. Ali J. Siddiqui
Mr. Suleman Lalani

Terms of reference

The Executive Committee is appointed by the Board of Directors and includes the Chief Executive Officer as a member.

(a) The Executive Committee shall convene whenever required to evaluate and recommend to management and the Board the approval of new lines of business, underwriting, major additions / deletions in trading portfolio, changes in investment portfolio, and new transactions in accordance with the Risk Management Guidelines, the Statement of Investment and Operating Policy (SIOP) and other internal guidelines.

(b) The Executive Committee will review the Company's adherence to the Policy Statement and, if needed, make recommendations to the Board of Directors for changes as a result of new developments.

(c) The Executive Committee will regularly review the Company's operations based on monthly operating reports (to include a summary of the Company's net capital position based on market value) prepared and submitted by the Chief Financial Officer or other person nominated by the Board of Directors in comparison with the annual budget, and present to the Board for its review at its next regularly scheduled meeting any shortfalls or significant changes in the conditions (financial or otherwise), operations, prospects or business plan of the Company.

(d) The Executive Committee will implement, or as appropriate, will delegate to the Chief Executive Officer to implement, the Company's quarterly capital expenditures budget as reviewed and approved by the Board of Directors.

Human Resource & Remuneration Committee

Mr. Mazharul Haq Siddiqui - Chairman
Chief Justice (R) Mahboob Ahmed - Member
Mr. Suleman Lalani - Member

Terms of Reference:

Purpose

The Human Resource & Remuneration Committee (the "Committee") shall discharge the Board's responsibilities relating to the human resource functions of the Company's executives.

The Committee shall be responsible for recommending human resource policy to the Board. The Committee shall have overall responsibility for recommending selection, evaluation approving and evaluating the compensation (including retirement benefits) and succession planning of CEO, COO, CFO and Company Secretary. The Committee shall also be responsible for consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.

Compensation Policy

The JSCL executive compensation program is designed to attract, motivate, reward and retain superior management talent.

The Executive Compensation Committee places heavy emphasis on pay for performance. The Committee believes substantial portions of total compensation should be at risk. Likewise, outstanding performance should lead to substantial increase in compensation.

Committee Duties and Responsibilities

Compensation of Chief Executive Officer (CEO)

The Committee shall annually review and approve corporate goals and objectives relevant to CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and approve the CEO's compensation level based on this evaluation, subject to any employment contract that may be in effect. In determining the long-term incentive component of CEO's compensation, the Committee should consider the Company's performance and relative shareholders' return, the value of similar incentive awards to CEO's at comparable companies, the awards given to the CEO in past years, and such other factors as the Committee may consider relevant.

Compensation of Senior Executives

The Committee shall periodically review and make recommendations to the Board with respect to equity-based compensation, and such other forms of compensation as the Committee may consider appropriate. The Committee shall annually review and approve for the senior executives of the Company (a) the annual base salary, (b) the annual incentive bonus, (c) the long-term incentive award, (d) employment agreements, severance arrangements, and change in control agreements or provisions, in each case as, when and if appropriate, and (e) any supplemental or special benefits.

The structure of management compensation should link the interests of management, both individually and as a team, to the interests of shareholders and management compensation packages should be designed to create a commensurate level of risk and opportunity based on business and individual performance. The Committee shall make recommendations to the Board concerning incentive compensation plans and equity-based plans.

Overall Compensation Structure

In addition to reviewing and setting compensation for management, the Committee should, from time to time, review broadly the overall compensation structure for employees. In doing so, the Committee should bear in mind that incentives are industry dependent and are different for different categories of employees.

Sub-Committees

The Committee may form, and delegate authority to, subcommittees when appropriate.

Reporting to the Board

The Committee shall make regular reports to the Board.

Annual Evaluation

The Committee shall conduct an annual evaluation of the Committee's performance as compared to the requirements of its Charter.

The Committee Charter

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

CORPORATE SOCIAL RESPONSIBILITY

At Jahangir Siddiqui & Co. Ltd. (JSCL), we believe in playing our part in building this nation which has given so much to us. It is our moral and ethical responsibility to step up and offer a helping hand to the members of the community in need.

JSCL conducts its Corporate Social Responsibility through the Mahvash & Jahangir Siddiqui Foundation (MJSF) and this collaboration has led them to collectively be a strong advocate of various philanthropic activities including extensive relief efforts in the 2005 earthquake, 2008 IDP Crisis and the recent floods.

As a socially responsible entity, we desire to take initiatives which make us add value to people's lives and the environment around them. In line with our Corporate Social Responsibility philosophy, we have clearly defined CSR objectives which revolve around behaving ethically, following best practices and contributing to the economic development of the country. Today, we are amongst the very few organizations that have an active CSR policy in place.

Mahvash & Jahangir Siddiqui Foundation:

The Mahvash & Jahangir Siddiqui Foundation (MJSF) was established in 2003 under Section 42 of the Companies Ordinance, 1984 by the JS Group as a charitable, not-for-profit organization. MJSF aims to provide healthcare, education and social enterprise through sustainable development to underprivileged members of society with a special focus on women. Apart from its own efforts, MJSF has partnered with key institutions including: United Nations High Commissioner for Refugees (UNHCR); United Nations Office for Coordination of Humanitarian Affairs (UNOCHA); United Nations Children's Fund (UNICEF); World Food Program (WFP); United Nations Development Program (UNDP); and International Organization for Migrations (IOM). MJSF also works closely with Oxfam and MSB (the Swedish Civil Contingencies Agency) for disaster response and relief.

MJSF is registered with the Pakistan Center of Philanthropy and Pakistan Red Crescent.

Mahvash & Jahangir Siddiqui Foundation has long-term commitments in following areas:

Education:

We think that for a nation to progress, investment in education is absolutely essential. MJSF educational initiatives encompasses support for; special education, higher education, vocational training, and development of schools in rural areas, particularly the two most populated provinces of Sindh and Punjab in Pakistan.
MJSF extends donations to prominent institutions like the Lahore University of Management Sciences (LUMS), Institute of Business Administration, Karachi (IBA) and Karachi Education Initiative (KEI) for Karachi School for Business and Leadership.

At present, it is also supporting IBA Sukkur in the creation of Endowment Fund leading to the generation of sustainable financial support programs at the Institute.

MJSF is supporting various schools in Punjab through the Progressive Education Network (PEN). MJSF has also established and is operating various schools in rural areas of Sindh through its partner Fakhr-e-Imdad Foundation and a vocational training institute, the Karigar Training Institute.

MJSF also runs scholarship programs for individuals and annually sponsors a group summer program at the National University of Singapore with its partner Sajjad Foundation and at Weill Cornell Medical College, Qatar.

It also partners with unique organizations for children with disabilities such as JS Academy for the Deaf. The Academy has applied with the concerned authorities for the graduation program and is currently in the process of researching, developing and patenting Islamic Sign Language.

Setting precedence for unique social practices within the Group, MJSF has launched an initiative facilitating the economic burden of its employees. Embedded with sustainable mechanism, JS-Group Education Support Scheme (JS-GESS) subsidizes the educational cost burden of the employees' children. Essentially, GESS emphasizes on imparting the significance of education as a need.

Furthermore, MJSF is also currently in the process of setting up model Leadership Schools nationwide along with another summer program with the Virginia Institute of Marine Science.

Social Enterprises and Sustainable Development:

Realizing the importance of promoting social enterprises, MJSF has ventured into many projects and has partnered with organizations which have the same desire for social and sustainable development.

The goal is to promote economic development and to enhance the dignity and quality of life of individuals, families and communities by eliminating barriers to opportunity and helping people in need reach their fullest potential.

In collaboration with Acumen Fund and Rothschild Foundation, MJSF has launched the Pakistan Fellows Program to support the development of the next generation of social change leaders who are building innovative businesses and strong institutions across the country.

MJSF is also creating livelihood generation opportunities through the providence and monitoring of poultry birds to vulnerable families in the Matiari district of Sindh.

Further, in partnership with Agrow Lahore, MJSF is also in the process of initiating an income support and capacity building scheme by providing qingqi vehicles, technical selling expertise, training and avenues for trade to local farmers in the nearby districts of Lahore.




Healthcare:

MJSF is a strong advocate of promoting healthcare and has been involved in providing health related services since many years. From organizing eye/skin camps in the remote areas of Sindh to providing sophisticated equipment to various health facilities, MJSF actively donates to a number of hospitals as an annual commitment. Zakat funds are also utilized for the most underprivileged patients at these hospitals who cannot afford basic healthcare.

MJSF is linked with numerous projects and organizations in health care, including; Sindh Institute of Urology and Transplantation (SIUT), Karachi National Hospital, The National Institute of Cardiovascular Diseases (Emergency Ward) and other notable social enterprises.

MJSF, in partnership with the Allianz Direct Help Foundation has also initiated a project to construct a major healthcare facility in the city of Sehwan Sharif in the province of Sindh. MJSF aims to establish a full service hospital facility with emergency care, laboratories, radiology services and in-patient facilities.

Emergency Relief:

MJSF also mobilizes major relief efforts in Pakistan in times of national emergencies.

In the past, MJSF immensely contributed at the time of the 2005 earthquake, the 2008 Internally Displaced Persons Crisis and the floods in recent years, with close collaboration with almost all United Nations' clusters operating in Pakistan, along with organizations such as IOM, Oxfam, WFP and the Provincial Disaster Management Authority.

MJSF is also setting up a rehabilitation program for the flood affectees. In partnership with IOM, It is supporting a shelter project called 'One Room Shelters' in three affected districts in Sindh. The project envisages provision of homes to hundreds of families with strong key cash for work benefits, incorporates social mobilization and technical integration.

For more details, please visit Mahvash & Jahangir Siddiqui Foundation's website:
www.mjsf.net

CORPORATE CALENDAR

Meetings	Dates
Board of Directors' Meeting	July 16, 2011
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the year ended June 30, 2011	September 24, 2011
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the quarter ended September 30, 2011	October 26, 2011
Annual General Meeting of the Company	October 27, 2011
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the half year ended December 31, 2011	February 23, 2012
Board of Directors' Meeting	March 05, 2012
Board of Directors' Meeting	March 30, 2012
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the nine month period and quarter ended March 31, 2012	April 25, 2012
Board of Directors' Meeting	May 25, 2012
Extraordinary General Meeting	June 27, 2012
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the twelve month period and Quarter ended June 30, 2012	August 30, 2012
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the fifteen month period and quarter ended September 30, 2012	October 30, 2012 and October 31, 2012
Board of Directors' Meeting	December 27, 2012

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of Jahangir Siddiqui & Co. Ltd. (the "Company") will be held at Regent Plaza Hotel & Convention Centre, Main Shahra-e-Faisal, Karachi on Friday, April 05, 2013 at 11:30 a.m., to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited separate and consolidated financial statements of the Company for the eighteen month period ended December 31, 2012 together with the Directors' and Auditors' Reports thereon.

2. To approve and declare cash dividend @ 7.5% i.e. Re. 0.75 per share for the eighteen month period ended December 31, 2012 as recommended by the Board of Directors of the Company.

3. To appoint Company's Auditors for the year ending December 31, 2013 and fix their remuneration.

By Order of the Board

Naveed Khimani
Company Secretary
Karachi: March 14, 2013

NOTES

(i) The Share Transfer Books of the Company shall remain closed from March 30, 2013 to April 05, 2013 (both days inclusive).

(ii) Physical transfers and deposit requests under Central Depository System received at the close of business on March 29, 2013 by the Company's Registrar i.e. Technology Trade (Pvt.) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., Karachi will be treated in time for the purpose of entitlement of dividend and attending the meeting.

(iii) A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company.

(iv) Proxies must be received at the Head Office of the Company not less than 48 hours before the time of the meeting.

(v) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and / or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.

b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the meeting.

e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

(vi) Shareholders are requested to notify immediately of any change in their address to the Company's Registrar.

Advice to Shareholders:

In pursuance with the Securities and Exchange Commission of Pakistan ("SECP") Notification No SRO 831 (1)/2012 of July 5 2012 in supersession of earlier Notification No. SRO 779 (1)/2011 of August 18, 2011, SECP directed all listed companies to mention Computerized National Identity Card (CNIC) number / National Tax Numbers (NTN) of the registered members on the dividend warrant. The shareholders having physical shares are requested to immediately send a copy of their valid CNIC / Passport (for non resident only) to our Registrar Office, M/S. Technology Trade (Pvt) Ltd. Dagia House, 241-C, Block-2, P.E.C.H.S, Off Shahrah-e-Quaideen, Karachi for printing/insertion on dividend warrants.

In case of non-receipts of copy of valid CNIC (unless it has been provided earlier) and non-compliance of the above requirement the Company will be constrained to withhold dispatch of dividend warrants to such shareholers as per SECP's SRO and directives.

The corporate entities are also advised to submit the NTN numbers to the above given address.

Statement under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012

The Company in its Extraordinary General Meeting held on June 27, 2012 had approved the following investments under Section 208 of the Companies Ordinance, 1984. However, to date no investment has been made against the said approvals.

S. No.	Name of Company	Amount of Investments approved (PKR 'in millions')	Amount of Investment made to date (PKR 'in millions')	Reasons for not making investment
1	JS Bank Limited	2,000	Nil	Approval is for investment in right issue which has not been announced by JS Bank Limited.
2	Lucky Cement Limited	1,950	Nil	Transaction will be carried out at an appropriate time in the interest of the shareholders of the Company.

The change in financial position of JS Bank Limited and Lucky Cement Limited are given below:

- **JS Bank Limited**

S. No.	Description	At the time of Approval under Section 208	Present Status
1.	Average of the preceding 12 weekly average price of the security security inteneded to be acquried	PKR. 5.81 per share (from week March 05, 2012 to March 09, 2012 to week May 21, 2012 to May 25, 2012)	PKR. 5.85 per share (from week November 26, 2012 to November 30, 2012 to week Feburary 11, 2013 to Feburary 15, 2013)
2.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	PKR. 7.7758 per share as per audited financial statements as on April 30, 2012	PKR. 8.35 per share as per audited financial statements as on December 31, 2012
3.	Earning / (Loss) per share of the investee company	PKR. 0.21 as per audited financial statements as on April 30, 2012	PKR. 0.70 as per audited financial statements as on December 31, 2012

- **Lucky Cement Limited**

S. No.	Description	At the time of Approval under Section 208	Present Status
1.	Average of the preceding 12 weekly average price of the security security inteneded to be acquried	PKR. 119.68 per share (from week March 05,2012 to March 09, 2012 to week May 21, 2012 to May 25, 2012)	PKR. 150.21 per share (from week November 26, 2012 to November 30, 2012 to week Feburary 11, 2013 to Feburary 15, 2013)
2.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	PKR. 85.88 per share as per audited financial statements as on June 30, 2011	PKR. 102.86 per share as per audited financial statements as on June 30, 2012
3.	Earning / (Loss) per share of the investee company	PKR. 12.28 as per audited financial statements as on June 30, 2011	PKR. 20.97 as per audited financial statements as on June 30, 2012

FINANCIAL HIGHLIGHTS

(Based on Unconsolidated Financial Statements)

	2012*	2011	2010	2009	2008	2007
	..................(Rupees in '000)					
Operating Results						
Total revenue	3,489,687	985,535	609,076	3,149,203	19,086,013	3,352,907
Operating and administrative expenses	623,195	150,485	201,566	228,297	846,392	523,223
Finance cost	519,427	528,591	846,211	571,954	942,534	586,486
(Reversal of provision)/provision for impairment	(12,889)	1,584,325	8,537,198	16,761,423	95,905	(14,655)
Profit/(loss) before tax and impairment losses	2,347,065	306,459	(438,701)	2,348,952	17,297,087	2,243,198
Profit/(loss) before tax from continuing operations	2,359,954	(1,277,866)	(8,975,899)	(14,412,471)	17,201,182	2,257,853
Profit/(loss) after tax from continuing operations	2,362,563	(1,276,523)	(8,983,826)	(14,413,384)	17,201,702	2,239,008
Financial Position						
Share capital						
- Ordinary shares	7,632,853	7,632,853	7,632,853	7,632,853	2,220,200	350,000
- Preference shares	-	-	-	-	-	700,000
	7,632,853	7,632,853	7,632,853	7,632,853	2,220,200	1,050,000
Reserves	5,989,508	1,508,139	2,494,877	11,646,141	28,807,693	7,227,328
Outstanding ordinary shares (in '000')	763,285	763,285	763,285	763,285	222,020	35,000
Outstanding preference shares (in '000')	-	-	-	-	-	70,000
Liabilities						
Financings	2,607,104	2,841,552	3,214,957	3,524,665	3,833,553	3,980,153
Current liabilities (excluding Current portion of financing)	189,305	205,300	2,041,006	380,831	2,632,977	3,343,704
Assets						
Property and equipment	8,756	10,407	17,482	28,591	46,654	58,495
Investments	13,298,260	9,257,029	15,108,421	22,760,883	32,582,396	13,813,613
Other non-current assets	18,294	17,064	17,667	18,691	22,801	21,632
Current assets	4,939,824	2,903,344	1,833,275	2,524,994	9,112,360	9,355,747
Cash Flows						
Net cash flows from operating activities	(391,710)	1,309,955	(1,368,686)	2,873,767	18,916,626	1,205,698
Net cash flows from investing activities	1,921,884	2,107,644	(24,090)	(5,887,315)	(25,376,228)	(581,601)
Net cash flows from financing activities	(238,364)	(375,765)	(313,178)	(309,276)	10,308,510	1,786,352
Changes in cash and cash equivalents	1,291,810	3,041,834	(1,705,954)	(3,322,824)	3,848,908	2,410,449
Cash and cash equivalents - period / year end	2,629,053	1,337,243	(1,704,591)	1,363	3,324,187	(524,721)

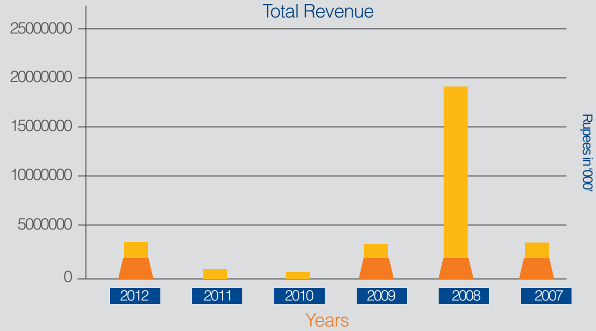
FINANCIAL PERFORMANCE

(Based on Unconsolidated Financial Statements)

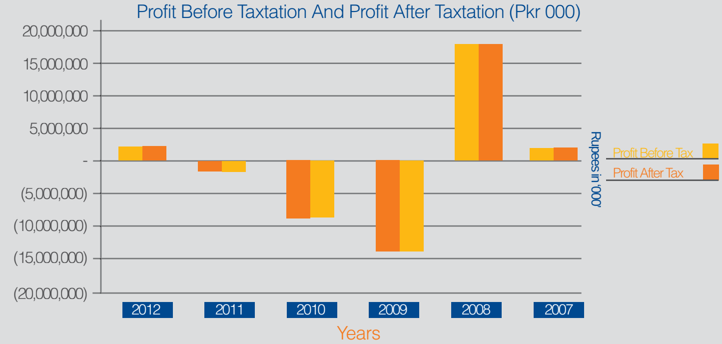
	2012*	2011	2010	2009	2008	2007
PROFITABILITY						
Gross Yield on Earning Assets	21%	9%	3%	13%	51%	21%
Cost/Income ratio	34%	71%	87%	23%	9%	50%
Return on Capital employed	20%	-6%	-45%	-48%	77%	29%
LIQUIDITY						
Current Ratio	2.54	2.23	0.76	3.64	3.09	2.60
Ouick / Acid test ratio	2.36	2.00	0.66	3.40	3.06	2.55
Cash to Current Liabilities	1.35	1.03	(0.71)	0.00	1.13	(0.15)
INVESTMENT / MARKET RATIOS						
Basic and Diluted Earnings per Share	3.10	(1.67)	(11.77)	(18.88)	86.37	63.16
Price to Book ratio	75%	41%	63%	76%	314%	123%
Dividend Yield ratio	5%	0%	8%	0%	0%	0.5%
Dividend Payout ratio	24%	0%	-	0%	0%	4%
Cash Dividend per share (Rupees)	0.75	-	1.00	-	-	2.50
Stock Dividend per share	-	-	-	244%	160%	100%
Market value per share at the end of the period / year (Rupees)	16.14	6.48	12.64	23.19	530.15	547.00
Average market price during the period / year (Rupees)	11.35	10.03	25.56	139.47	713.19	186.17
Average KSE 100 index during the period / year	13,462	11,277	9,347	8,012	13,899	11,168
CAPITAL STRUCTURE						
Earning assets to total assets ratio	98%	87%	98%	99%	100%	98%
Break up Value per Share	17.85	11.98	13.27	25.26	139.75	216.50
Financial Leverage Ratio	21%	33%	52%	20%	21%	106%
Weighted Average cost of Debt	19%	14%	20%	14%	19%	11%
Debt to Equity	19%	31%	32%	18%	12%	62%

* Eighteen Month period ended December 31, 2012

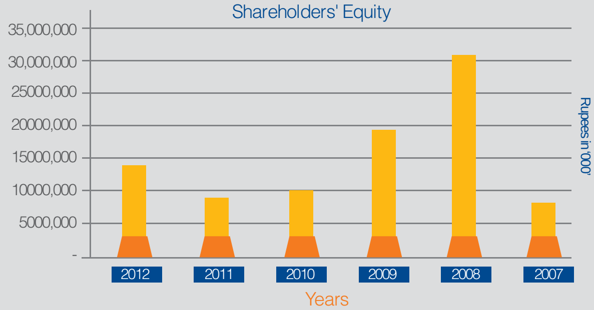
Total Revenue



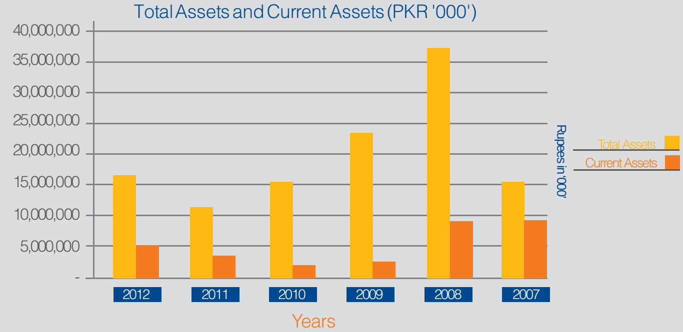
Profit Before Taxtation And Profit After Taxtation (Pkr 000)



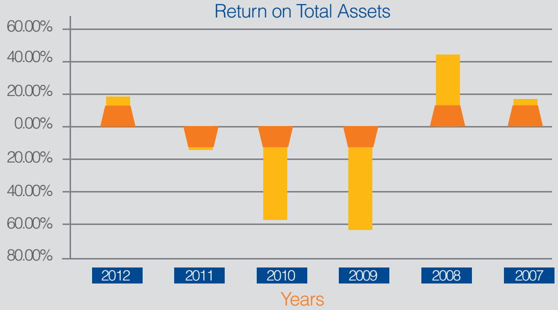
Shareholders' Equity



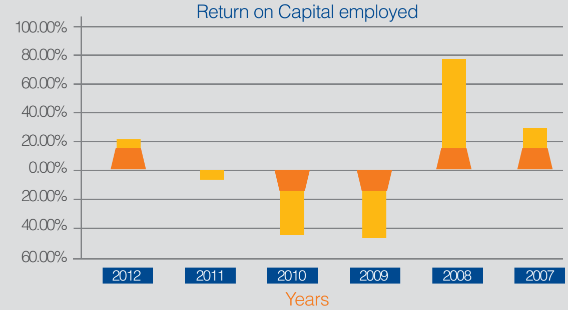
Total Assets and Current Assets (PKR '000')



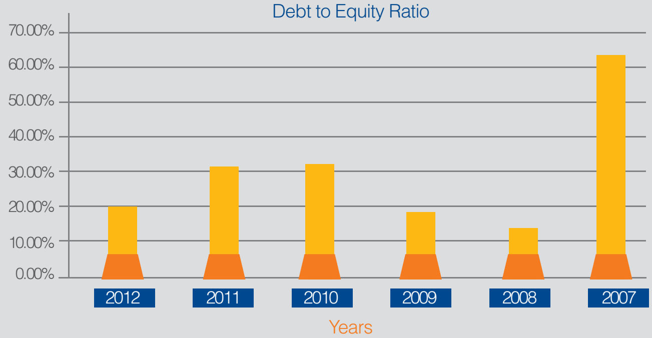
Return on Total Assets



Return on Capital employed



Debt to Equity Ratio



HORIZONTAL ANALYSIS
OF FINANCIAL STATEMENTS

(PKR in '000)

	2012* Vs. 2011		2011 Vs. 2010		2010 Vs. 2009		2009 Vs. 2008		2008 Vs. 2007		2007 Vs. 2006		2006
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
ASSETS													
Non Current Assets													
Property and equipment	8,756	(16)	10,407	(40)	17,482	(39)	28,591	(39)	46,654	(20)	58,495	158	22,664
Investment properties	3,191	80	1,770	(27)	2,411	(21)	3,052	(17)	3,692	(15)	4,332	(13)	4,972
Stock exchange membership cards and room	11,201	(8)	12,201	-	12,201	-	12,201	-	12,201	-	12,201	-	12,201
Long term investments	11,451,896	24	9,257,029	(32)	13,515,269	(34)	20,612,214	(27)	28,312,608	359	6,165,311	16	5,325,048
Long term loan and advance	2,228	40	1,594	2	1,562	(20)	1,945	(56)	4,379	68	2,605	2	2,550
Long term security deposits	1,674	12	1,499	0	1,493	-	1,493	(41)	2,529	1	2,494	(1)	2,521
	11,478,946	24	9,284,500	(31)	13,550,418	(34)	20,659,496	(27)	28,382,063	354	6,245,438	16	5,369,956
Current Assets													
Trade debts	-	-	-	-	-	(100)	21,781	100	-	(100)	24,593	100	-
Loans and advances	100,463	18,608	537	(68)	1,668	(98)	81,593	(47)	153,026	(53)	323,281	174	118,178
Prepayment, accrued mark up and other recievable	16,274	(22)	20,817	407	4,108	(75)	16,300	(9)	17,858	(91)	200,517	405	39,715
Short term investments	1,846,364	100	-	(100)	1,593,152	(26)	2,148,669	(50)	4,269,788	(44)	7,648,302	35	5,683,207
Fund placements	-	-	-	-	-	-	-	(100)	325,411	100	-	(100)	242,048
Taxation	347,670	27	274,108	23	222,720	44	154,777	102	76,513	100	-	(100)	8,263
Cash and bank balance	2,629,053	97	1,337,243	11,401	11,627	(89)	101,874	(98)	4,269,764	268	1,159,054	2,338	47,535
	4,939,824	203	1,632,705	(11)	1,833,275	(27)	2,524,994	(72)	9,112,360	(3)	9,355,747	52	6,138,946
Non current asset held for sale	-	(100)	1,270,639	100	-	-	-	-	-	-	-	-	-
Total Assets	**16,418,770**	**35**	**12,187,844**	**(21)**	**15,383,693**	**(34)**	**23,184,490**	**(38)**	**37,494,423**	**140**	**15,601,185**	**36**	**11,508,902**
EQUITY AND LIABILITIES													
Share capital and reserves													
Share capital - ordinary shares	7,632,853	-	7,632,853	-	7,632,853	-	7,632,853	244	2,220,200	534	350,000	-	350,000
Preference shares	-	-	-	-	-	-	-	-	-	(100)	700,000	100	-
Reserves	5,989,508	297	1,508,139	(40)	2,494,877	(79)	11,646,141	(60)	28,807,693	299	7,227,328	44	5,031,702
	13,622,361	49	9,140,992	(10)	10,127,730	(47)	19,278,994	(38)	31,027,893	275	8,277,328	54	5,381,702
Non Current Liabilities													
Long term financing	855,370	(51)	1,743,858	(39)	2,839,287	(12)	3,212,313	(9)	3,520,275	(6)	3,729,413	114	1,740,628
Current Liabilities													
Trade and other payable	79,577	(4)	82,764	(13)	95,328	(25)	127,240	(92)	1,573,858	0	1,571,239	643	211,566
Accrued interest markup on borrowing	109,728	(10)	122,536	(47)	229,460	50	153,080	35	113,542	29	87,946	110	41,905
Short term borrowings	-	-	-	(100)	1,716,218	1,607	100,511	(89)	945,577	(44)	1,683,775	(57)	3,882,801
Current portion of long term financing	1,751,734	60	1,097,694	192	375,670	20	312,352	(0)	313,278	25	250,740	0	250,300
Taxation - net	-	-	-	-	-	-	-	-	-	(100)	744	100	-
	1,941,039	49	1,302,994	(46)	2,416,676	249	693,183	(76)	2,946,255	(18)	3,594,444	(18)	4,386,572
Total Equity and Liabilities	**16,418,770**	**35**	**12,187,844**	**(21)**	**15,383,693**	**(34)**	**23,184,490**	**(38)**	**37,494,423**	**140**	**15,601,185**	**36**	**11,508,902**
PROFIT AND LOSS													
Income													
Return on investments	850,844	107	410,466	(46)	758,595	37	553,810	(12)	629,775	74	362,546	(27)	497,532
Gain on sale of investments	2,453,867	398	493,088	11	444,066	(83)	2,574,898	(87)	19,255,036	943	1,846,959	71	1,078,001
Income from long term loans and funds placements	85,622	68	51,105	1,820	2,662	(99)	288,628	4,338	6,504	(14)	7,552	(73)	27,673
Other income	99,354	222	30,876	(63)	83,521	(32)	122,911	65	74,525	(24)	98,396	100	49,194
Revaluation of investments at fair value through profit & loss	-	-	-	(100)	(679,768)	74	(391,044)	(56)	(879,827)	(185)	1,037,454	443	191,082
	3,489,687	254	985,535	62	609,076	(81)	3,149,203	(83)	19,086,013	469	3,352,907	82	1,843,482
Expenditures													
Operating and administrative expenses	623,195	314	150,485	(25)	201,566	(12)	228,297	(73)	846,392	62	523,223	65	316,360
Finance cost	519,427	(2)	528,591	(38)	846,211	48	571,954	(39)	942,534	61	586,486	77	331,409
(Reversal of Provision)/provision for impairment against investments	(12,889)	(101)	1,584,325	(81)	8,537,198	(49)	16,761,423	17,377	95,905	(754)	(14,655)	(117)	84,821
	1,129,733	(50)	2,263,401	(76)	9,584,975	(45)	17,561,674	832	1,884,831	72	1,095,054	49	732,590
Profit before taxation	**2,359,954**	**(285)**	**(1,277,866)**	**(86)**	**(8,975,899)**	**(38)**	**(14,412,471)**	**(184)**	**17,201,182**	**662**	**2,257,853**	**103**	**1,110,892**
Taxation													
Current	-	(100)	2,609	(65)	7,393	710	913	(46)	1,702	(91)	18,901	(11)	21,240
Prior	(2,609)	(34)	(3,952)	(840)	534	100	-	(100)	(2,222)	3,868	(56)	(100)	-
	(2,609)	94	(1,343)	(117)	7,927	768	913	(276)	(520)	(103)	18,845	(11)	21,240
Profit from Continuing operations	**2,362,563**	**(285)**	**(1,276,523)**	**(86)**	**(8,983,826)**	**(38)**	**(14,413,384)**	**(184)**	**17,201,702**	**668**	**2,239,008**	**105**	**1,089,652**

* Eighteen Month period ended December 31, 2012

VERTICAL ANALYSIS
OF FINANCIAL STATEMENTS

(PKR 000')

	2012*		2011		2010		2009		2008		2007	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS												
Non Current Assets												
Property and equipment	8,756	0.05	10,407	0.09	17,482	0.11	28,591	0.12	46,654	0.12	58,495	0.37
Investment properties	3,191	0.02	1,770	0.01	2,411	0.02	3,052	0.01	3,692	0.01	4,332	0.03
Stock exchange membership cards and room	11,201	0.07	12,201	0.10	12,201	0.08	12,201	0.05	12,201	0.03	12,201	0.08
Long term investments	11,451,896	69.75	9,257,029	75.95	13,515,269	87.85	20,612,214	88.91	28,312,608	75.51	6,165,311	39.52
Long term loan and advance	2,228	0.01	1,594	0.01	1,562	0.01	1,945	0.01	4,379	0.01	2,605	0.02
Long term security deposits	1,674	0.01	1,499	0.01	1,493	0.01	1,493	0.01	2,529	0.01	2,494	0.02
	11,478,946	69.91	9,284,500	76.18	13,550,418	88.08	20,659,496	89.11	28,382,063	75.70	6,245,438	40.03
Current Assets												
Trade debts	-	-	-	-	-	-	21,781	0.09	-	-	24,593	0.16
Loans and advances	100,463	0.61	537	0.00	1,668	0.01	81,593	0.35	153,026	0.41	323,281	2.07
Prepayment, accrued mark up and other recievable	16,274	0.10	20,817	0.17	4,108	0.03	16,300	0.07	17,858	0.05	200,517	1.29
Short term investments	1,846,364	11.25	-	-	1,593,152	10.36	2,148,669	9.27	4,269,788	11.39	7,648,302	49.02
Fund placements	-	-	-	-	-	-	-	-	325,411	0.87	-	-
Taxation	347,670	2.12	274,108	2.25	222,720	1.45	154,777	0.67	76,513	0.20	-	-
Cash and bank balance	2,629,053	16.01	1,337,243	10.97	11,627	0.08	101,874	0.44	4,269,764	11.39	1,159,054	7.43
	4,939,824	30.09	1,632,705	13.40	1,833,275	11.92	2,524,994	10.89	9,112,360	24.30	9,355,747	59.97
Non current asset held for sale	-	-	1,270,639	10.43	-	-	-	-	-	-	-	-
Total Assets	**16,418,770**	**100.00**	**12,187,844**	**100.00**	**15,383,693**	**100.00**	**23,184,490**	**100.00**	**37,494,423**	**100.00**	**15,601,185**	**100.00**
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital - ordinary shares	7,632,853	46.49	7,632,853	62.63	7,632,853	49.62	7,632,853	32.92	2,220,200	5.92	350,000	2.24
preference Shares	-	-	-	-	-	-	-	-	-	-	700,000	4.49
Reserves	5,989,508	36.48	1,508,139	12.37	2,494,877	16.22	11,646,141	50.23	28,807,693	76.83	7,227,328	46.33
	13,622,361	82.97	9,140,992	75.00	10,127,730	65.83	19,278,994	83.15	31,027,893	82.75	8,277,328	53.06
Non Current Liabilities												
Long term financing	855,370	5.21	1,743,858	14.31	2,839,287	18.46	3,212,313	13.86	3,520,275	9.39	3,729,413	23.90
Current Liabilities												
Trade and other payable	79,577	0.48	82,764	0.68	95,328	0.62	127,240	0.55	1,573,858	4.20	1,571,239	10.07
Accrued interest/ markup on borrowing	109,728	0.67	122,536	1.01	229,460	1.49	153,080	0.66	113,542	0.30	87,946	0.56
Short term borrowings	-	-	-	-	1,716,218	11.16	100,511	0.43	945,577	2.52	1,683,775	10.79
Current portion of long term financing	1,751,734	10.67	1,097,694	9.01	375,670	2.44	312,352	1.35	313,278	0.84	250,740	1.61
Taxation - net	-	-	-	-	-	-	-	-	-	744	0.00	
	1,941,039	11.82	1,302,994	10.69	2,416,676	15.71	693,183	2.99	2,946,255	7.86	3,594,444	23.04
Total Equity and Liabilities	**16,418,770**	**100.00**	**12,187,844**	**100.00**	**15,383,693**	**100.00**	**23,184,490**	**100.00**	**37,494,423**	**100.00**	**15,601,185**	**100.00**
PROFIT AND LOSS												
Income												
Return on Investments	850,844	24.38	410,466	41.65	758,595	124.55	553,810	17.59	629,775	3.30	362,546	10.81
Gain on sale of investments	2,453,867	70.32	493,088	50.03	444,066	72.91	2,574,898	81.76	19,255,036	100.89	1,846,959	55.09
Income from long term loans and funds Placements	85,622	2.45	51,105	5.19	2,662	0.44	288,628	9.17	6,504	0.03	7,552	0.23
Other Income	99,354	2.85	30,876	3.13	83,521	13.71	122,911	3.90	74,525	0.39	98,396	2.93
Revaliuation of investments at fair value through Profit & Loss	-	-	-	-	(679,768)	(111.61)	(391,044)	(12.42)	(879,827)	(4.61)	1,037,454	30.94
	3,489,687	**100.00**	**985,535**	**100.00**	**609,076**	**100.00**	**3,149,203**	**100.00**	**19,086,013**	**100.00**	**3,352,907**	**100.00**
Expenditures												
Operating and administrative expenses	623,195	17.86	150,485	15.27	201,566	33.09	228,297	7.25	846,392	4.43	523,223	15.61
Finance cost	519,427	14.88	528,591	53.63	846,211	138.93	571,954	18.16	942,534	4.94	586,486	17.49
(Reversal of provision) / provision for impairment against investments	(12,889)	(0.37)	1,584,325	160.76	8,537,198	1,401.66	16,761,423	532.24	95,905	0.50	(14,655)	(0.44)
	1,129,733	32.37	2,263,401	229.66	9,584,975	1,573.69	17,561,674	557.65	1,884,831	9.88	1,095,054	32.66
Profit before taxation	**2,359,954**	**67.63**	**(1,277,866)**	**(129.66)**	**(8,975,899)**	**(1,473.69)**	**(14,412,471)**	**(457.65)**	**17,201,182**	**90.12**	**2,257,853**	**67.34**
Taxation												
Current	-	-	2,609	0.26	7,393	1.21	913	0.03	1,702	0.01	18,901	0.56
Prior	(2,609)	(0.07)	(3,952)	(0.40)	534	0.09	-	-	(2,222)	(0.01)	(56)	(0.00)
	(2,609)	(0.07)	(1,343)	(0.14)	7,927	1.30	913	0.03	(520)	(0.00)	18,845	0.56
Profit from Continuing operations	**2,362,563**	**67.70**	**(1,276,523)**	**(129.53)**	**(8,983,826)**	**(1,474.99)**	**(14,413,384)**	**(457.68)**	**17,201,702**	**90.13**	**2,239,008**	**66.78**

* Eighteen Month period ended December 31, 2012

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to present to you the annual report of Jahangir Siddiqui & Co. Ltd. ("JSCL" or the "Company") along with the audited standalone financial statements of the Company and Auditors' report for the eighteen month period ended December 31, 2012.

The Securities and Exchange Commission of Pakistan has granted approval to the Company to change its financial year from June 30 to December 31 in accordance with the provisions of Section 238 of the Companies Ordinance, 1984. Accordingly the current financial year of the Company has been extended to an eighteen month period ended December 31, 2012. We are therefore presenting eighteen month audited financial statements for the period from July 01, 2011 to December 31, 2012.

Overview of JSCL

JSCL is primarily an investment company in financial services and also makes long term investments in growing companies in Pakistan. In financial services, its investments cover all sectors including asset management, commercial banking, investment banking, Islamic banking, securities brokerage and insurance. JSCL also benefits from strategic long term investments including in technology, transportation, media, and industrial sector companies.

Economy

Macroeconomic activity in Pakistan was subdued during July 2011 – December 2012, mostly owing to acute power and gas shortages, troubled law and order in the country and political uncertainty. For these reasons, investments remained largely limited. GDP growth is expected at 3.5-4.0% in FY13, vis-à-vis 3.7% growth in FY12. Also, upcoming repayments to the International Monetary Fund (IMF) have raised concerns on the external account front, resulting in 13% depreciation of the Rupee against the US Dollar during the period under review.

However on a positive note, in 1HFY13 (1) the trade deficit narrowed by 14%YoY to USD 14 billion and (2) home remittances increased by 13%YoY to USD 7.1 billion. Resultantly, the current account recorded a surplus of USD 250 million in 1HFY13 compared to a deficit of USD 2.43 billion in 1HFY12. At the same time, inflation tapered off to 8.32% in 1HFY13 (10.3% in 1HFY12). As a result, the period under review also witnessed a reduction of 450 basis points in the discount rate by the State Bank of Pakistan, which is likely to bode well for economic activity going forward. Nevertheless, the acute energy shortage continues to hamper capacity utilization within the country.

Equity Capital Market

During July 2011 - December 2012, the KSE-100 recorded an increase of 35% compared to an average increase of 7% in regional markets. During the period, the KSE made a new high of 16,943 points. The gains were largely owed to (1) positive developments on Capital Gains Tax and the amnesty scheme offered by the government, (2) improvement in economic outlook in FY13 and (3) monetary easing by the Central Bank. Average daily volumes during the period improved to 136 million shares compared to 83 million shares in the previous period. Improvement on the domestic political front, likely pick up in economic activity ahead of the general elections and strong corporate earnings growth are expected to provide a further boost to the market going forward.

Financial Results

The Company has reported an after tax profit of PKR 2,363 million for the eighteen month period ended December 31, 2012 as against a loss after tax of PKR 1,277 million for the year ended June 30, 2011. Overall revenues for the period under review amounted to PKR 3,490 million as compared to PKR 986 million for the year ended June 30, 2011.

	(Rupees in '000)
Profit before taxation	2,359,954
Less: Taxation	
Current	-
Prior	(2,609)
	(2,609)
Profit after taxation	2,362,563

The revenue of the Company has improved over last year materially due to an increase in gain on sale of investments. Gain on sale of investments increased by PKR 1.96 billion mainly due to sale of Company's investment in Pakistan International Container Terminal Limited (PICT).

Earnings per share (EPS) of the Company for the period under review is PKR 3.10 compared to a Loss per share (LPS) of PKR 1.67 for the year ended June 30, 2011.

Breakup value per share as at December 31, 2012 of the Company is PKR 17.85 compared to PKR 11.98 as at June 30, 2011.

Distribution

The Board is pleased to propose a final cash dividend of Re. 0.75 per share out of the profits of current eighteen month period ended December 31, 2012. The effect of the recommendation is not reflected in the annexed financial statements.

Liquidity Position

We are pleased to inform you that, as at the close of the period, your Company has liquidity of PKR 4,475 million comprising of bank balances of PKR 2,629 million, PKR 1,644 million in Government Treasury Bills and PKR 202 million in Money Market Funds.

Subsequent to end of the period, your Company has redeemed the installment of one of its TFCs due on January 04, 2013 amounting to PKR 709.2 million.

Investing and Financing activities during the period

Disposal of Shareholding in Pakistan International Container Terminal Limited (PICT):

The Company was holding 23,000,000 ordinary shares of PICT representing 21.07% of the paid-up ordinary share capital of PICT. During the period, your Company received PKR 379.5 million as cash dividend from PICT and an in specie dividend in the form of 11,500,000 ordinary shares of Pakistan International Bulk Terminal Limited (PIBT).

During the period the Company sold its entire holding in PICT for aggregate sale proceeds of PKR 3,631 million and consequently earned a capital gain of PKR 2,453 million.

Disposal of shares of JS Global Capital Limited (JSGCL)

The Company was holding 21,734,826 ordinary shares representing 43.47% of the paid up capital of JSGCL.

Your Company disposed of its entire share holding in the ordinary shares of JSGCL by way of swapping with the allotment of fresh issue of shares of JS Bank Limited (JSBL) at a discount to the face value and without offering right on the basis of swap ratio of 7.26034550 ordinary shares of the face value of PKR 10 each in JSBL for one ordinary share of the face value of PKR 10 each in JSGCL. The swap ratio was computed by the independent professional firm of Chartered Accountants namely M/s M. Yousuf Adil Saleem & Co. (a member firm of Deloitte Touche Tohmatsu) on the basis of break up value of JSGCL and JSBL computed by their respective auditors as per audited accounts as on December 31, 2010.

Disposal of shares of JS Investments Limited (JSIL)

The Company was holding 52,023,617 ordinary shares representing 52.02% of the paid up capital of JSIL.

Your Company disposed of its entire share holding in the ordinary shares of JSIL by way of swapping with the allotment of fresh issue of shares of JSBL at a discount to the face value and without offering right on the basis of swap ratio of 1.38161230 ordinary shares of the face value of PKR 10 each in JSBL for one ordinary share of the face value of PKR 10 each in JSIL. The swap ratio was computed by the independent professional firm of Chartered Accountants namely M/s M.Yousuf Adil Saleem & Co. (a member firm of Deloitte Touche Tohmatsu) on the basis of breakup value of JSIL and JSBL computed by their respective auditors as per audited accounts as on April 30,2012 .

Approval of Investment in JS Bank Limited (JSBL)

The members of the Company in their extraordinary general meeting held on June 27, 2012 had approved an investment of up to PKR 2,000 million in JSBL by way of subscribing right shares including unsubscribed right shares, if any. Your Company would invest funds for subscribing right shares on announcement by JSBL.

Debt Instruments Issued by the Company - TFC

Your Company has successfully raised PKR 1,000 million from the issue of Rated, Privately Placed Term Finance Certificates (PPTFC) issued as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984. This is the Company's 7th issue of TFCs. Pakistan Credit Rating Agency (PACRA) has assigned a credit rating of AA+ (Double A plus) to the TFC issue. Meanwhile the rating of the Company's issue of TFC of PKR 1,250 million was maintained at AA (Double A). These ratings denote a very low expectation of credit risk, the strong capacity for timely payment of financial commitments and strong risk absorption capacity.

Beside this, the Company has fully settled its 5th issue of TFC of PKR 1,100 million which was issued on November 21, 2006.

Performance of Key Investments

The performance of key investments of the Company is given in the Directors' Report to the Consolidated Financial Statements of Jahangir Siddiqui & Co. Ltd. and its Subsidiaries annexed to this annual report and is also reproduced below:

JS Bank Limited (Subsidiary)

The Bank has 185 branches and plans to grow its branch network further.

The Bank has earned a profit after tax of PKR 708.176 million for the period from January 01, 2012 to December 31, 2012 as compared to a profit after tax of PKR 359.69 million, an increase of 96.88% over the corresponding period last year.

The balance sheet of the Bank grew by 51.28% to PKR 81.57 billion as at December 31, 2012 from PKR 53.92 billion as at December 31, 2011, mainly due to an increase in the Bank's deposit base from PKR 41.49 billion to PKR 62.54 billion, an increase of 50.76%. On the assets side, the growth was recorded both in net investments and net advances which grew by 104.24% and 11.3% respectively for the period mentioned above.

To meet the Minimum Capital Requirement, the Bank increased its paid up capital significantly through a swap of new shares of the Bank against shares of JS Global Capital Limited and JS Investments Limited held by Jahangir Siddiqui & Co. Ltd. The Bank has also submitted a successful bid to acquire HSBC and the regulatory approvals are in process.

JS Investments Limited (Sub-Subsidiary)

The Assets Under Management (AUM) of the local mutual fund industry stood at PKR 334.45 billion as on December 31, 2012 with AUM of open-end funds at approximately PKR 305.67 billion and closed-end funds having AUM of around PKR 25.34 billion. The income funds category witnessed an increase of 4.47% to PKR 56.68 billion in December 2012. During FY12 growth was also witnessed in the money market funds and Islamic income funds categories, which rose to PKR 122.95 billion and PKR 33.98 billion, respectively.

The Company earned profit after tax of PKR 202.729 million during the eighteen month period ended December 31, 2012. The Company earned management fee of PKR 306.465 million from funds under management during the aforesaid period as compared to PKR 244.683 million during the year ended on June 30, 2011.

JS Global Capital Ltd. (Sub-Subsidiary)

Profit after tax during the eighteen month period ended December 31, 2012 has been increased by 225.77%.; the operating operating revenue of JSGCL increased by 43.18% as compared to the year ended June 30, 2011 principally due to an increase in equity brokerage revenue by 34.98%, capital gain on sale of investments increased by 125.18% and other income by 56.19%. This is a reflection of higher volumes at the KSE, the KSE 100 index grew by 35.29% to close at 16,905 points which kept the investors interested in the equity market.

Brisk activity was witnessed in the money market during the period due to the issuance of higher amount of Government securities. Turnover in the commodities futures market continues to show steady growth.

Corporate Financial Reporting Framework

The Directors of your Company are committed to good corporate governance and confirm compliance with the corporate and financial reporting framework of the Code of Corporate Governance promulgated by the Securities and Exchange Commission of Pakistan (SECP) and contained in the Listing Regulation of the Karachi Stock Exchange Limited (KSE) for the following:

- These financial statements present fairly the state of affairs of the Company, the results of its operations, cash flows and changes in equity;

- Proper books of account of the Company have been maintained;

- Appropriate accounting policies as stated in the notes to the accounts have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

- International Financial Reporting Standards as applicable in Pakistan and the Companies Ordinance, 1984 as stated in the notes attached with the accounts, have been followed in preparation of the financial statements;

- The system of internal control is sound in design and has been effectively implemented and monitored. The internal audit has been outsourced to M/s Anjum Asim Shahid Rahman Chartered Accountants (a member firm of Grant Thornton International).

- The Company is financially sound and is a going concern;

- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations;

- No material payment is outstanding on account of taxes, duties, levies and charges;

- The statement of summarized key operating and financial data of the last six years appears on Page No. 22; and,

- The Company operates an approved contributory provident fund for all its employees eligible to the scheme. The audited financial statements for year ended June 30, 2012 indicate that the value of investments of the fund is PKR 24.19 million.

Corporate Affairs

Appointment and Resignation of Chief Executive Officer:

Mr. Munaf Ibrahim resigned from the position of Chief Executive Officer of the Company on February 29, 2012 while continuing as a member of the Board. Further, the Board of Directors is pleased to welcome Mr. Suleman Lalani as the Company's new Chief Executive Officer effective from March 01, 2012. He is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and has over 20 years of experience in the financial services sector. Mr. Lalani has previously served as CFO and Company Secretary for seven years in JSIL from 2005 to 2012. Mr. Lalani started his career with JSCL in 1992 and served the Company for eight years where he served as Head of Finance and Company Secretary. In November 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited where he worked till 2002.

Board Meetings

Twelve meetings of the Board of Directors were held during the period.

The attendance of Directors at Board meetings were as follows:

Name of Directors	Meetings Eligibility	Meetings Attended
Mr. Mazharul Haq Siddiqui, Chairman	Twelve	Eleven
Chief Justice (R) Mahboob Ahmed	Twelve	Twelve
Mr. Ali J. Siddiqui	Twelve	Nine
Mr. Ali Hussain	Twelve	Twelve
Mr. Munawar Alam Siddiqui	Twelve	Nine
Mr. Stephen Christopher Smith	Twelve	Nine
Mr. Munaf Ibrahim	Twelve	Ten
Mr. Suleman Lalani	Eight	Eight

Directors' training program:

Mr. Suleman Lalani and Mr. Munawar Alam Siddiqui have completed their training of Corporate Governance from the Pakistan Institute of Corporate Governance (PICG). Further, Mr. Mazharul Haq Siddiqui and Mr. Munaf Ibrahim are exempted, under the criteria given in Clause (xi) of the Code, from Director's Training Program. In addition to that, the Company has circulated the revised Code of Corporate Governance, 2012 to the Board of Directors for their review and understanding.

Disclosure of interest by Directors, etc.

The Board of Directors has set the threshold for executives as Manager and higher grades for the purpose of disclosure of trades in the shares of the Company.

No trades have been carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Executives and their spouses and minor children during the period from July 01, 2011 to December 31, 2012 except as mentioned below:

Name of Person	Relation	No of Shares Sold	Sale Consideration
Mrs. Arshat Mehboob Kalyar	Spouse of Executive	100,000	PKR 17 per share

Management's Disclosure of Financial Responsibility

The Company's management is responsible for preparing the financial statements and related notes contained in the Annual Report.

These financial statements and notes are prepared in accordance with the approved accounting standards as applicable in Pakistan. Other financial data included in the Annual Report are consistent with the data in the financial statements.

The Company's accounting policies are integral to understanding the results reported. Accounting policies are described in detail in the notes to the financial statements. The Company's most complex accounting policies require management's judgment to ascertain the valuation of assets and liabilities. The Company has established detailed policies and control procedures that are intended to ensure that valuation methods are fair, well controlled and applied consistently.

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's financial statements, control system and the independence and performance of its internal and independent auditors. The Audit Committee is comprised of three Directors and operates under terms of reference approved by the Board.

Corporate Social Responsibility

Your Company being a responsible corporate citizen, regularly contributes towards the well being of under-privileged people. The Company has made a provision of PKR 47.25 million in these financial statements to be donated to Mahvash & Jahangir Siddiqui Foundation (MJSF).

MJSF supports projects in the areas of healthcare, education and social enterprise through sustainable development to underprivileged members of society with a special focus on women, minorities, children and disabled individuals. MJSF also works nationally to provide immediate humanitarian relief during periods of crisis by delivering medical services, clean water, nutrition and housing to individuals displaced by natural calamities.

JSCL's directors namely Mr. Munawar Alam Siddiqui, Mr. Ali J. Siddiqui and Mr. Munaf Ibrahim are also directors in MJSF.

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 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.

Auditors

The current auditors, Messrs Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants (a member firm of Ernst & Young Global Ltd.), being retired offered themselves for reappointment.

They have also confirmed that the firm is fully compliant with the International Federation of Accountants' (IFAC) Guidelines of Code of Ethics, as adopted by ICAP and have satisfactory rating under Quality Control Review Program of the ICAP.

On suggestion of the Board Audit Committee, the Board of Directors recommends the appointment of M. Yousuf Adil Saleem & Co. Chartered Accountants (a member firm of Deloitte Touche Tohmatsu) for the year ending December 31, 2013 at the upcoming Annual General Meeting of the Company. As the present auditors have completed their five year term, the Audit Committee has recommended for the appointment of M. Yousuf Adil Saleem & Co. Chartered Accountants (a member firm of Deloitte Touche Tohmatsu).

Pattern of Shareholding

The Statement of Pattern of Shareholding of the Company as on December 31, 2012 is annexed to this report.

Future Outlook

With improvement in financial markets we expect the Company to continue its positive performance in 2013.

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 markets, 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: March 04, 2013

STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE

For the Eighteen Month Period Ended December 31, 2012

This statement is being presented to comply with the Code of Corporate Governance ("Code") contained in Regulation No. 35 of Listing Regulations of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Chief Justice (R) Mahboob Ahmed
Executive Director	Suleman Lalani, CEO
Non-Executive Directors	Mazharul Haq Siddiqui Ali J. Siddiqui Munawar Alam Siddiqui Ali Hussain Stephen Christopher Smith Munaf Ibrahim

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board during the period.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a Vision / Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has been provided with the revised Code along with briefings on various stages in order for them to properly manage the affairs of the Company as representatives of members of the Company. Mr. SulemanLalani and Mr. Munawar Alam Siddiqui are certified from Pakistan Institute of Corporate Governance (PICG). Further, Mr. Mazharul Haq Siddiqui and Mr. Munaf Ibrahim are exempted, under the criteria given in Clause (xi) of the Code, from Director Training Program. In addition, arrangements are in process for other Directors for acquiring certification under Director Training Program offered by Institutions (local or foreign) that meet the criteria specified by Securities and Exchange Commission of Pakistan.

10. The Board has approved appointment of Mr. Hasan Shahid, Chief Financial Officer, Mr. Naveed Khimani, Company Secretary and Mr. Raza Tabish Farooqui, Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The Directors' report for this period has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee. It comprises of 3 members, of whom all are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of 3 members, of whom 2 are non-executive directors and the chairman of the Committee is a non-executive director.

18. The Board has outsourced the Internal Audit function to M/s Anjum Asim Shahid Rahman Chartered Accountants (a member firm of Grant Thornton International) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The ‘closed period’, prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company’s securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman
Karachi: March 04, 2013

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) for the period ended 31 December 2012 prepared by the Board of Directors (the Board) of Jahangir Siddiqui & Co. Ltd. (the Company) to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub - Regulation (x) of Listing Regulation 35 notified by The Karachi Stock Exchange Limited requires the Company to place before the Board for their consideration and approval related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, effective for the period ended 31 December 2012.

ERNST & YOUNG FORD RHODES SIDAT HYDER
CHARTERED ACCOUNTANTS
Date: March 04, 2013
KARACHI

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of Jahangir Siddiqui & Co. Ltd. (the Company) as at 31 December 2012, and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the eighteen months period then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with approved accounting standards and the requirements of the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 (XLVII of 1984);

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes in accounting policies as disclosed in note 4.1 to the accompanying financial statements, with which concur;

(ii) the expenditure incurred during the period was for the purpose of the Company's business; and

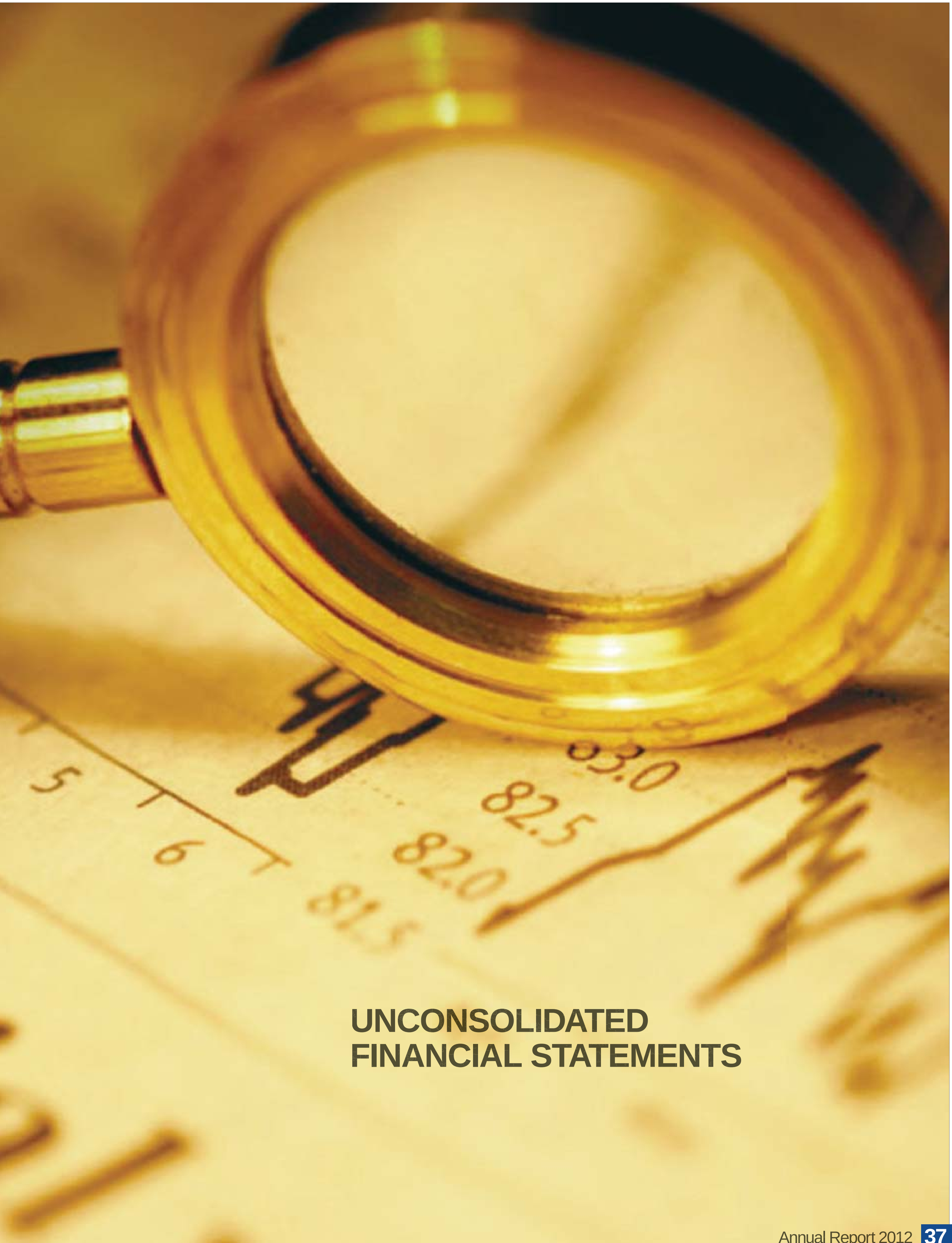
(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion, and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, statement of comprehensive income , statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2012 and its true balance of the profit, its comprehensive income, its changes in equity and its cash flows for the period then ended; and

(d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Omer Chughtai
March 04, 2013
Karachi



UNCONSOLIDATED FINANCIAL STATEMENTS

JAHANGIR SIDDIQUI & CO. LTD.
BALANCE SHEET
AS AT DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	7	**8,756**	10,407
Investment property	8	**3,191**	1,770
Stock exchange membership cards and room	9	**11,201**	12,201
Long term investments	10	**11,451,896**	9,257,029
Long term loans	11	**2,228**	1,594
Long term security deposits		**1,674**	1,499
		11,478,946	9,284,500
Current Assets			
Loans and advances	12	**100,463**	537
Prepayments, interest accrued and other receivables	13	**16,274**	20,817
Short term investments	14	**1,846,364**	-
Taxation - net		**347,670**	274,108
Cash and bank balances	15	**2,629,053**	1,337,243
		4,939,824	1,632,705
Non-current assets held for sale	16	**-**	1,270,639
		4,939,824	2,903,344
		16,418,770	12,187,844
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital	17	**7,632,853**	7,632,853
Reserves		**5,989,508**	1,508,139
		13,622,361	9,140,992
Non-Current Liability			
Long term financing	18	**855,370**	1,743,858
Current Liabilities			
Trade and other payables	19	**79,577**	82,764
Accrued interest / mark-up on borrowings	20	**109,728**	122,536
Current portion of long term financing	18	**1,751,734**	1,097,694
		1,941,039	1,302,994
Contingencies and Commitment	21		
		16,418,770	12,187,844

The annexed notes 1 to 39 form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
PROFIT AND LOSS ACCOUNT
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
INCOME			
Return on investments	22	**850,844**	410,466
Gain on sale of investments - net	23	**2,453,867**	493,088
Income from long term loans and fund placements	24	**85,622**	51,105
Other income	25	**99,354**	30,876
		3,489,687	985,535
EXPENDITURE			
Operating and administrative expenses	26	**623,195**	150,485
Finance cost	27	**519,427**	528,591
(Reversal of) / provision for impairment on investments - net	28	**(12,889)**	1,584,325
		1,129,733	2,263,401
PROFIT / (LOSS) BEFORE TAXATION		**2,359,954**	(1,277,866)
Taxation	29		
Current		**-**	2,609
Prior		**(2,609)**	(3,952)
		(2,609)	(1,343)
NET PROFIT / (LOSS) FOR THE PERIOD / YEAR		**2,362,563**	(1,276,523)
		-------------(Rupees)-------------	
EARNINGS / (LOSS) PER SHARE - Basic and diluted	30	**3.10**	(1.67)

The annexed notes 1 to 39 form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
NET PROFIT / (LOSS) FOR THE PERIOD / YEAR	**2,362,563**	(1,276,523)
OTHER COMPREHENSIVE INCOME		
Net gain on available for sale investments		
Net gain / (loss) on revaluation of available for sale investments during the period / year	**4,572,363**	(663,708)
Reclassification adjustments included in the profit and loss account for:		
- Disposal of investments - net	**(2,453,557)**	(339,388)
- Impairment on investments - net	**-**	1,292,881
	2,118,806	289,785
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD / YEAR	**4,481,369**	(986,738)

The annexed notes 1 to 39 form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Issued, Subscribed and Paid-up Capital	Reserves					
		Capital	Revenue		Other		
	Ordinary share capital	Ordinary share Premium	General	Accumulated loss	Unrealised gain / (loss) on revaluation of available for sale investments - net	Sub - Total	Total
	....(Rupees in '000)...						
Balance as at July 1, 2010	7,632,853	4,497,894	10,000,000	(12,574,484)	571,467	2,494,877	10,127,730
Net loss for the year	-	-	-	(1,276,523)	-	(1,276,523)	(1,276,523)
Other comprehensive income	-	-	-	-	289,785	289,785	289,785
Total comprehensive (loss) / income	-	-	-	(1,276,523)	289,785	(986,738)	(986,738)
Balance as at June 30, 2011	**7,632,853**	**4,497,894**	**10,000,000**	**(13,851,007)**	**861,252**	**1,508,139**	**9,140,992**
Balance as at July 1, 2011	7,632,853	4,497,894	10,000,000	(13,851,007)	861,252	1,508,139	9,140,992
Net profit for the period	-	-	-	2,362,563	-	2,362,563	2,362,563
Other comprehensive income	-	-	-	-	2,118,806	2,118,806	2,118,806
Total comprehensive income	-	-	-	2,362,563	2,118,806	4,481,369	4,481,369
Appropriation during the period:							
Transfer from general reserve	-	-	(10,000,000)	10,000,000	-	-	-
Balance as at December 31, 2012	**7,632,853**	**4,497,894**	**-**	**(1,488,444)**	**2,980,058**	**5,989,508**	**13,622,361**

The annexed notes 1 to 39 form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
CASH FLOW STATEMENT

FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation for the period / year		2,359,954	(1,277,866)
Adjustment for non cash charges and other items:			
Depreciation		4,888	6,465
Gain on sale of property and equipment		(3,918)	(2,866)
Amortisation of transaction costs on term finance certificates		3,916	2,360
Interest income from special saving certificates		-	(9,847)
(Reversal of) / provision for impairment against investments - net		(12,889)	1,584,325
Dividend income		(715,874)	(400,619)
Liability written back		(50,000)	-
Finance cost		515,511	526,231
		(258,366)	1,706,049
Operating profit before working capital changes		2,101,588	428,183
Decrease / (increase) in operating assets:			
Loans and advances		(99,926)	1,131
Prepayments, accrued mark-up and other receivables		4,543	(16,709)
Short term investments		(1,844,647)	1,593,152
Long term loans, advance and security deposits		(809)	(38)
		(1,940,839)	1,577,536
Increase / (decrease) in trade and other payables		46,897	(12,196)
Net cash generated from operations		207,646	1,993,523
Mark-up paid		(528,319)	(633,155)
Taxes paid - net		(70,953)	(50,045)
Dividend paid		(84)	(368)
Net cash (used in) / generated from operating activities		(391,710)	1,309,955
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(4,051)	(179)
Proceeds from sale of property and equipment		4,311	4,296
Interest income from special saving certificates		-	9,847
Dividend received		600,874	400,619
Investments sold - net of acquired		1,320,750	1,693,061
Net cash generated from investing activities		1,921,884	2,107,644
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates - net		(238,364)	(375,765)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,291,810	3,041,834
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		1,337,243	(1,704,591)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	31	2,629,053	1,337,243

The annexed notes 1 to 39 form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

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 The Karachi Stock Exchange Limited. The Company is also a corporate member of The 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.

1.1 Change in accounting year

The financial year of the Company has changed from June 30 to December 31. Accordingly, these financial statements cover the period of eighteen months from July 01, 2011 to December 31, 2012. This change has been made to bring the financial year of the Company in line with the financial year followed by its major investee companies.

The permission for the above change was obtained from the Commissioner Inland Revenue and Securities and Exchange Commission of Pakistan. The corresponding figures shown in these financial statements pertain to the audited financial statements for the year ended 30 June 2011 and therefore, are not entirely comparable in respect of profit and loss account / statement of comprehensive income, cash flow statement and statement of changes in equity.

2. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, available for sale investments and derivative financial instruments which are stated at fair value.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

These 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 New and amended IFRSs

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

The Company has adopted the following amended IFRS which became effective during the period:

IFRS 7 – Financial Instruments: Disclosures - Enhanced De-recognition Disclosure Requirements (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

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

4.2 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to the profit and loss account by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 7 to the financial statements. Depreciation is charged on additions from the month in which asset is put to use and on disposals up to the month immediately preceding the disposal.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, assets are written down to their estimated recoverable amount.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized only when they increase the future economic benefit embodied in the item of property and equipment.

Gains and losses on disposal of fixed assets, if any, are taken to profit and loss account currently.

4.3 Investment properties

These are stated at cost including transaction costs less accumulated depreciation and accumulated impairment, if any. Depreciation is charged to profit and loss account by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. Depreciation is charged from the month in which asset is put to use and on disposals up to the month immediately preceding the disposal.

Investment properties are derecognised when either they are disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognised in the profit and loss account in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party.

4.4 Stock exchange membership cards and room

These are stated at cost less impairment in value, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

4.5 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies / reclassifies its investment as subsidiaries, associates and joint ventures, at fair value through profit or loss, available for sale and held to maturity.

All investments are initially recognised at cost, being the fair value of the consideration given including transaction costs associated with the investment except in the case of at fair value through profit or loss investments where transaction costs are charged to profit and loss account when incurred.

Unquoted investments, for which active market does not exist and fair value cannot be reasonably calculated, are carried at cost. Impairment in value, if any, is taken to profit and loss account currently.

Subsidiaries, associates and joint ventures

Subsidiary companies are the entities in which the Company directly or indirectly controls, beneficially owns or holds more than fifty percent of the voting securities or otherwise has power to elect and appoint more than fifty percent of the directors.

A joint venture is a contractual arrangement where the Company has joint control over the economic activities undertaken with the other venturers.

Associates are entities in which the Company has significant influence and which are neither a subsidiary nor a joint venture. The Company determines the significant influence by reference to its extent of voting interest in the investee company and other relevant factors which indicate the Company’s ability to participate in the financial and operating policy decisions of the investee company.

Investments in subsidiaries, associates and joint ventures, other than those classified as held for sale, are accounted for under the cost method. Such investments are carried in the balance sheet at cost less any impairment in value. Impairment is charged to the profit and loss account.

Investments in subsidiaries, associates and joint ventures classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognised directly in the profit and loss account. Transaction costs are charged to profit and loss account when incurred.

Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments for which active market does not exist) with any resulting gains or losses being taken directly to statement of comprehensive income until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to profit and loss account.

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortised cost. Impairment in value, if any, is taken to profit and loss account.

Premiums and discounts on investments are amortised using the effective interest rate method and taken to profit and loss account from investments.

4.6 Derivative financial instruments

Derivative instruments held by the Company generally comprise future contracts in the capital markets. These are stated at fair value at the balance sheet date. The fair value of the derivative is equivalent to the unrealised gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are recognised in the profit and loss account.

The fair value of unquoted derivatives, if any, is determined by discounting cash flows using appropriate interest rates applicable to the underlying asset.

4.7 Securities sold under repurchase / purchased under resale agreements

The Company enters into transactions of repurchase and reverse repurchase at contracted rates for a specified period of time as under:

(a) Repurchase agreement borrowings

Investments sold subject to a repurchase agreement at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investment securities. Amounts received under these agreements are recorded as securities sold under repurchase agreements. The difference between sale and repurchase price is treated as mark-up/return/interest expense and accrued over the period of the repo agreement using the effective yield method.

(b) Repurchase agreement lendings

Investments purchased under agreement to resell at a specified future date (reverse repos) are not recognised in the balance sheet. Amounts paid under these agreements are included in fund placements. The difference between purchase and resale price is treated as mark-up/return interest earned and accrued over the period of the reverse repo agreement using the effective yield method.

4.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.9 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

Deferred

Deferred tax is calculated using the balance sheet liability method on all temporary differences at the balance sheet date, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

4.10 Revenue recognition

(a) Return on Defence Saving Certificates (DSCs) and Special Saving Certificates (SSCs) are accounted for using the effective interest rate method.

(b) Income from Term Finance Certificates (TFCs), government securities, reverse repurchase transactions and loans and advances are recognised at rate of return implicit in the instrument / arrangement on a time proportion basis.

(c) Profit on bank deposits and rental income is recognised on an accrual basis.

(d) Dividend income on equity investments is recognised when the right to receive the same is established.

(e) Capital gains or losses on sale of investments are recognised in the period in which they arise.

(f) Underwriting commission is recognised when the agreement is executed. Take-up commission is recognised at the time the commitment is fulfilled.

(g) Consultancy and advisory fee, commission on foreign exchange dealings and government securities, etc. are recognised as and when earned.

4.11 Long term finances and loans

All long term finances and loans are initially recognised at cost being the fair value of consideration received together with the associated transaction costs. Subsequently, these are carried at amortised cost using effective interest rate method.

Transaction costs relating to long term finance are being amortised over the period of agreement using the effective interest rate method.

4.12 Trade debts and other receivables

These are stated net of provision for impairment, if any. Provision is made against the debts considered doubtful.

4.13 Trade and other payables

Trade and other payables are stated at their costs which is fair value of consideration received, except derivatives, which are stated at fair value.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand, bank balances, net of bank overdrafts repayable on demand, if any.

4.15 Staff retirement benefits

Defined contribution plan

The Company operates an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 10% per annum of basic pay.

Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay.

4.16 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account currently (for regular way purchases and sales of financial instruments refer to note 4.18).

4.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet when there is a legal enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

4.18 Trade date accounting

All "regular way" purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

4.19 Foreign currency translations

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

4.21 Impairment

Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (a loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If, in a subsequent period, the fair value of an impaired available for sale equity security increases and the increase can be objectively related to an event occurring after the impairment loss recognised in profit and loss, the impairment loss is reversed, with the amount of reversal recognised in other comprehensive income.

Non-financial assets and investments in subsidiaries and associates

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset in considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation method is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may not longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in assumptions used to determine the assets recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its carrying recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of 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.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements which are significant to the financial statements:

(a) determining the residual values and useful lives of property and equipment (Note 4.2 and 7);
(b) classification of investments (Note 4.5 and 10);
(c) recognition of taxation and deferred tax (Note 4.9 and 29);
(d) accounting for post employment benefits (Note 4.15);
(e) impairment of financial assets (Note 4.21 and 28); and
(f) non-current assets held for sale (Note 4.5 and 15).

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation or amendment:

Standards, Interpretations or Amendments	Effective date (accounting periods beginning on or after)
IFRS 7 - Financial Instruments : Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 1 – Presentation of Financial Statements - Presentation of items of other comprehensive income	July 01, 2012
IAS 19 – Employee Benefits – (Revised)	January 01, 2013

Standards, Interpretations or Amendments	Effective date (accounting periods beginning on or after)
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have a material affect on the Company's financial statements in the period of initial application, however certain amendments will result in increased disclosure requirements.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2013. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards	Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2015
IFRS 10 – Consolidated Financial Statements	January 01, 2013
IFRS 11 – Joint Arrangements	January 01, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13 – Fair Value Measurement	January 01, 2013

7. PROPERTY AND EQUIPMENT

7.1 Operating assets - owned

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2011	Additions / (disposals)	As at December 31, 2012	Rate	As at July 1, 2011	For the period / (on disposals)	As at December 31, 2012	As at December 31, 2012
	.... (Rupees in '000)			%	.... (Rupees in '000)			
Office premises - leasehold	1,041	-	1,041	5	414	78	492	549
Leasehold improvements	18,372	-	18,372	33	18,234	111	18,345	27
Office equipment	28,195	200 (798)	27,597	25	27,399	593 (649)	27,343	254
Office furniture and fixtures	15,743	-	15,743	10	9,030	1,946	10,976	4,767
Motor vehicles	15,345	2,451 (11,815)	5,981	20	13,212	1,181 (11,571)	2,822	3,159
	78,696	2,651 (12,613)	68,734		68,289	3,909 (12,220)	59,978	8,756

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2010	Additions / (disposals)	As at June 30, 2011	Rate	As at July 1, 2010	For the year / (on disposals)	As at June 30, 2011	As at June 30, 2011
	.... (Rupees in '000)			%	.... (Rupees in '000)			
Office premises - leasehold	1,041	-	1,041	5	362	52	414	627
Leasehold improvements	18,372	-	18,372	33	18,159	75	18,234	138
Office equipment	28,623	42 (470)	28,195	25	25,668	2,201 (470)	27,399	796
Office furniture and fixtures	15,743	-	15,743	10	7,733	1,297	9,030	6,713
Motor vehicles	20,005	137 (4,797)	15,345	20	14,380	2,199 (3,367)	13,212	2,133
	83,784	179 (5,267)	78,696		66,302	5,824 (3,837)	68,289	10,407

7.2 Details of disposal of fixed assets having written down value exceeding Rs. 50,000 each:

Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (Loss)	Mode of disposal	Buyer's particulars
	.... (Rupees in '000)				....		
Motor Vehicles							
Honda Civic	1,427	1,190	237	1,290	1,053	Negotiation	**Mr. Javaid Latif** DHA, Phase VI, Karachi
Office Equipment							
Note book	93	43	50	48	(2)	Insurance Claim	**EFU General Insurance Limited** Shahrah-e-Faisal, Karachi (Related Party)
Note book	149	71	78	78	-	Negotiation	**PC Linked** PECHS, Shahrah-e-Faisal, Karachi

8. INVESTMENT PROPERTY

	Note	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
		As at July 1, 2011	Additions	As at December 31, 2012	Rate	As at July 1, 2011	For the period	As at December 31, 2012	As at December 31, 2012
		.... (Rupees in '000)			%	.... (Rupees in '000)			
Office premises	8.1	12,599	2,400	14,999	5	10,829	979	11,808	3,191

	Note	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
		As at July 1, 2010	Additions	As at June 30, 2011	Rate	As at July 1, 2010	For the year	As at June 30, 2011	As at June 30, 2011
		.... (Rupees in '000)			%	.... (Rupees in '000)			
Office premises	8.1	12,599	-	12,599	5	10,188	641	10,829	1,770

8.1 The fair value of the investment property aggregating to Rs. 115.838 million (June 30, 2011: Rs. 88.84 million) was arrived at on the basis of the valuation carried out by M/s. Consultancy Support and Services, an independent valuer on February 22, 2013 but was not incorporated in the books of accounts as the Company applies cost model for accounting for investments properties. The valuation was arrived at by reference to market values and realizable values, which are determined on the basis of market intelligence, year of construction and present physical condition and location.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
9. STOCK EXCHANGE MEMBERSHIP CARDS AND ROOM			
Membership cards			
The Karachi Stock Exchange Limited	9.1	**100**	100
Islamabad Stock Exchange Limited	9.1	**11,101**	11,101
Room - Islamabad Stock Exchange Limited	8	**-**	1,000
		11,201	12,201

9.1 In accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the Company was entitled to receive equity shares of The Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) and a trading right entitlement in lieu of its membership card of KSE and ISE.

The said process of demutualization was finalised during the period and the Company has been allotted 4,007,383 shares of KSE and 3,034,603 shares of ISE of Rs. 10/- each based on the valuation of their assets and liabilities as approved by the SECP. The Company has received 40% equity shares i.e. 1,602,953 shares of KSE and 1,213,841 shares of ISE. The remaining 60% shares are transferred to blocked CDC account maintained by KSE & ISE. The valuation of Trading Right Entitlement and the accounting treatment of shares received from Stock Exchanges are under discussion in the Professional Standards and Technical Committee of the Institute of Chartered Accountants of Pakistan and will be finalized in due course.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
10. LONG TERM INVESTMENTS			
Investments in related parties			
Investment in subsidiaries	10.1	**5,634,194**	4,200,567
Investment in associates	10.2	**101,150**	95,193
Other related parties - Available for sale	10.3	**5,563,621**	3,092,519
		11,298,965	7,388,279
Other investments	10.4	**152,931**	1,868,750
		11,451,896	9,257,029

10.1 Investment in subsidiaries - at cost

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

Number of shares December 31, 2012	Number of shares June 30, 2011		Note	Activity	Holding December 31, 2012 %	Holding June 30, 2011 %	December 31, 2012 (Rupees in'000)	June 30, 2011 (Rupees in'000)
		Quoted						
755,245,007 *	525,566,192	**JS Bank Limited** Market value Rs. 4,433.40 (June 30, 2011: Rs. 1,271.87) million	10.1.1 & 10.1.2	Commercial Banking	**70.42**	64.49	**4,673,400**	2,987,267
- **	52,023,617	**JS Investments Limited** Market value Rs. Nil (June 30, 2011: Rs. 265.32) million	10.1.1	Asset Management & Investment Advisor	-	52.02	-	3,046,057
		Less: Impairment					-	(2,780,737)
							-	265,320
		Un-quoted						
73,736,250	73,736,250	**JS Infocom Limited** Net assets value Rs. 468.86 (June 30, 2011: Rs. 389.20) million based on audited financial statements for the period ended December 31, 2012		Telecom Media & Technology	**100.00**	100.00	**708,490**	708,490
		Less: Impairment					**(246,037)**	(319,289)
							462,453	389,201
10,000	10,000	**JS International Limited** Ordinary Shares of US$ 1/- each having net assets value Rs. 24.78 (March 31, 2011: Rs. 124.85) million based on audited financial statements for the period ended September 30, 2012		Investment services	**100.00**	100.00	**294,882**	294,882
		Less: Impairment					**(294,882)**	(170,030)
							-	124,852
-	1,895,000	**Credit Chex (Private) Limited** Ordinary Shares of Rs. 100/- each having negative equity balance of Nil (June 30, 2011: Rs. 35.86) million rating based on audited financial statements for the year ended June 30, 2011	16.1	Credit information & credit rating	**-**	82.84	-	189,500
		Less: Impairment					-	(185,369)
							-	4,131
		Balance carried forward					**5,135,853**	3,770,771

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

**These represent sponsor shares which are blocked for trading as per the requirements of the Securities and Exchange Commission of Pakistan.

Number of shares December 31, 2012	Number of shares June 30, 2011		Activity	Holding December 31, 2012 %	Holding June 30, 2011 %	December 31, 2012 (Rupees in'000)	June 30, 2011 (Rupees in'000)
		Balance brought forward				**5,135,853**	3,770,771
63,000,000	63,000,000	**Energy Infrastructure Holding (Private) Limited** Net assets value Rs. 498.34 (June 30, 2011: 444.28) million based on audited financial statements for the period ended December 31, 2012	Power Generation & Distribution	**100.00**	100.00	**630,000**	630,000
		Less: Impairment				**(131,659)**	(200,204)
						498,341	429,796
						5,634,194	4,200,567

10.1.1 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 27, 2012 have passed a special resolution to dispose of entire investment in JS Investments Limited (JSIL) to JSBL in exchange for issue of new shares of JSBL in the ratio of 1.38161230 shares of face value of Rs. 10 each in JSBL for every one share of the face value of Rs. 10 each in JSIL.

The new shares of JSBL were issued otherwise than right shares at a price per share of Rs. 7.7758379 i.e. at a discount of Rs. 2.2241621 per share to the Company for which requisite approvals have been obtained by the Company and the JSBL from the Securities and Exchange Commission of Pakistan. Accordingly, the Company entered into a share purchase agreement (SPA) with JSBL whereby 52,023,617 shares of JSIL held by the Company were sold to JSBL against issuance of 71,876,469 new ordinary shares of JSBL by way of otherwise than right shares in favour of the Company.

10.1.2 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.

10.2 Investment in associates - at cost

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

Number of shares				Holding			
December 31, 2012	June 30, 2011		Activity	December 31, 2012 %	June 30, 2011 %	December 31, 2012 (Rupees in'000)	June 30, 2011 (Rupees in'000)
		Quoted					
11,238,812	11,238,812	**JS Value Fund Limited**	Closed end mutual fund	**9.48**	9.48	**135,566**	135,566
		Net asset value Rs. 101.15 (June 30, 2011: Rs. 61.814) million					
		Less: Impairment				**(34,416)**	(40,373)
						101,150	95,193
						101,150	95,193

10.3 Other related parties

Available for sale

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

Number of shares					Holding			
December 31, 2012	June 30, 2011		Note	Activity	December 31, 2012 %	June 30, 2011 %	December 31, 2012 (Rupees in'000)	June 30, 2011 (Rupees in'000)
		Quoted - at fair value						
7,000,000	7,000,000	**Hum Network Limited**		Television Network	**14.00**	14.00	**184,800**	105,420
111,256,116	* 111,256,116	**BankIslami Pakistan Limited**		Islamic Banking	**21.07**	21.07	**1,024,669**	378,271
20,299,455	20,299,455	**EFU General Insurance Limited**		General Insurance	**16.24**	16.24	**1,735,604**	704,594
17,040,552	17,040,552	**EFU Life Assurance Limited**		Life Assurance	**20.05**	20.05	**1,588,691**	1,175,798
-	6,527,158	**Singer Pakistan Limited**	10.3.1	Electrical Goods	**-**	17.39	**-**	101,824
112,157,863	112,157,863	**Azgard Nine Limited**		Textile Composite	**24.96**	24.96	**907,357**	619,112
		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	-	**Pakistan International Bulk Terminal Limited**	10.3.3	Bulk Terminal	**21.07**	-	**115,000**	-
							5,563,621	3,092,519

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

10.3.1 During the period, on July 28, 2011, the related party relationship has ceased.

10.3.2 Included herein are equity securities acquired for Rs. 13,352.04 million (June 30, 2011: Rs. 4,064.80 million) and having market value of Rs. 3,040.66 million (June 30, 2011: Rs. 473.32 million) as at December 31, 2012 pledged with various financial institutions against borrowings.

10.3.3 During the Period, the Company received 'specie' dividend from Pakistan International Container Terminal Limited (PICT). The dividend was paid in the form of ordinary shares of Pakistan International Bulk Terminal Limited (PIBT) having face value of Rs. 10/- each, in the ratio of two shares of PIBT for every one share held in PICT.

10.3.4 The original cost of investments in related parties amounts to Rs. 19,565.42 million (June 30, 2011: Rs. 19,992.81 million).

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
10.4 Other investments			
Available for sale - Equity securities			
Quoted - at fair value			
Singer Pakistan Limited	10.3.1	**152,931**	-
Pakistan International Container Terminal Limited (PICT)	10.4.1	-	1,868,750
		152,931	1,868,750

10.4.1 During the period, the Company sold entire holding in Pakistan International Container Terminal Limited to ICTSI Mauritius Limited (the Acquirer) pursuant to Shares Purchase Agreements with the Acquirer.

10.4.2 Included herein are equity securities acquired for Rs. 161.80 million (June 30, 2011: Rs. 408.50 million) and having market value of Rs. 99.04 million (June 30, 2011: Rs. 365.63 million) as at December 31, 2012, pledged with various financial institutions against borrowings.

10.5 The investments in subsidiaries and associates are in Companies which are incorporated in Pakistan, except for JS International Limited which is incorporated in Cayman Islands B.W.I.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
11. LONG TERM LOANS			
Secured - considered good			
Due from:			
Executives	11.1	**2,402**	1,592
Other employees		**197**	405
	11.2	**2,599**	1,997
Current maturity of long term loans		**(371)**	(403)
		2,228	1,594
11.1 Reconciliation of the carrying amount of loan to executives			
Opening balance		**1,592**	1,699
Disbursements		**2,500**	75
Repayments		**(1,690)**	(182)
		2,402	1,592

11.2 This represents loans provided to executives and employees of the Company for purchase of property and home appliances at mark-up rates ranging between 8.00% and 15.00% (June 30, 2011: 11.29% and 15.00%) per annum in accordance with the Company's employee loan policy. Repayment is made monthly. These loans are secured against mortgage of property and salaries of the employees and are repayable over a period of two to seven years. The maximum aggregate amount due from executives at the end of any month during the period was Rs. 2.50 (June 30, 2011: Rs. 1.70) million.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
12. LOANS AND ADVANCES			
Current maturity of long term loans	11	371	403
Advances - unsecured and considered good			
against subscription of mutual fund - open end		100,000	-
to contractors		-	20
to employees		92	114
		100,092	134
		100,463	537
13. PREPAYMENTS, INTEREST ACCRUED AND OTHER RECEIVABLES			
Prepayments	13.1	2,082	607
Interest accrued:			
Bank deposits	13.2	10,414	6,436
Term deposit receipts		3,075	671
		13,489	7,107
Other receivables - unsecured and considered good			
Receivable against sale of shares		-	9,881
Others	13.2	703	3,222
		703	13,103
		16,274	20,817

13.1 Included herein is a sum of Rs. 1.10 million (June 30, 2011: Rs. 0.50 million) paid to related parties.

13.2 Included herein is a sum of Rs. 10.69 million (June 30, 2011: Rs. 2.83 million) receivable from related parties.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
14. SHORT TERM INVESTMENTS		
Available for sale - at fair value		
Government securities	1,644,314	-
Mutual fund - open end (Related party)	202,050	-
	1,846,364	-

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
15. CASH AND BANK BALANCES			
Cash in hand		38	38
Balances with banks:			
Current accounts			
local currency		340	2,191
foreign currency		2,297	910
		2,637	3,101
Savings accounts			
local currency	15.1	1,996,378	1,132,015
foreign currency		-	2,089
	15.2	1,996,378	1,134,104
Term deposit receipts	15.3	630,000	200,000
		2,629,053	1,337,243

15.1 Included herein is a sum of Rs. 1,984.84 million (June 30, 2011: Rs. 0.03 million) representing amount placed with JS Bank Limited, a subsidiary company.

15.2 These carry mark-up ranging between 6.00% and 9.50% (June 30, 2011: 5.00% and 12.45%) per annum.

15.3 This represents term deposit receipts with various commercial bank ranging between 9.45% and 9.60% p.a. (June 30, 2011: 12.25% p.a.) with maturity within one to three months.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
16. NON-CURRENT ASSETS HELD FOR SALE			
Investment in subsidiaries:			
- Credit Chex (Private) Limited	16.1	189,500	-
Less: Impairment		(189,500)	-
		-	-
- Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited)		-	159,339
Less: Impairment		-	(15,934)
		-	143,405
		-	143,405
Investment in an associate:			
- JS Global Capital Limited (JSGCL)		-	1,208,022
Less: Impairment		-	(80,788)
		-	1,127,234
		-	1,270,639

16.1 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.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	

17. SHARE CAPITAL

17.1 Authorised capital

December 31, 2012	June 30, 2011		December 31, 2012	June 30, 2011
Number of shares			(Rupees in '000)	
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	**60,000,000**	60,000,000
500,000,000	500,000,000	Preference shares of Rs. 10/- each	**5,000,000**	5,000,000
6,500,000,000	6,500,000,000		**65,000,000**	65,000,000

17.2 Issued, subscribed and paid-up capital

December 31, 2012	June 30, 2011		December 31, 2012	June 30, 2011
Number of shares			(Rupees in '000)	
		Ordinary shares of Rs.10/- each:		
52,415,925	52,415,925	Fully paid in cash	**524,159**	524,159
710,869,398	710,869,398	Fully paid bonus shares	**7,108,694**	7,108,694
763,285,323	763,285,323		**7,632,853**	7,632,853

18. LONG TERM FINANCING

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
Term Finance Certificates (TFCs)			
Secured:			
Second issue	18.1	**373,800**	498,600
Fifth issue		**-**	1,096,994
Sixth issue	18.2	**1,246,927**	1,245,958
Seventh issue	18.3	**986,377**	-
		2,607,104	2,841,552
Less: Current portion shown under current liability		**1,751,734**	1,097,694
		855,370	1,743,858

18.1 The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 150 basis points per annum for first 5 years, and thereafter, an increase of 0.10% per annum for next 3 years and a further 0.10% per annum year for the last 2 years. These TFCs have a tenor of ten years i.e. 2004-2014 with a call option exercisable by the Company at any time during the tenor of the TFCs after the first 2 years by giving a 3 months notice. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 1,082.27 (June 30, 2011: Rs. 838.95) million to secure the outstanding principal with the regulatory margin as prescribed by the State Bank of Pakistan's Prudential Regulations. In the event of any sale and repurchase of marketable securities, the lead arranger will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

18.2 The profit on these TFCs is payable semi-annually, based on the six months KIBOR average rate plus 170 basis points. These TFCs have a tenor of six years i.e. 2007 - 2013 with a call option exercisable by the Company any time after one year on a coupon date by giving 30 days notice at a premium of 1.00% on the outstanding face value.

These TFCs are secured against first ranking charge on all present and future movable assets including book debts, receivables and investments, but excluding pledge of listed securities offered as security along with the requisite margin on existing secured TFC of Rs. 500 million and current and future overdraft / short term borrowing limits upto Rs. 4,000 million at any time outstanding. However, the trustee will be authorised to issue the No Objection Certificate for the creation of pari passu floating charges in favour of other creditors, so long as and to the extent that the value of movable assets of the Company included in the floating charges exceeds 133% of the total liabilities secured by the floating charges in favour of the TFC holders.

18.3 The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 240 basis points per annum. These TFCs have a tenor of four years i.e. 2012-2016 with a call option exercisable by the Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice. The Instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 6th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,057.44 (June 30, 2011: Nil) to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
19. TRADE AND OTHER PAYABLES			
Accrued liabilities		**72,969**	76,053
Unclaimed dividend		**4,476**	4,560
Other liabilities		**2,132**	2,151
	19.1	**79,577**	82,764

19.1 Includes payable to various related parties amounting to Rs. 0.01 million (June 30, 2011: Rs. 0.12).

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
20. ACCRUED INTEREST / MARK-UP ON BORROWINGS		
Accrued interest / mark-up on:		
Term finance certificates	**109,728**	122,536
	109,728	122,536

21. CONTINGENCIES AND COMMITMENT

21.1 Contingency

The Additional Commissioner of Inland Revenue – Audit Division (ACIR) has issued orders under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax years 2008 and 2009. According to the order, the ACIR has raised tax liability of Rs. 217.14 million in respect of the above mentioned tax years. Such additions have been made mainly because income has been classified under different heads instead of treating income from all sources as business income. Accordingly, expenses have been apportioned under section 67 of the Ordinance read with Rule 13 of Income Tax Rules, 2002. The Company 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.

Subsequent to the period end, the ATIR has decided the subject matter in respect of tax years 2008 and 2009 in favor of the Company.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
22. RETURN ON INVESTMENTS			
Mark-up / interest income from:			
Available for sale			
Government securities		**91,581**	-
Held-to-maturity			
Government securities		**43,389**	9,847
		134,970	9,847
Dividend income on:			
Investments in subsidiaries and associates		**13,487**	114,293
Financial assets at fair value through profit or loss		**-**	1,898
Available for sale investments	22.1	**702,387**	284,428
		715,874	400,619
		850,844	410,466

22.1 Includes dividend income from various related parties amounting to Rs. 207.887 million (June 30, 2011: Rs. 284.43 million).

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
23. GAIN ON SALE OF INVESTMENTS - net			
Financial assets at fair value through profit or loss		-	153,700
Available for sale	23.1	2,453,557	339,388
Held to maturity		310	-
		2,453,867	493,088

23.1 This includes net gain on sale of investments in related parties amounting to Nil (June 30, 2011: Rs. 339.39) million.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
24. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS			
Interest on loan to employees		348	207
Return on term deposit receipts		4,418	6,577
Return on bank deposits		80,856	44,321
	24.1	85,622	51,105

24.1 This includes transactions with related parties amounting to Rs. 62.13 (June 30, 2011:Rs. 0.03) million.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
25. OTHER INCOME		
Gain on sale of property and equipment	3,918	2,866
Rental income	45,174	27,998
Liability written back	50,000	-
Exchange gain	262	12
	99,354	30,876

		Note	December 31, 2012	June 30, 2011
			(Rupees in '000)	
26.	**OPERATING AND ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	26.1	**42,333**	41,608
	Telephone, fax, telegram and postage		**1,365**	708
	Vehicle running		**3,249**	2,827
	Fee for directors / committee meetings		**1,800**	1,117
	Utilities		**760**	474
	Newspapers and periodicals		**41**	29
	Conveyance and travelling		**4,296**	3,541
	Repairs and maintenance		**3,553**	2,619
	Computer expenses		**995**	193
	Auditors' remuneration	26.2	**2,000**	4,839
	Royalty fee	26.3	**14,850**	9,900
	Consultancy fee		**2,805**	500
	Advisory fee	26.4	**442,944**	12,000
	Legal and professional charges		**6,891**	7,845
	Printing and stationery		**4,026**	1,773
	Rent, rates and taxes		**25,954**	18,814
	Insurance		**1,841**	1,415
	Entertainment		**104**	176
	Advertisement		**687**	644
	Office supplies		**71**	39
	Depreciation	26.5	**4,888**	6,465
	Fees and subscription		**6,347**	5,358
	Donations	26.6	**47,251**	-
	Brokerage and commission expense		**801**	20,714
	Clearing fees		**2,113**	4,539
	Office security		**1,230**	2,348
			623,195	150,485

26.1 Salaries and benefits include Rs. 2.71 million (June 30, 2011: Rs. 2.45 million) in respect of employee retirement benefits.

		December 31, 2012	June 30, 2011
		(Rupees in '000)	
26.2	**Auditors' remuneration**		
	Annual audit fee	**1,500**	750
	Half-yearly and 12 months review fee	**400**	500
	Certifications and other services	**65**	3,429
	Out of pocket expenses	**35**	160
		2,000	4,839

26.3 This represents royalty on account of use of part of Company's name under an agreement dated April 21, 2004.

26.4 Represents amount paid / payable to an individual and a director for advisory services rendered in terms of their respective advisory agreements duly approved by the Board of Directors.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
26.5 Depreciation			
Operating assets	7	**3,909**	5,824
Investment property	8	**979**	641
		4,888	6,465

26.6 This represents donation to Mahvash & Jahangir Siddiqui Foundation in which Mr. Munawar Alam Siddiqui is Vice Chairman and Mr. Ali Jehangir Siddiqui, his spouse and Mr. Munaf Ibrahim are directors. No other directors or their spouses have any interest in any other donee's fund to which donation was made.

27. FINANCE COST

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Mark-up on:		
Short term running finance	**-**	87,355
Long term financing	**515,476**	438,437
	515,476	525,792
Amortization of transaction costs on term finance certificates	**3,916**	2,360
Bank charges	**35**	439
	519,427	528,591

28. IMPAIRMENT ON INVESTMENTS - NET

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Subsidiaries	**(306,393)**	194,722
Associates	**(5,957)**	-
Other related parties - Available for sale	**299,461**	1,292,881
Non current assets held for sale	**-**	96,722
	(12,889)	1,584,325

29. TAXATION

29.1 Effective tax rate reconciliation

Numerical reconciliation between the average effective tax rate and the applicable tax rate has not been presented in these financial statements due to taxable loss during the period / year.

29.2 Current status of tax assessments

The income tax assessments of the Company have been finalized upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002. Income tax returns for the tax years 2003 to 2011 and transitional tax year 2012 have been filed on self-assessment basis and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.

29.3 Deferred taxation

The Company has not recorded deferred tax assets in view of uncertainty about the availability of taxable profits in the future against which such losses can be utilized. Further, the Company has assessed and un-assessed carry forward tax losses amounting to Rs. 1,154.66 million (June 30, 2011: Rs. 1,663.49 million). The amount of deferred tax asset not recognized in these financial statements amounts to Rs. 405.67 million (June 30, 2011: Rs. 582.22 million).

30. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Profit / (loss) after taxation attributable to Ordinary shareholders	**2,362,563**	(1,276,523)
	(Numbers in '000)	
Weighted average number of Ordinary shares outstanding during the period / year	**763,285**	763,285
	(Rupees)	
Earnings / (Loss) per share:		
Basic and diluted	**3.10**	(1.67)

31. CASH AND CASH EQUIVALENTS

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Cash and bank balances	**2,629,053**	1,337,243
	2,629,053	1,337,243

32. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over other party in making financial and operating decisions. Related parties comprise of subsidiaries, associates, joint ventures, companies under common directorship, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amount due from and to these related parties are shown under receivables and payables and the remuneration of Directors, Chief Executive and Executives are disclosed in note 33. The names and relationship with subsidiaries, associates, jointly controlled entities and others are given below:

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Brokerage expense	**280**	-
Bank charges paid	**14**	-
Sale of government securities	**597,478**	-
Advisory and arrangement fee paid by the Company	**11,087**	-
Rent income	**32,437**	178
Profit received on fund placements and deposit accounts	**51,696**	33
Amount paid against subscription of right shares	**-**	391,211
Investment in TFCs issued by the Company	**92,000**	-
Reimbursement of expenses by the Company	**624**	60
Reimbursement of expenses to the Company	**20,195**	-
Right shares received (No. of shares)	**-**	130,403,641
Shares received other than right issue (No. of shares: 229,678,815)	**1,686,133**	-
Transfer of shares of a subsidiary (No. of shares: 52,023,617)	**558,900**	-
Exchange of shares of an associate (No. of shares: 21,734,826)	**1,127,233**	-
Associates		
Dividend income	**13,487**	116,541
Brokerage expense	**127**	15,661
Investment in units of open end fund	**200,000**	-
Purchase of government securities	**194,982**	194,982
Rental income	**14,856**	35,375
Reimbursement of expenses by the Company	**113**	98
Reimbursement of expenses to the Company	**3,544**	238
Units received against investment (No. of units)	**1,931,061**	-
Bonus units received (No. of units)	**47,302**	-
Common Directorship		
Dividend income	**21,000**	173,851
Reimbursement of expenses to the Company	**-**	78
Donation payable	**47,251**	-
Other Related Parties		
Dividend income	**186,887**	-
Contributions to Staff Provident Fund	**5,414**	5,989
Interest / markup paid	**21,868**	13,691
Principal redemptions made against TFCs	**91,151**	17,004
Investment in TFCs issued by the Company	**75,000**	-
Insurance premium paid	**1,916**	2,766
Proceeds against insurance claim / cancellation	**66**	117
Royalty paid	**14,850**	12,375
Advisory fee paid	**9,000**	7,500

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
TRANSACTIONS		
Key management personnel		
Interest on long term loans to executives	**306**	230
Loan disbursed during the period	**2,500**	-
Loan repayments from executives	**1,673**	1,490
Proceeds from sale of vehicles	**1,643**	-
BALANCES		
Subsidiary and Sub-Subsidiary Companies		
Receivable against expenses incurred on their behalf	**291**	247
Cash at bank accounts	**1,984,899**	291
Associate		
Receivable against expenses incurred on its behalf	**-**	3,116
Common directorship		
Receivable against expenses incurred on its behalf	**140**	-
Key management personnel		
Loans and advances	**2,402**	1,592

33. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to director, chief executive and executives of the Company is as follows:

	Director		Chief Executive		Executives	
	December 31, 2012	June 30, 2011	December 31, 2012	June 30, 2011	December 31, 2012	June 30, 2011
	(Rupees in '000)					
Managerial remuneration	**-**	-	**11,334**	8,000	**10,000**	13,626
House rent allowance	**-**	-	**2,133**	3,200	**4,000**	5,451
Utilities allowance	**-**	-	**533**	800	**1,000**	1,363
Advisory fee	**430,944**	6,000	**-**	-	**-**	-
Contribution to provident fund	**-**	-	**1,133**	800	**964**	1,273
Medical	**-**	-	**655**	190	**103**	141
Reimbursable expenses	**-**	-	**625**	722	**1,424**	1,222
	430,944	6,000	**16,413**	13,712	**17,491**	23,076
Number of persons	**1**	1	**2**	1	**7**	8

33.1 The Company also provides certain executives with Company maintained cars.

33.2 The Company has also paid Rs. 2.40 million (June 30, 2011: Rs. 1.12 million) to two non-executive directors as fee for directors committee meetings.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Executive Risk Committee, ultimately responsible for the management of risk associated with the Company's activities, have established Statement of Investment and Operating Policy (SIOP), risk management guidelines and other internal guidelines for the management and assessment of the aforesaid financial risks.

34.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments, and derivative financial instruments.

The following discussion includes sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable. Financial instruments affected by market risk include bank overdrafts, term finance certificates, investments and cash and bank balances.

The sensitivity has been prepared for periods ended December 31, 2012 and June 30, 2011 using the amounts of financial assets and liabilities held as at those balance sheet dates.

34.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The Company while dealing in financial instruments negotiates attractive interest rates, which reduces the interest rate price risk.

The Company's interest rate exposure on financial instruments is disclosed as follows:

	December 31, 2012					
		Interest / Markup bearing				
	Effective yield / interest rate %	Up to one year	Over one year to five year	Total	Non-Interest / Markup bearing	Total
		……(Rupees in '000)……				
Financial assets						
Investments	**9.23-10.23**	1,644,314	-	1,644,314	11,653,946	**13,298,260**
Loans and advances	**8.00-15.00**	371	2,228	2,599	100,092	**102,691**
Long term security deposits	**-**	-	-	-	1,674	**1,674**
Interest accrued and other receivables	**-**	-	-	-	14,192	**14,192**
Cash and bank balances	**6.00-9.60**	2,626,378	-	2,626,378	2,675	**2,629,053**
Non-current assets held for sale	-	-	-	-	-	**-**
		4,271,063	**2,228**	**4,273,291**	**11,772,579**	**16,045,870**
Financial liabilities						
Long term financing	**11.49-13.70**	1,751,734	855,370	2,607,104	-	**2,607,104**
Trade and other payables	**-**	-	-	-	79,577	**79,577**
Accrued interest / mark-up on borrowings	**-**	-	-	-	109,728	**109,728**
		1,751,734	**855,370**	**2,607,104**	**189,305**	**2,796,409**

	June 30, 2011					
		Interest / Markup bearing				
	Effective yield / interest rate %	Up to one year	Over one year to five year	Total	Non-Interest / Markup bearing	Total
		……(Rupees in '000)……				
Financial assets						
Investments	-	-	-	-	9,257,029	9,257,029
Loans and advances	11.29-15.00	403	1,594	1,997	134	2,131
Long term security deposits	-	-	-	-	1,499	1,499
Interest accrued and other receivables	-	-	-	-	20,210	20,210
Cash and bank balances	5.00-12.45	1,334,104	-	1,334,104	3,139	1,337,243
Non-current assets held for sale	-	-	-		1,270,639	1,270,639
		1,334,507	1,594	1,336,101	10,552,650	11,888,751
Financial liabilities						
Long term financing	15.34-16.00	1,097,694	1,743,858	2,841,552	-	2,841,552
Trade and other payables	-	-	-	-	82,764	82,764
Accrued interest / mark-up on borrowings	-	-	-	-	122,536	122,536
		1,097,694	1,743,858	2,841,552	205,300	3,046,852

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax and equity:

	Increase / (decrease) in basis points	Effect on profit after tax	Effect on other components of equity
		……(Rupees in '000)……	
December 31, 2012	**100**	**(31,757)**	**1,978**
	(200)	**63,514**	**(3,957)**
June 30, 2011	100	(35,911)	-
	(200)	71,147	-

34.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries and to foreign exchange bank accounts.

The following table demonstrates the sensitivity to a reasonably possible change in the US$ exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Company's equity.

	Change in Conversion rate of US$	Effect on profit after tax	Effect on other components of equity
	(Rupees)	.... (Rupees in '000)	....
December 31, 2012	**2.50**	**59**	**-**
	(2.50)	**(59)**	**-**
June 30, 2011	2.50	87	-
	(2.50)	(87)	-

34.1.3 Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

The following table summarizes the Company's equity price risk as of December 31, 2012 and June 30, 2011. It shows the effects of an estimated increase of 10% in the equity market prices as on those dates. A decrease of 10% in the fair values of the quoted securities would effect profit and equity of the Company in a similar but opposite manner.

	Fair Value	Price change	Effect on profit for the period	Effect on shareholders' equity
	(Rs. in million)		.........(Rs. in million)	....
December 31, 2012	**5,594.05**	**10% increase**	**-**	**559.35**
June 30, 2011	5,219.09	10% increase	296.76	150.15

34.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the period / year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which the liabilities will be realised / settled.

	December 31, 2012		
	Up to one year	Over one year to five years	Total
	..........(Rupees in '000)..........		
Financial liabilities			
Long term financing	1,751,734	855,370	2,607,104
Trade and other payables	79,577	-	79,577
Accrued interest / mark-up on borrowings	109,728	-	109,728
	1,941,039	855,370	2,796,409

	June 30, 2011		
	Up to one year	Over one year to five years	Total
	..........(Rupees in '000)..........		
Financial liabilities			
Long term financing	1,097,694	1,743,858	2,841,552
Trade and other payables	82,764	-	82,764
Accrued interest / mark-up on borrowings	122,536	-	122,536
	1,302,994	1,743,858	3,046,852

34.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the credit worthiness of the same.

Concentration of credit risk and credit exposure of the financial instruments

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of a Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, loans, funds placements and certain advances. The Company seeks to minimise its credit risk exposure through having exposures only to customers considered creditworthy by obtaining adequate collateral. The following analyses the Company's maximum exposure to credit risk:

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Loans and advances	**102,691**	2,131
Long term security deposits	**1,674**	1,499
Interest accrued and other receivables	**14,192**	20,210
Cash and bank balances	**2,629,053**	1,337,243

The analysis below summarises the credit quality of the Company's liquid portfolio as on December 31, 2012:

Bank balances and term deposits rating by Rating Category

	December 31, 2012	June 30, 2011
AAA	**0.09%**	0.16%
AA- to AA+	**13.33%**	99.74%
A- to A+	**86.58%**	0.10%
Total	**100.00%**	100.00%

35. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and fund placements. Capital signifies equity as shown in the balance sheet plus net debt.

During the eighteen months ended December 31, 2012, the Company's strategy was to reduce its leveraged gearing. The gearing ratios as at December 31, 2012 and June 30, 2011 were as follows:

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Long term financing	**2,607,104**	2,841,552
Trade and other payables	**79,577**	82,764
Accrued interest / mark-up on borrowings	**109,728**	122,536
Total debt	**2,796,409**	3,046,852
Cash and bank balances	**2,629,053**	1,337,243
Net debt	**167,356**	1,709,609
Share Capital	**7,632,853**	7,632,853
Reserves	**5,989,508**	1,508,139
Equity	**13,622,361**	9,140,992
Capital	**13,789,717**	10,850,601
Gearing ratio	**1%**	16%

The Company finances its investment portfolio through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. A significant decrease in the gearing ratio during the period ended December 31, 2012 resulted primarily from the fact that the Company sold its entire stake in Pakistan International Container Terminal Limited against a sum of Rs. 3,630.84 million which resulted in surplus liquidity for planned long term investments. Further, the Company is no longer availing the short term borrowing facilities as at period end and the complete redemption of the fifth issue of term finance certificates.

36. 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.

For investments in government securities, fair value is determined by reference to quotations obtained from PKRV Reuters page. In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

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, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
	.... (Rupees in '000)........................			
Available for sale investments				
Equity Securities	5,594,052	-	122,500	5,716,552
Government securities	-	1,644,314	-	1,644,314
Mutual fund - open end	-	202,050	-	202,050
	5,594,052	**1,846,364**	**122,500**	**7,562,916**

	June 30, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
	.... (Rupees in '000)........................			
Available for sale investments				
Equity Securities	4,953,769	-	7,500	4,961,269
	4,953,769	-	7,500	4,961,269

37. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of 7.5 % i.e. Re. 0.75 per share (June 30, 2011: Nil) amounting to Rs. 572.464 million (June 30, 2011: Nil) in their meeting held on March 4, 2013. This appropriation will be approved in the forthcoming Annual General Meeting of the Company.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 4, 2013 by the Board of Directors of the Company.

39. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazharul Haq Siddiqui	**Suleman Lalani**
Chairman	Chief Executive

DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

It gives me immense pleasure to present to you the report on the audited consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries and Auditors' Report thereon for the eighteen month period ended December 31, 2012.

Management's Disclosure of Financial Responsibility

The Company's management is responsible for preparing the consolidated financial statements and related notes contained in the Annual Report.

These consolidated financial statements and notes are prepared in accordance with the approved accounting standards as applicable in Pakistan. Other financial data included in the Annual Report are consistent with the data in the financial statements.

The Company's accounting policies are integral to understanding the results reported. Accounting policies are described in detail in the notes to the financial statements. The Company's most complex accounting policies require management's judgment to ascertain the valuation of assets and liabilities. The Company has established detailed policies and control procedures that are intended to ensure that valuation methods are fair, well controlled and applied consistently.

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's financial statements, control system and the independence and performance of its internal and independent auditors. The Audit Committee is comprised of three Directors and operates under the terms of reference approved by the Board.

PERFORMANCE OF KEY INVESTMENTS

JS Bank Limited - (Subsidiary)

The Bank has 185 branches and plans to grow its branch network further.

The Bank has earned a profit after tax of PKR 708.176 million for the period from January 01, 2012 to December 31, 2012 as compared to a profit after tax of PKR 359.69 million, an increase of 96.88% over the corresponding period last year.

The balance sheet of the Bank grew by 51.28% to PKR 81.57 billion as at December 31, 2012 from PKR 53.92 billion as at December 31, 2011, mainly due to an increase in the Bank's deposit base from PKR 41.49 billion to PKR 62.54 billion, an increase of 50.76%. On the assets side, the growth was recorded both in net investments and net advances which grew by 104.24% and 11.3% respectively for the period mentioned above.

To meet the Minimum Capital Requirement, the Bank increased its paid up capital significantly through a swap of new shares of the Bank against shares of JS Global Capital Limited and JS Investments Limited held by Jahangir Siddiqui & Co. Ltd. The Bank has also submitted a successful bid to acquire HSBC and the regulatory approvals are in process.

JS Investments Limited (Sub - Subsidiary)

The Assets Under Management (AUM) of the local mutual fund industry stood at PKR 334.45 billion as on December 31, 2012 with AUM of open-end funds at approximately PKR 305.67 billion and closed-end funds having AUM of around PKR 25.34 billion. The income funds category witnessed an increase of 4.47% to PKR 56.68 billion in December 2012. During FY12 growth was also witnessed in the money market funds and Islamic income funds categories, which rose to PKR 122.95 billion and PKR 33.98 billion, respectively.

The Company earned profit after tax of PKR 202.729 million during the eighteen month period ended December 31, 2012. The Company earned management fee of PKR 306.465 million from funds under management during the aforesaid period as compared to PKR 244.683 million during the year ended on June 30, 2011.

JS Global Capital Ltd. (Sub - Subsidiary)

Profit after tax during the eighteen month period ended December 31, 2012 has been increased by 225.77%.; the operating operating revenue of JSGCL increased by 43.18% as compared to the year ended June 30, 2011 principally due to an increase in equity brokerage revenue by 34.98%, capital gain on sale of investments increased by 125.18% and other income by 56.19%. This is a reflection of higher volumes at the KSE, the KSE 100 index grew by 35.29% to close at 16,905 points which kept the investors interested in the equity market.

Brisk activity was witnessed in the money market during the period due to the issuance of higher amount of Government securities. Turnover in the commodities futures market continues to show steady growth.

Consolidated Financial Statements

The Company has reported a net profit of PKR 3,481 million for the eighteen month period ended December 31, 2012 as compared to a net loss of PKR 1,251 million for the year ended June 30, 2011.

	(Rupees in '000)
Profit before taxation from continuing operations	4,010,880
Less : Taxation	
• Current	189,277
• Prior	(66,215)
• Deferred	370,927
	493,989
Profit after taxation from continuing operations	3,516,891
Loss after taxation from discontinued operations	(36,075)
Net profit for the period	**3,480,816**
Profit attributable to non-controlling interests	**514,933**
Profit for the period attributable to ordinary shareholders	**2,965,883**

Basic earnings per share from continuing operations is PKR 3.93.

The total income from continuing operations have improved by 183.2% over last year mainly on account of increase in return on investments, gain on sale of investments, and income on fund placements made during the period under review.

Impairment in investments and intangibles have reduced by PKR 779.83 million and PKR 135.422 million to PKR 513.04 million and PKR 40.215 million respectively over last year reflecting a positive impact on the results for the current period over last year.

Pattern of Shareholding

The Statement of Pattern of Shareholding as on December 31, 2012 is annexed to this report.

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman
Karachi: March 04, 2013

AUDITORS' REPORT TO THE MEMBERS CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies, (together referred to as the Group) as at 31 December 2012, and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement together with the notes forming part thereof, for the eighteen months period then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary companies except for JS Bank Limited, JS Investments Limited, JS Infocom Limited, JS Global Capital Limited, JS International Limited and JS International LLP which were audited by other firms of auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such companies, is based solely on the reports of such other auditors. The financial statements of Credit Chex (Private) Limited are unaudited.

These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at 31 December 2012 and the results of their operations for the eighteen months period then ended.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Omer Chughtai
March 04, 2013
Karachi

CONSOLIDATED FINANCIAL STATEMENTS

JAHANGIR SIDDIQUI & CO. LTD.
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	7	**1,798,330**	1,696,103
Intangible assets	8	**1,258,223**	1,309,624
Investment property	9	**3,191**	1,770
Membership cards and room	10	**48,201**	35,701
Long term investments	11	**6,267,619**	6,369,573
Long term loans, advances and other receivables	12	**847,294**	3,538,442
Long term deposits		**16,513**	32,991
Deferred taxation	13	**869,588**	1,196,895
		11,108,959	14,181,099
Current Assets			
Short term investments	14	**50,118,587**	19,628,279
Trade debts	15	**564,756**	9,883
Loans and advances	16	**19,080,993**	12,757,227
Accrued mark-up	17	**720,352**	632,188
Deposits, prepayments and other receivables	18	**603,981**	317,948
Fund placements	19	**3,940,958**	1,663,914
Taxation - net		**525,620**	407,877
Cash and bank balances	20	**6,934,808**	4,442,934
		82,490,055	39,860,250
Assets classified as held for sale	21	**3,788**	222,069
		93,602,802	54,263,418
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital	22	**7,632,853**	7,632,853
Reserves	23	**7,091,459**	1,830,635
Equity attributable to equity holders' of the parent		**14,724,312**	9,463,488
Non-controlling interest		**4,889,900**	2,758,829
Total Equity		**19,614,212**	12,222,317
Non-Current Liabilities			
Long term financing	24	**827,908**	2,016,204
Deposits and other accounts	25	**28,521**	108,189
Employee benefit liability	45	**22,967**	78,384
		879,396	2,202,777
Current Liabilities			
Trade and other payables	26	**1,871,850**	1,215,273
Accrued interest / mark-up on borrowings	27	**574,995**	377,804
Short term borrowings	28	**8,811,882**	4,212,256
Current portion of non-current liabilities	29	**61,775,288**	34,016,277
		73,034,015	39,821,610
Liabilities directly associated with assets classified as held for sale	21	**75,179**	16,714
Contingencies and Commitments	30		
		93,602,802	54,263,418

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Mazharul Haq Siddiqui	**Suleman Lalani**
Chairman	Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
CONTINUING OPERATIONS			
INCOME			
Return on investments	31	5,815,351	1,955,287
Gain on sale of investments - net	32	3,870,755	686,486
Income from long term loans and fund placements	33	3,853,036	2,107,510
Fee, commission and brokerage	34	1,496,600	591,643
Other income	35	539,792	206,044
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net		127,417	(1,584)
		15,702,951	5,545,386
EXPENDITURE			
Operating and administrative expenses	36	5,539,350	2,465,482
Finance costs	37	5,745,451	2,977,541
Provision / (reversal of provision) for:			
Impairment on investments	38	513,054	1,292,881
Impairment of intangibles	8	40,215	175,637
		11,838,070	6,911,541
		3,864,881	(1,366,155)
Share of profit / (loss) from	39		
associates		149,608	100,421
joint venture		(3,609)	(2,089)
		145,999	98,332
Profit / (Loss) before taxation from continuing operations		4,010,880	(1,267,823)
TAXATION	40		
Current		189,277	63,006
Prior		(66,215)	(6,540)
Deferred		370,927	(133,633)
		493,989	(77,167)
Profit / (Loss) after taxation from Continuing operations		3,516,891	(1,190,656)
DISCONTINUED OPERATIONS			
(Loss) / profit after taxation for the period / year from discontinued operations	21	(36,075)	(60,349)
PROFIT / (LOSS) FOR THE PERIOD / YEAR		3,480,816	(1,251,005)
Attributable to:			
Equity holders of the parent		2,965,883	(1,178,797)
Non-controlling interests		514,933	(72,208)
		3,480,816	(1,251,005)
EARNINGS / (LOSS) PER SHARE		.... (Rupees)	
Basic			
Continuing operations		3.93	(1.51)
Discontinued operations		(0.04)	(0.03)
	41	3.89	(1.54)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
PROFIT / (LOSS) FOR THE PERIOD / YEAR AFTER TAXATION		**3,480,816**	(1,251,005)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Revaluation of available for sale investments	42	**2,573,896**	793,793
Exchange difference of translation of net assets of foreign subsidiaries to reporting currency		**26,989**	4,956
Share of other comprehensive loss income of associates	43	**(3,021)**	(1,813)
		2,597,864	796,936
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD / YEAR		**6,078,680**	(454,069)
Attributable to:			
Equity holders of the parent		**5,383,962**	(510,430)
Non-controlling interest		**694,718**	56,361
		6,078,680	(454,069)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT								NON-CONTRO-LLING INTERESTS	TOTAL
			Reserves								
			Capital	Revenue			Others				
		Ordinary Share Capital	Ordinary share premium	General	Foreign exchange translation	Unappro-priated profit / (accumu-lated loss)	Unrealised (loss) / gain on revalua-tion of available for sale invest-ments - net	Statutory	Sub-total		
		(Rupees in '000)									
Balance as at July 1, 2010		7,632,853	5,284,746	10,000,000	23,072	(13,418,286)	598,114	68,841	10,189,340	2,487,046	12,676,386
Issue of shares by Subsidiary (JS Bank Limited)		-	-	-	-	-	-	-	-	215,422	215,422
Loss for the year		-	-	-	-	(1,178,797)	-	-	(1,178,797)	(72,208)	(1,251,005)
Other comprehensive income / (loss)		-	-	-	4,956	-	447,989	-	452,945	128,569	581,514
Statutory reserve		-	-	-	-	50,681	-	(50,681)	-	-	-
Balance as at June 30, 2011		**7,632,853**	**5,284,746**	**10,000,000**	**28,028**	**(14,546,402)**	**1,046,103**	**18,160**	**9,463,488**	**2,758,829**	**12,222,317**
Balance as at July 1, 2011		7,632,853	5,284,746	10,000,000	28,028	(14,546,402)	1,046,103	18,160	9,463,488	2,758,829	12,222,317
Profit for the period		-	-	-	-	2,965,883	-	-	2,965,883	514,933	3,480,816
Other comprehensive income		-	(786,852)	-	26,989	787,035	2,390,907	-	2,418,079	179,785	2,597,864
Transfer from general reserve				(10,000,000)		10,000,000			-		-
Statutory reserve		-	-	-	-	(150,398)	-	150,398	-	-	-
Adjustment to non-controlling interest on group reorganisation	6.1 & 6.2	-	-	-	-	(113,047)	-	(10,091)	(123,138)	1,436,353	1,313,215
Balance as at December 31, 2012		**7,632,853**	**4,497,894**	**-**	**55,017**	**(1,056,929)**	**3,437,010**	**158,467**	**14,724,312**	**4,889,900**	**19,614,212**

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

JAHANGIR SIDDIQUI & CO. LTD.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2012

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation from continuing operations		**4,010,880**	(1,267,823)
(Loss) / Profit before taxation from discontinued operations	21	**(35,919)**	(59,970)
		3,974,961	(1,327,793)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation		**397,045**	265,292
Amortisation of intangible assets		**30,457**	26,059
Amortisation of transaction cost on term finance certificates		**3,916**	2,360
Gain on sale of property and equipment		**(60,583)**	(20,378)
Liability no longer payable written back		**(50,000)**	-
Specie dividend income		**(115,000)**	-
Interest income from Special Saving Certificates		**-**	(9,847)
Charge for defined benefit plan		**(55,417)**	22,185
Gain / (loss) on revaluation of investments carried at fair value through profit or loss - net		**(127,417)**	1,584
Impairment on investments		**508,500**	1,299,880
Impairment of intangibles		**40,215**	175,637
Share of profit in associates and joint ventures		**(145,999)**	(98,332)
Finance cost		**5,741,906**	2,977,064
		6,167,623	4,641,504
Operating profit before working capital changes		**10,142,584**	3,313,711
(Increase) / decrease in operating assets:			
Loans and advances		**(6,312,879)**	(4,016,222)
Short term investments		**(27,992,817)**	(3,205,190)
Trade debts		**(413,053)**	(9,622)
Long term loans, advances and other receivables		**2,713,030**	(730,959)
Fund placements - net		**(2,277,044)**	2,351,838
Deposits, prepayments, accrued mark-up and other receivables		**(324,106)**	(158,245)
		(34,606,869)	(5,768,400)
Increase/(decrease) in operating liabilities:			
Trade and other payables		**599,499**	319,301
Deposits and other accounts		**26,998,342**	8,829,391
Net cash generated from / (used in) operations		**3,133,556**	6,694,003
Interest / mark-up paid		**(5,544,715)**	(3,226,542)
Taxes paid		**(235,760)**	(81,215)
Dividend paid		**(77,664)**	(373)
Net cash (used in) / generated from operations		**(2,724,583)**	3,385,873
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		**(494,176)**	(343,696)
Intangible assets acquired		**(19,271)**	(17,671)
Proceeds from sale of property and equipment		**84,256**	42,666
Acquisition of a subsidiary - net of cash acquired		**481,033**	-
Investments acquired - net of sale		**1,076,201**	2,219,163
Net cash generated from investing activities		**1,128,043**	1,900,462
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Ordinary shares		**-**	215,422
Redemption of Term Finance Certificates - net		**(496,682)**	(555,743)
Long term loans - net of repayments		**(14,529)**	9,393
Securities sold under repurchase agreements - net		**5,075,134**	(1,644,082)
Net cash generated from / (used in) financing activities		**4,563,923**	(1,975,010)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,967,383**	3,311,325
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		**2,636,821**	(674,504)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	44	**5,604,204**	2,636,821

The annexed notes from 1 to 55 from and integral part of these consolidated financial statements.

Mazharul Haq Siddiqui
Chairman

Suleman Lalani
Chief Executive

1. THE GROUP AND ITS OPERATIONS

1.1 Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies (together the Group) are involved in trading of securities, maintaining strategic investments, investment advisory, asset management, agency telecommunication, commercial banking and other business. The Group is mainly operating in Pakistan but also provides services in United Kingdom and Cayman Islands.

The Holding Company was incorporated under the Companies Ordinance, 1984 on May 04, 1991 as a public unquoted Company. The Holding Company is presently listed on The Karachi Stock Exchange Limited. The Holding Company is also a corporate member of The 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 a line by line basis. All material inter company balances, transactions and resulting unrealised profits / losses have been eliminated:

Subsidiary Companies	Note	Holding (including indirect holding)	
		December 31, 2012 %	June 30, 2011 %
JS Bank Limited (JSBL)	1.2.1	**70.42**	64.49
JS Investments Limited (JSIL) (Sub-subsidiary)	1.2.2	**36.79**	52.02
JS Global Capital Limited (JSGCL) (Sub-subsidiary)	1.2.3	**35.95**	-
JS Infocom Limited	1.2.4	**100.00**	100.00
JS International Limited	1.2.5	**100.00**	100.00
JS International LLP (Sub-subsidiary)	1.2.6	**100.00**	100.00
Credit Chex (Private) Limited	1.2.7	**82.84**	82.84
JS ABAMCO Commodities Limited (Sub-subsidiary)	1.2.8	**36.79**	52.02
Energy Infrastructure Holding (Private) Limited	1.2.9	**100.00**	100.00
Apna Microfinance Bank Limited	1.2.10	**-**	70.82

1.2.1 JS Bank Limited

JS Bank Limited (JSBL) was incorporated on March 15, 2006 as a public limited company under the Companies Ordinance, 1984. The bank is engaged in conducting banking business and related services permissible under the Banking Companies Ordinance, 1962. Its shares are listed on The Karachi Stock Exchange. The registered office of JSBL is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi and it operates with one hundred and eighty five branches in Pakistan.

The State Bank of Pakistan (SBP) through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.9 billion paid-up capital (free of losses) by the end of the financial year 2012. To meet the shortfall in the Minimum Capital Requirement (MCR) of the SBP, the Bank acquired 25,525,169 shares of JS Global Capital Limited (JSGCL) from Jahangir Siddiqui & Co. Ltd. (JSCL) and other shareholders of JS Global in exchange of issuance of 185,321,537 new shares of the Bank. Further during the period the bank also acquired 52,236,978 shares of JS Investments Limited (JSIL) from JSCL and other shareholders of JSIL in exchange for issue of 72,171,251 shares of the Bank. As a result of these transactions the paid up capital of the Bank increased by Rs. 1.885 billion.

1.2.1.2 Compliance with Minimum Capital Requirement

The State Bank of Pakistan (SBP) through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.9 billion paid-up capital (free of losses) by the end of the financial year 2012. To meet the shortfall in the Minimum Capital Requirement (MCR) of the SBP, JSBL acquired 25,525,169 shares of JS Global Capital Limited (JSGCL) from the Holding Company and other shareholders of JSGCL in exchange of issuance of 185,321,537 new shares of JSBL. Further during the current year the bank acquired 52,236,978 shares of JS Investments Limited (JSIL) from the Holding Company and other shareholders of JSIL in exchange for issue of 72,171,251 shares of JSBL. As a result of these transactions the paid up capital of JSBL increased by 1.885 billion. The paid-up capital (free of losses) of JSBL as at December 31, 2012 stood at Rs.8.543 billion.

To meet the remaining short fall, JSBL has signed a Sale and Purchase Agreement with HSBC Middle East Limited for acquisition of HSBC – Pakistan operations. In this regard JSBL has submitted a funding plan to the SBP. As per the said plan, JSBL will issue Right Shares of upto Rs. 1.2 billion and Term Finance Certificates of upto Rs. 300 million. JSBL is hopeful that if the said plan is materialised, it will enable JSBL to meet the MCR effective December 31, 2012.

In the meantime, the SBP has exempted JSBL from complying with the requirements of MCR till June 30, 2013 through letter No. BPRD/CSD/002436/13 dated March 01, 2013.

1.2.2 JS Investments Limited

JS Investments Limited (JSIL) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The Company was listed on The Karachi Stock Exchange on April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi.

The Company has obtained the licence of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). JSIL also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

JSIL is an asset management company and pension fund manager for the following:

Closed-end funds:
- JS Value Fund Limited
- JS Growth Fund

Open-end funds:
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Aggressive Income Fund
- JS Cash Fund
- JS Large Cap Fund

Pension funds:
- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2.3 JS Global Capital Limited (JSGCL)

JS Global Capital Limited (JSGCL) was incorporated as a private limited company on June 28, 2000. Subsequently, JSGCL obtained listing on The Karachi Stock Exchange Limited and Islamabad Stock Exchange Limited on February 7, 2005. JSGCL is a corporate member of The Karachi Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited). The principal activities of JSGCL are share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of JSGCL is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

During the current period, JSBL, a subsidiary of JSCL, acquired 25,525,169 shares of the JSGCL from JSCL and other shareholders against issuance of 185,321,537 shares in lieu thereof. As a result the principle ownership of JSGCL was transferred to JSBL .

1.2.4 JS Infocom Limited

JS Infocom Limited (JS Infocom) was incorporated on August 25, 2003 as a public limited unlisted company under the Companies Ordinance, 1984. The registered office of JS Infocom is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. JS Infocom was established to undertake telecommunication business or invest in companies engaged in providing telecommunication services. JS Infocom is presently seeking business ventures in the telecommunication sector.

1.2.5 JS International Limited

JS International Limited was incorporated in Cayman Islands B.W.I. on July 14, 2005. The primary objective for which the company has been established includes inward investment from non-resident Pakistanis and international institutional investors, financial advisory services to Pakistani companies expanding overseas and to foreign companies interested in investing or setting up joint ventures in Pakistan. Jahangir Siddiqui & Co. Ltd. have remitted US $ 4.90 million to JS International Limited (wholly owned subsidiary) as equity investment after obtaining permission from the State Bank of Pakistan. The Holding Company holds 10,000 shares of US $ 1/- each and paid US $ 489/- per share as a share premium.

1.2.6 JS International LLP

JS International LLP was incorporated as limited liability partnership in the United Kingdom on April 11, 2006 as a wholly owned subsidiary of JS International Limited. (Cayman Islands, B.W.I.) i.e. a sub-subsidiary of the Holding Company. The purpose of setting up JS International LLP is to develop international strategic alliances and joint ventures, developing business and JS brands awareness internationally and providing administrative and operational support to the Group for its international activities.

1.2.7 Credit Chex (Private) Limited

Credit Chex (Private) Limited (CCPL) was incorporated in Pakistan as a private limited company on May 16, 2006 under the Companies Ordinance, 1984. The purpose of setting up of CCPL is to provide credit information and credit rating services. The registered office of the Company is situated at office No. 111, 1st Floor, Park Towers, Clifton, Block-4, Karachi.

The Board of Directors of the Holding Company in their meeting held on August 30, 2012 have approved to dispose of entire investment in CCPL. 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 CCPL subject to completion of necessary regulatory formalities.

1.2.8 JS ABAMCO Commodities Limited

JS ABAMCO Commodities Limited (JSACL) was incorporated on September 25, 2007 as a public unlisted company under the Companies Ordinance, 1984 and is a subsidiary company of JSIL (subsidiary of the Holding Company). The principal activities of JSACL are to deal and effectuate commodity contracts; to become member of commodity exchange including Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited) and to carry on the business as brokers, dealers and representatives of all kinds of commodity contracts and commodity backed securities. The registered office of the JSACL is situated at 7th floor, The Forum, Block-9, Clifton, Karachi. The Company has not commenced its commercial operations up to the balance sheet date.

1.2.9 Energy Infrastructure Holding (Private) Limited

Energy Infrastructure Holding (Private) Limited (EIHPL) was incorporated under the Companies

Ordinance, 1984 on April 15, 2008 as a private limited company. The registered office of the EIHPL is situated at 7th Floor, The Forum, Khayaban-e-Jami, Clifton, Block-9, Karachi. The principal activities of EIHPL, after commencement of operations, will be to design, construct, acquire, own, operate and maintain power generation complexes and to carry on the business of electricity generation, power transmission and distribution services, over hauling and re-powering of power plants etc. EIHPL is in start-up phase and has not yet commenced commercial operations.

1.2.10 Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited)

Apna Microfinance Bank Limited (AMBL) was incorporated on May 08, 2003 as public limited company under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on December 28, 2004. Its operations started from January 01, 2005. AMBL's principal business is to provide microfinance services to the poor and under served segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The registered office of AMBL is situated at 202, Azayam Plaza, S.M.C.H.S., Shahra-e-Faisal, Karachi. (Also refer note 20)

1.3 CHANGE IN ACCOUNTING YEAR

The financial year of the Group has changed from June 30 to December 31. Accordingly, these financial statements cover the period of eighteen months from July 01, 2011 to December 31, 2012. This change has been made to bring the financial year of the Group in line with the financial year followed by its major investee companies.

The permission for the above change was obtained from the Commissioner of Inland Revenue and Securities and Exchange Commission of Pakistan. The corresponding figures shown in these financial statements pertain to the consolidated financial statements for the year ended 30 June 2011 and therefore, are not entirely comparable in respect of consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except for certain investments and derivative financial instruments that have been measured at fair value as described in notes 5.5 and 5.6 below.

2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows:

The Group has adopted the following amended IFRS which became effective during the period:

IFRS 7 – Financial Instruments: Disclosures - Enhanced De-recognition Disclosure Requirements (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amended standards did not have any material effect on these consolidated financial statements.

2.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation or amendment:

Standard, Interpretation or Amendment	Effective date (accounting periods beginning on or after)
IFRS 7 – Financial Instruments : Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.	January 01, 2013
IAS 1 – Presentation of Financial Statements - Presentation of items of other comprehensive income	July 01, 2012
IAS 12 – Income Tax (Amendment) - Deferred Taxes : Recovery of Underlying Assets	January 01, 2012
IAS 19 – Employee Benefits –(Revised)	January 01, 2013
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Group expects that the adoption of the above revisions and amendments of the standards will not materially affect the Group's financial statements in the period of initial application other than the amendments to IAS-19 Employee Benefits' as described below:

The amendments to IAS 19 Employee Benefits are effective for annual period beginning on or after January 1, 2013. The amendments eliminate the corridor approach and therefore require an entity to recognize changes in defined benefit plans obligations and plan assets when they occur. All actuarial gains or losses in other comprehensive income arising during the year are recognized immediately through other comprehensive income. The amendments also require additional disclosures and retrospective application with certain exceptions. Management anticipates that the amendments will be adopted in the Group's financial statements for annual period beginning on or after January 1, 2013, and the application of amendments may have impact on amounts reported in respect of defined benefit plans.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2013. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

	Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2015
IFRS 10 – Consolidated Financial Statements	January 01, 2013
IFRS 11 – Joint Arrangements	January 01, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13 – Fair Value Measurement	January 01, 2013

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jahangir Siddiqui & Co. Ltd. and its subsidiaries as at December 31 for the current period end for prior year. The financial statements of the subsidiaries are prepared, using consistent accounting policies, for the same reporting year as of the Holding Company except for JS International Limited and JS International LLP whose audited financial statements as at September 30 have been considered for the purpose of consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group and ceases from the date on which control is transferred out of the Group. All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the interests in JS Bank Limited, JS Investments Limited, JS Global Capital Limited, Credit Chex (Private) Limited and JS ABAMCO Commodities Limited not held by the Group.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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 Group'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.

In the process of applying the Group's accounting policies, management has made the following estimates and judgements which are significant to the financial statements:

(a) determining the residual values and useful lives of property and equipment (Note 5.1);
(b) classification of investments (Note 5.5);
(c) recognition of taxation and deferred tax (Note 5.14);
(d) accounting for post-employment benefits (Note 5.21);
(e) impairment of financial assets (Note 5.25); and
(f) non-currents assets held for sale (Note 5.24 & 21)

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 6 to the financial statements. In respect of additions depreciation is charged from the month in which asset is put to use and on disposal up to the month immediately preceding the deletion.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, assets are written down to their estimated recoverable amount.

The asset's residual values, useful lives methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized only when it increases the future economic benefit embodied in the item of property and equipment.

5.2 Intangible assets

Intangible assets having definite life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to income applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. In respect of additions and deletions during the year, amortisation is charged from the month of acquisition and upto the month preceding the deletion, respectively.

Intangible assets having indefinite life are stated at cost. However, these are tested for impairment / recoverable amount annually and more frequently when indication of impairment exist.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair values of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquiree's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether the other assets or liabilities of the acquiree are assigned to those units or groups of units.

5.3 Investment properties

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. In respect of additions and deletions of property during the year, depreciation is charged from the month of acquisition and upto the month preceding the deletion respectively.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

5.4 Membership cards and room

These are stated at cost less accumulated impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

5.5 Investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies / reclassifies its investment as subsidiaries, associates and joint ventures, at fair value through profit or loss, available for sale and held to maturity.

When investments are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

For investments in government securities, fair value is determined by reference to quotations obtained from PKRV Reuters page. In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market prices at the close of business day. For term finance certificates, fair value is determined by reference to rates issued by the Financial Market Association through Reuters.

Unquoted investments, where active market does not exist and fair value cannot be reasonably calculated, are carried at cost. Provision for impairment in value, if any, is taken to income currently.

Associates and joint ventures

Associates are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture. The Group determines the significant influence by reference to its extent of voting interest in the investee company and other relevant factors which indicate the Group's ability to participate in the financial and operating policy decisions of the investee company.

A joint venture is a contractual arrangement where the Company has joint control over the economic activities undertaken with the other venturers.

Investments in associates and joint ventures that are not held exclusively with a view to its disposal in near future are accounted for under the equity method, less accumulated impairment losses, if any. Such investments are carried in the balance sheet at cost, plus post – acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The profit and loss account reflects the Group's share of the results of its associates and joint ventures.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognised directly in the profit and loss account.

Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist are stated at cost less impairment, if any) with any unrealized gains or losses being taken directly to equity until the investment is disposed or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in equity is recognized in the profit and loss account. Impairment loss, if any, on Available for Sale investments is charged to profit and loss account in accordance with the requirements of IAS - 39 “Financial Instruments: Recognition and measurement”.

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortised cost. Provision for impairment in value, if any, is taken to income currently .

Premiums and discounts on investments are amortised using the effective interest rate method and taken to income from investments.

5.6 Derivative financial instruments

Derivative instruments held by the Group generally comprise future and forward contracts in the capital and money markets. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The fair value of the derivative is equivalent to the unrealised gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are recognised in the profit and loss account.

The fair value of unquoted derivatives, if any, is determined by discounted cash flows using appropriate interest rates applicable to the underlying asset.

5.7 Securities sold under repurchase / purchased under resale agreements

The Group enters into transactions of repos and reverse repos at contracted rates for a specified period of time as under:

(a) Repurchase agreement borrowings

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognised in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as securities sold under repurchase agreements. The difference between sale and repurchase price is treated as mark-up / interest expense using the effective yield method.

(b) Repurchase agreement lendings

Investments purchased under agreement to resell at a specified future date (reverse repos) are not recognised in the balance sheet. Amounts paid under these agreements are included in fund placements. The difference between purchase and realise price is treated as mark-up/return/interest earned and accrued over the period of the reverse repo agreement using effective yield method.

5.8 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently (for regular way purchases and sales of financial instruments refer to note 5.10).

5.9 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet, when there is a legal enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

5.10 Trade date accounting

All “regular way” purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

5.11 Foreign currency translations

Foreign currency transactions are recorded at the exchange rates approximating those ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains / (losses) on translation are taken to income currently.

When the reporting date of the foreign subsidiary is different from that of Holding Company but not greater than three months, adjustments are made for effect of significant transactions. Other significant events that occur between different dates upto the balance sheet date of Holding Company of foreign operations are translated at the exchange rate at the balance sheet date of the foreign operation.

The functional currencies of the foreign operations of JS International Limited is United States Dollars and JS International LLP is Great Britain Pound. At the reporting date, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Holding Company at the rate of exchange ruling at the balance sheet date and their income are translated at the date of transaction exchange rates using for the year. The exchange difference arising of a foreign entity is taken directly to equity. On disposal of a foreign entity the deferred cumulative exchange difference recognized in equity, is recognized in the profit and loss account of that year, relating to that foreign entity.

5.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

5.13 Financial liabilities through profit and loss

Financial liabilities through profit and loss includes the obligation to deliver securities borrowed by a short seller (i.e. securities sold that are not yet owned).

All financial liabilities – held for trading are initially measured at its cost, which is the fair value of the consideration received for the same. Subsequently, these are re-measured to fair value with any resulting gains or losses recognised directly in the profit and loss account.

5.14 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.15 Revenue recognition

(a) Return on investments in National Saving Schemes have been accounted for using the effective interest rate method.

(b) Income / return on Term Finance Certificates (TFCs), government securities, reverse repurchase transactions, certificate of deposits and loans and advances is recognised at rate of return implicit in the instrument / arrangement on a time proportion basis.

(c) Dividend income on equity investments is recognised, when the Company's right to receive the same is established.

(d) Capital gains or losses on sale of investments are recognised in the period in which they arise.

(e) Underwriting commission is recognised when the agreement is executed. Take-up commission is recognised at the time commitment is fulfilled.

(f) Brokerage, consultancy and advisory fee, commission on foreign exchange dealings and government securities, etc. are recognised as and when earned.

(g) Rental income from investment properties, commission on portfolio trading services and return on bank deposits is recognised on accrual basis.

(h) Trusteeship fee is recognized on an accrual basis in proportion to the provision of service.

5.16 Long term finances, loans and advances

All long term finances and loans are initially recognised at cost being the fair value of consideration received together with the associated transaction costs. Subsequently, these are carried at amortised cost using effective interest rate method.

Transaction costs relating to long term finance are being amortised over the period of agreement using the effective interest rate method.

Loans, term finance and advances originated by the Group are stated at cost less any amount written off and provision for impairment, if any.

5.17 Trade debts and other receivables

Trade debts and other receivable are recognized at cost. A provision for impairment of trade and other receivable is established where there is objective evidence that the group will not be able to collect the amount due according to the original terms of receivable.

5.18 Trade and other payables

Trade and other payables are recognized at cost, which is the fair value of the consideration received.

5.19 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand, bank balances and balances with SBP, net of bank overdrafts repayable on demand and short term running finance, if any.

5.20 Segment reporting

A business segment is a distinguishable component within the Group that is engaged in providing individual products or services or a group of related products or services and under a common control environment (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

The group's geographical segments are based on location of group's assets.

5.21 Staff retirement benefits

Defined contribution plan

The Holding Company and its certain subsidiaries operate an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the group and the employees to the fund at the rate of 10% per annum of basic pay.

Defined benefit plan

JS Bank Limited (a subsidiary company) operates an unfunded gratuity scheme covering all employees, which requires contribution to be made in accordance with the actuarial recommendations. The most recent valuation in this regard was carried out as at December 31, 2012, using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

5.22 Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay.

5.23 Dividend and other appropriations to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

5.24 Non-current assets held for sale

Non-current assets held for sale that are expected to be sold within a period of one year from the balance sheet date are classified as 'held for sale' and are measured at lower of carrying amount and fair value less cost to sell. Non-current assets held for sale and Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

5.25 Impairment

Financial assets

The company assesses at each balance sheet date whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (as incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If, in a subsequent period, the fair value of an impaired available for sale equity security increases and the increase can be objectively related to an event occurring after the impairment loss recognised in profit and loss, the impairment loss is reversed, with the amount of reversal recognised in other comprehensive income.

Non-financial assets and investments in associates and joint ventures

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation method is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may not longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in assumptions used to determine the assets recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its carrying recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

6. BUSINESS COMBINATION

6.1 Acquisition of JS Global Capital Limited

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 3,790,343 shares were acquired from open market through public offer on December 21, 2011. The total shareholding of JSBL in JSGCL amounts to 51.05%. The Group's effective holding in JSGCL - sub-subsidiary was 34.88% at the time of acquisition.

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

	Carrying Amounts	Fair Values
	……. (Rupees in '000) …….	
Assets		
Property and equipment	20,145	20,145
Stock exchange membership cards and room	23,500	23,500
Long term loans, advances and other receivables	5,404	5,404
Deferred taxation	141,586	141,586
Short term investments	1,977,138	1,977,138
Trade debts - unsecured	141,586	141,586
Loans and advances	10,887	10,887
Accrued markup	10,733	10,733
Deposits, prepayments and other receivables	39,976	39,976
Taxation - net	4,282	4,282
Cash and bank balances	481,322	481,322
Total assets	**2,856,559**	**2,856,559**
Trade and other payables	184,922	184,922
Total identifiable net assets at fair value	**2,671,637**	**2,671,637**
Net assets		2,671,637
Non-controlling interest in acquiree		(1,309,165)
Net assets acquired		1,362,472
Fair Value of Consideration		(379,925)
Bargain purchase gain		982,547
Loss on revaluation of investment held under equity method / cost		(978,004)
Net gain on Bargain purchase		**4,543**

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.

6.2 Acquisition of additional interest in JS Bank Limited

During the period, the Holding Company transferred its shareholding in JS Investments Limited (JSIL), a subsidiary company to JS Bank Limited (JSBL), another subsidiary of the Holding Company. As a result of this transaction JSIL is now controlled by the group through JSBL, whereas previously the Holding Company had direct controlling interest in JSIL. This group re-organization did not have any effect on the overall assets and liabilities of the group as it was an inter-group transaction. However, the adjustments have been made in the Consolidated Statement of Changes in Equity to account for the changes in respect of JSBL.

The transactions mentioned in 6.1 and 6.2 above, increased the Holding Company's interest in JS Bank Limited to 70.42%.

6.3 Disposal of subsidiary

On January 13, 2012, the Group disposed off its entire equity interest in its subsidiary Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited). The carrying amount of net assets held immediately prior to date of disposal were as follows:

	Rupees in '000
Assets	
Operating fixed assets	4,485
Investments	201,335
Long term deposits	1,563
Advances and other receivables	3,092
Cash and bank balances	5,158
	215,633
Liabilities	
Deposits and other accounts	11,428
Accrued and other liabilities	1,713
	13,141
Net assets	202,492
Share of net assets disposed off	143,405
Consideration received	(143,405)
Gain / (Loss) on disposal	-

		Note	December 31, 2012	June 30, 2011
			...... (Rupees in '000)	
7.	**PROPERTY AND EQUIPMENT**			
	Operating assets	7.1	**1,737,978**	1,663,914
	Capital work-in-progress	7.2	**60,352**	32,189
			1,798,330	1,696,103

7.1 Operating assets

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2011	Additions / (Disposal) / Transfers*	As at December 31, 2012	Depreciation Rate Per-annum	As at July 1, 2011	For the period / (on disposal)	As at December 31, 2012	As at December 31, 2012
	.... (Rupees in '000)			%	.... (Rupees in '000)			
Owned:								
Office premises - freehold	786,485	12,341 (50) -	798,776	1.0 - 20	97,388	29,584 (50) -	126,922	671,854
Leasehold Improvements	488,475	22,578 (174) (1,398)*	509,481	10 - 33	132,708	81,615 (9,978) (139)*	204,206	305,275
Office equipment	862,911	184,768 (9,231) 38,770*	1,077,218	12.5 - 33	497,836	163,319 (3,868) 37,629*	694,916	382,302
Office furniture and fixtures	210,302	47,438 (698) 13,084*	270,126	10 - 20	76,373	38,480 (103) 4,277*	119,027	151,099
Motor vehicles	239,757	207,304 (95,892) 20,586*	371,755	20	119,711	79,402 (68,373) 13,567 *	144,307	227,448
	2,587,930	**474,429 (106,045) 71,042***	**3,027,356**	**-**	**924,016**	**392,400 (82,372) 55,334***	**1,289,378**	**1,737,978**

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 1, 2010	Additions / (Disposal) / Transfers*	As at June 30, 2011	Depreciation Rate Per-annum	As at July 1, 2010	For the year / (on disposal) / Transfer*	As at June 30, 2011	As at June 30, 2011
	.... (Rupees in '000)			%	.... (Rupees in '000)			
Owned:								
Office premises - leasehold	675,608	117,281 (6,404) -	786,485	1.0 - 20	79,967	23,584 (6,163) -	97,388	689,097
Leasehold Improvements	463,880	36,943 (8,390) (3,958)*	488,475	10 - 33	93,499	45,986 (6,064) (713)*	132,708	355,767
Office equipment	800,774	80,103 (11,373) (6,593)*	862,911	12.5 - 33	377,262	133,025 (6,874) (5,577)*	497,836	365,075
Office furniture and fixtures	186,759	32,065 (5,042) (3,480)*	210,302	10 - 20	59,327	20,234 (1,817) (1,371)*	76,373	133,929
Motor vehicles	221,072	62,310 (33,216) (10,409)*	239,757	20	106,924	41,822 (21,219) (7,816)*	119,711	120,046
	2,348,093	**328,702 (64,425) (24,440)***	**2,587,930**		**716,979**	**264,651 (42,137) (15,477)***	**924,016**	**1,663,914**

* Represents assets acquired on acquisition of sub-subsidiary and transfer of assets classified as held for sale during the period. (Refer note 6 & 21)

7.1.1 The depreciation for the period has been allocated as follows:

	December 31, 2012	June 30, 2011
	...... (Rupees in '000)	
Continuing operations	**392,400**	262,091
Discontinued operations	**956**	2,560
	393,356	264,651

7.1.2 Details of disposal of fixed assets having written down value exceeding Rs. 50,000 each.

Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (Loss)	Mode of disposal	Buyer's particulars
	.... (Rupees in '000)				....		
Motor vehicles:							
Honda Civic	1,427	1,190	237	1,290	1,053	Negotiation	Mr. Javaid Latif DHA, Phase VI, Karachi
Honda Civic	1,376	1,307	69	1,260	1,191	Negotiation	Mr. Iqbal Ahmed Khilji Nazimabad, Karachi
Honda Civic	1,376	1,215	161	1,366	1,205	Negotiation	Mr. Ammad Ahmed Ursani Staff JS Bank Limited
Honda Civic	1,376	1,238	138	1,150	1,012	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Honda Civic	1,830	153	1,677	1,650	(27)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Honda Civic	1,891	189	1,702	1,901	199	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Honda Civic	1,759	1,114	645	1,445	800	Negotiation	Mr. Mushtaq Ahmed Staff JS Bank Limited
Suzuki Cultus	905	588	317	765	448	Negotiation	Mr. Asad Shahzad Staff JS Bank Limited
Suzuki Cultus	905	588	317	774	457	Negotiation	Mr. Pettocelli Fernandes Staff JS Bank Limited
Suzuki Cultus	830	415	415	738	323	Negotiation	Mr. Ehsan Saeed Staff JS Bank Limited
Suzuki Cultus	850	538	312	775	463	Negotiation	Mr. Rizwan Staff JS Bank Limited
Suzuki Cultus	855	542	313	802	489	Negotiation	Mr. Mian Suhaib Staff JS Bank Limited
Suzuki Cultus	825	440	385	757	372	Negotiation	Mr. Anjum Gulzar Staff JS Bank Limited
Suzuki Cultus	815	503	312	765	453	Negotiation	Mr. Raja Zahid Staff JS Bank Limited
Toyota Corolla	1,015	880	135	1,106	971	Negotiation	Mukaram Ali Motors Main Jail Road, Lahore
Toyota Corolla	1,564	1,173	391	1,405	1,014	Negotiation	Mr. Zeeshan Wajid Staff JS Bank Limited
Toyota Corolla	1,462	268	1,194	1,462	268	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,529	204	1,325	1,529	204	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,028	908	120	992	872	Negotiation	Mr. Taufeeq Ahmed Staff JS Bank Limited
Toyota Corolla	1,577	26	1,551	1,577	26	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,025	854	171	1,146	975	Negotiation	Mr. Tayyab Raza Staff JS Bank Limited
Toyota Corolla	1,319	945	374	1,208	834	Negotiation	Mr. Imtiaz Shah Staff JS Bank Limited
Toyota Corolla	1,529	330	1,199	1,510	311	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,426	499	927	1,400	473	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,389	1,042	347	1,205	858	Negotiation	Mr. Arafat Yaseen Staff JS Bank Limited
Toyota Corolla	1,608	161	1,447	1,607	160	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Toyota Corolla	1,389	1,111	278	1,142	864	Negotiation	Mr. Sultan Hasan Karachi
Toyota Corolla	1,319	1,055	264	1,201	937	Negotiation	Mr. Shah Irfan Staff JS Bank Limited
Toyota Corolla	1,529	459	1,070	1,550	480	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi

Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (Loss)	Mode of disposal	Buyer's particulars
	....		(Rupees in '000)	....			
Toyota Corolla	1,607	188	1,419	1,608	189	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Cuore	400	233	167	400	233	Negotiations	Ms. Rubina Khan
Suzuki Cultus	573	516	57	570	513	Negotiations	Mr. Kashif
Suzuki Margalla	472	181	291	817	526	Loan Basis	Mr. Shahid Kamal - Ex-Employee
Honda 100CC	77	6	71	70	(1)	On Loan Basis	Mr. Rehan Baig - Employee
Office equipment:							
Laptop	93	21	114	51	(63)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
UPS	150	150	300	60	(240)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Laptop	84	19	103	51	(52)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Laptop	191	131	322	68	(254)	Negotiations	Mr. Muzzamil Aslam - Ex-Employee
Note book	93	43	50	48	(2)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi
Note book	149	71	78	78	-	Negotiation	PC Linked PECHS, Shahrah-e-Faisal Karachi
Electrical, office and computer equipment:							
Generator	1,200	737	463	530	67	Negotiation	ELEVATOR EXP. INTL. Ferozepur Road, Lahore
Generator	1,200	738	462	505	43	Negotiation	ELEVATOR EXP. INTL. Ferozepur Road, Lahore
UPS	615	333	282	-	(282)	Insurance Claim	EFU General Insurance Ltd. * Main Shahra-e-faisal Karachi

* Related party

	December 31, 2012	June 30, 2011
	...... (Rupees in '000)	......
7.2 Capital work-in-progress		
Advances to suppliers against:		
Civil works	**8,033**	-
Furniture and fixture	**1,870**	7,091
Acquisition of software and equipment	**26,737**	8,239
Vehicles	**23,712**	16,859
	60,352	32,189

8. INTANGIBLE ASSETS

	Note	COST As at July 1, 2011	 Additions / (Disposal) / Transfers*	 As at December 31, 2012	Rate %	ACCUMULATED AMORTISATION As at July 1, 2011	 For the period Impairment / Transfers*	 As at December 31, 2012	WRITTEN DOWN VALUE As at December 31, 2012
		.... (Rupees in '000)				.... (Rupees in '000)			
Software		225,401	19,271 - (2,093)*	242,579	20 - 33.33	91,240	30,088 - (1,724)*	119,604	122,975
Management rights	8.2	3,050,865	- -	3,050,865	-	2,425,453	- 40,215	2,465,668	585,197
Goodwill	8.3	2,664,147	-	2,664,147	-	2,114,096	-	2,114,096	550,051
Non-compete fee		126,683	-	126,683	33.33	126,683	-	126,683	-
Technical know how		150,000	-	150,000	100	150,000	-	150,000	-
		6,217,096	**19,271 - (2,093)***	**6,234,274**		**4,907,472**	**30,088 40,215 (1,724)***	**4,976,051**	**1,258,223**

	Note	COST As at July 1, 2010	 Additions / (Disposal) / Transfers*	 As at June 30, 2011	Rate %	ACCUMULATED AMORTISATION As at July 1, 2010	 For the year Impairment / Transfers*	 As at June 30, 2011	WRITTEN DOWN VALUE As at June 30, 2011
		.... (Rupees in '000)				.... (Rupees in '000)			
Software		212,896	17,671 - (5,166)*	225,401	20 - 33.33	70,347	26,059 - (5,166)*	91,240	134,161
Management rights		3,050,865	- -	3,050,865	-	2,249,816	- 175,637	2,425,453	625,412
Goodwill		2,664,147	-	2,664,147	-	2,114,096	-	2,114,096	550,051
Non-compete fee		126,683	-	126,683	33.33	126,683	-	126,683	-
Technical know how		150,000	-	150,000	100	150,000	-	150,000	-
		6,204,591	17,671 - (5,166)*	6,217,096		4,710,942	26,059 175,637 (5,166)*	4,907,472	1,309,624

* Represents assets acquired on acquisition of sub-subsidiary and transfer of assets classified as held for sale during the period / year. (Refer note 6 & 21)

	December 31, 2012	June 30, 2011
	.... (Rupees in '000)	
8.1 The amortization for the period / year has been allocated as follows:		
Continuing operations	**30,087**	21,778
Discontinued operations	**881**	1,249
	30,968	23,027

8.2 Cost represents the fair value of the management rights of a subsidiary's mutual funds on the date of its acquisition.

Management rights impairment testing

The recoverable amount of management rights of JS Investments Limited (JSIL) have been determined through value in use calculations using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the plans and strategy of the new management of JSIL and have also considered the reduction in fund sizes and decreased demand of products and services during the current period.

The cash flow projections have been discounted using pre-tax discount rates ranging between 22% and 27%. The discount rates applied are based on management estimates of the rate of return of respective funds using the Capital Asset Pricing Model. As a result of this analysis, management has recognised a net impairment loss of Rs. 40.215 million against management rights previously being carried at Rs. 632.223 million.

Key assumptions used in value in use calculations

The calculations of value in use are most sensitive to the following assumptions:

a) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated by using the Capital Asset Pricing Model for computing cost of equity.

b) Key business assumptions

These assumptions are important because, by using industry data, historical performance, judgment for growth rates, management assesses how the assets under management (AUM) position might change over the projected period.

c) Sensitivity to changes in key assumptions

Management is of the view that any adverse change in a key assumption would result in a further impairment loss particularly if AUM growth or incremental sales targets are not met.

8.3 For impairment testing, goodwill has been allocated to 'Trading and Sales' Segment as Cash Generating Unit (CGU), which is also a reportable segment.

Key assumptions used in value in use calculation

The recoverable amount of the CGU has been determined based on value in use calculation, using cash flow projections based on business plan approved by the Board of Directors of the JS Bank covering a five year period. The discount rates applied to cash flows beyond the five year period are extrapolated using a terminal growth rate. The following rates are used by the JS Bank:

	2012	2011
Cost of equity	**21.29%**	23.86%
Terminal growth rate	**10.00%**	10.00%

The calculation of value in use is most sensitive to the following assumptions:

(a) Interest margins

Interest margins are based on prevailing industry trends and anticipated market conditions.

(b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using the cost of equity of the JS Bank.

(c) Key business assumptions

These assumptions are important as they represent management assessment of how the unit's position might change over the projected period. Based on expansion plans, management expects aggressive growth in advances, investments and deposits during the projected periods and thereafter stabilisation in line with industry trends.

(d) Sensitivity to changes in assumptions

The estimated recoverable amount of the 'Trading and Sales' CGU exceeds its carrying amount by approximately Rs. 769.125 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount:

	Change required for carrying amount to equal recoverable amount (%) 2012	2011
Cost of equity	**1.79**	1.86
Terminal growth rate	**(2.86)**	(3.17)

9. INVESTMENT PROPERTY

	Note	COST As at July 1, 2011	Additions / (Disposal) /	As at December 31, 2012	Rate %	ACCUMULATED DEPRECIATION As at July 1, 2011	For the period	As at December 31, 2012	WRITTEN DOWN VALUE As at December 31, 2012
		.... (Rupees in '000)				.... (Rupees in '000)			
Office premises - leasehold	9.1	**12,599**	**2,400**	**14,999**	**5**	**10,829**	**979**	**11,808**	**3,191**

	Note	COST As at July 1, 2010	Additions / (Disposal) /	As at June 30, 2011	Rate %	ACCUMULATED DEPRECIATION As at July 1, 2010	For the year	As at June 30, 2011	WRITTEN DOWN VALUE As at June 30, 2011
		.... (Rupees in '000)				.... (Rupees in '000)			
Office premises - leasehold	9.1	12,599	-	12,599	5	10,188	641	10,829	1,770

9.1 The fair value of the investment property aggregating to Rs. 115.838 million (June 2011: Rs. 88.84 million) was arrived at on the basis of the valuation carried out by M/s. Consultancy Support and Services, an independent valuer on February 22, 2013 but was not incorporated in the books of accounts as the company applies cost model for accounting investments properties. The valuation was arrived at by reference to market values and realizable values, which are determined on the basis of market intelligence, year of construction and present physical condition and location.

10. MEMBERSHIP CARDS AND ROOM

	December 31, 2012	June 30, 2011
	.... (Rupees in '000)	
Stock Exchange Membership cards		
The Karachi Stock Exchange Limited	**21,100**	100
Islamabad Stock Exchange Limited	**22,101**	32,101
Pakistan Mercantile Exchange Limited - Membership card (formerly National Commodity Exchange Limited)	**5,000**	2,500
Room - Islamabad Stock Exchange Limited	**-**	1,000
	48,201	35,701

10.1 In accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the Holding Company, JS Bank Limited (subsidiary company) and JS Global Capital Limited (a sub-subsidiary company) were entitled to receive equity shares of The Karachi Stock Exchange Limited (KSE) and Islamabad Stock Exchange Limited (ISE) and trading right entitlements in lieu of their membership cards of KSE and ISE.

The said process of demutualization was finalized during the period whereby the Holding Company, JS Bank Limited and JS Global Capital Limited have been alloted shares of KSE and ISE based on 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 blocked CDC accounts maintained by KSE and ISE. The valuation of Trading Right Entitlement and the accounting treatment of shares alloted by Stock Exchanges is under discussion and will be finalized in due course.

11. LONG TERM INVESTMENTS

	Note	December 31, 2012	June 30, 2011
		.... (Rupees in '000)	
Related parties			
Investment in associates	11.1	241,124	1,271,363
Investment in joint venture	11.3	-	64,998
Other related parties - Available for sale	11.4	5,563,621	3,092,519
		5,804,745	4,428,880
Other investments	11.5	462,874	1,940,693
		6,267,619	6,369,573

11.1 Investment in associates - Quoted

	December 31, 2012	June 30, 2011
JS Global Capital Limited	-	1,136,276
JS Value Fund Limited	241,124	135,087
	241,124	1,271,363

11.1.1 All investments in associates and joint ventures are in companies which are incorporated in Pakistan.

11.2 Summarised financial information of the associates of the Group along with their respective share is as follows:

Name of associate	Interest held December 31, 2012	Interest held June 30, 2011	Profit	Total Assets	Total Liabilities	Net Assets
			.... (Rupees in '000)			
Quoted						
JS Value Fund Limited Market value Rs. 227.74 (June 30, 2011: Rs. 154.37) million.	21.34%	23.67%	490,795	1,585,020	30,748	1,554,272
			490,795	1,585,020	30,748	1,554,272

11.3 Investment in joint venture

Summarised financial information of the joint venture of the Group along with their respective share is as follows:

Name of joint venture	Country of incorporation	(Losses)	Total Assets	Total Liabilities	Net Assets	Share of net assets 2012	Share of net assets 2011	Interest held %
		----------Rupees in '000----------						
Un-quoted								
Gujranwala Energy Limited	Pakistan	(7,216)	116,175	17,498	98,677	-	64,998	50
		(7,216)	**116,175**	**17,498**	**98,677**	**-**	**64,998**	

11.3.1 Gujranwala Energy Limited (GEL) was not able to meet the financial close mandated with National Bank of Pakistan and was not allowed to make amendments in the power purchase agreement by Private Power and Infrastructure Board (PPIB). Further, It was also not able to raise the requisite funds and deposit initial mobilization advance with Wartsila Finland. As a result, the arrangements for commercial operations date including the availability of finance and import of engines could not be finalized. In view of the above facts, the Company has recorded provision for impairment of Rs.64.39 million against investment in Gujranwala Energy Limited.

11.4 Other related parties - Available for sale

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

Number of shares December 31, 2012	Number of shares June 30, 2011		Note	Activity	Holding December 31, 2012 %	Holding June 30, 2011 %	December 31, 2012 (Rupees in'000)	June 30, 2011 (Rupees in'000)
		Quoted-at fair value						
7,000,000	7,000,000	**Hum Network Limited**		Television Network	**14.00**	14.00	**184,800**	105,420
111,256,116	* 111,256,116	**BankIslami Pakistan Limited**		Islamic Banking	**21.07**	21.07	**1,024,669**	378,271
20,299,455	20,299,455	**EFU General Insurance Limited**		General Insurance	**16.24**	16.24	**1,735,604**	704,594
17,040,552	17,040,552	**EFU Life Assurance Limited**		Life Assurance	**20.05**	20.05	**1,588,691**	1,175,798
-	6,527,158	**Singer Pakistan Limited**	11.4.4	Electrical Goods	**-**	17.39	**-**	101,824
112,157,863	112,157,863	**Azgard Nine Limited**		Textile Composite	**24.96**	24.96	**907,357**	619,112
		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	-	**Pakistan International Bulk Terminal Limited**	11.4.5	Bulk Terminal	**21.07**	-	**115,000**	-
							5,563,621	3,092,519

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

11.4.1 Included herein are equity securities acquired for Rs. 13,352.04 million (June 30, 2011: Rs. 4,064.80 million) and having market value of Rs. 3,040.66 million (June 30, 2011: Rs. 473.32 million) as at December 31, 2012, pledged with various financial institutions against borrowings.

11.4.2 The original cost of investments in related parties amounts to Rs. 19,680.42 million (June 30, 2011: Rs. 19,992.81 million).

11.4.3 The management of the Group does not regard these companies/bank as associates as it does not exercise significant control over these entities.

11.4.4 During the period on July 28, 2011, the related party relationship has ceased.

11.4.5 During the period, the Company received 'specie dividend' from Pakistan International Container Terminal Limited (PICT). The dividend was paid in the form of ordinary shares of Pakistan International Bulk Terminal Limited (PIBT) having face value of Rs. 10/- each, in the ratio of two shares of PIBT for every one share held in PICT.

		Note	December 31, 2012	June 30, 2011
			(Rupees in '000)	
11.5	**Other investments**			
	Available for sale			
	Equity securities			
	quoted (at fair value)	11.5.1	**152,931**	1,868,750
	Privately placed term finance certificates (PPTFC)			
	unquoted (at cost)			
	Agritech Limited			
	PPTFC - 3rd Issue	11.5.2	**89,928**	89,928
	PPTFC - 5th Issue	11.5.3	**509,875**	-
	Provision for impairment held		**(289,860)**	(17,985)
			309,943	71,943
			462,874	1,940,693

11.5.1 This represents equity securities acquired for Rs. 161.80 million (June 30, 2011: Rs. 408.50 million) and having market value of Rs. 99.04 million (June 30, 2011: Rs. 365.63 million) as at December 31, 2012, pledged with various financial institutions against borrowings.

11.5.2 This represents investment in term finance certificates (TFC) issued by Agritech Limited, having a tenure of five years i.e. FY 2009 - FY 2014. The profit on these TFCs is payable quarterly, based on the three months KIBOR average rate plus 325 basis points per annum.

Agritech Limited and its holding company Azgard Nine Limited, failed to meet their financial obligations during the period. Pursuant to their adverse financial conditions, it is least probable that economic benefits ,in form of interest/profit on loan ,associated with the transactions will flow to the company, therefore, no interest/profit has been accrued during the period.

11.5.3 JS Infocom Limited has received these privately placed term finance certificates (PPTFCs) as settlement for its subordinated loan to Agritech Limited (AGL). The Settlement Agreement between the Company and the Agritech stipulates that the entire outstanding amount inclusive of interest upto June 30, 2012 and other charges due from Agritech Limited will be converted into PPTFCs with a tenor of 8.5 years (inclusive of 2 years grace period) carrying markup at the rate of 6 months KIBOR (ask side) plus 1.95% per annum. These certificates are redeemable in 12 equal semi annual installments with first such redemption due on December 31, 2014 and its interest falling due on October 22, 2012 and December 31, 2012 respectively. However, AGL has committed default in payment of interest upto December 31, 2012.

Considering the financial position of Agritech Limited, the management has recognised the PPTFCs at the same amount which was receivable against subordinated loan.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
12. LONG TERM LOANS, ADVANCES AND OTHER RECEIVABLES			
Long-term loans - considered good			
Secured			
Due from:			
Executives	12.1 & 12.2	95,556	3,384
Employees		4,169	3,020
		99,725	6,404
Loans advanced by JS Bank Limited		747,390	3,293,178
Long-term advances - considered good, unsecured			
Advance against a room at Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited)		2,500	2,500
Long-term receivable from related party			
Unsecured, considered good		-	340,000
		849,615	3,642,082
Provision held for long-term receivable from related party		-	(102,000)
		849,615	3,540,082
Current maturity of long term loans and receivables		(2,321)	(1,640)
		847,294	3,538,442

12.1 Reconciliation of the carrying amount of loans to executives

	December 31, 2012	June 30, 2011
Balance at the beginning of the period / Year	3,384	30,825
Disbursement	111,946	814
Repayments	(19,774)	(28,255)
Balance at the end of the period / Year	95,556	3,384

12.2 Represents loans to executives and employees of the Group given for housing and for purchase of home appliances and motor vehicles at rates ranging from 7.01% to 15% (June 30, 2011: 6.98% to 15.00%) per annum in accordance with the Group's employee loan policy and their terms of employment. These loans are secured against salaries of the employees, title documents of vehicles, equitable mortgage and personal guarantees and are repayable over a period of one to five years. The maximum aggregate amount due from executives at the end of any month during the period was Rs. 3.55 million (June 30, 2011: Rs. 1.70 million).

13. DEFERRED TAXATION

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Taxable temporary difference		
Differences in account and tax bases of:		
- Property and equipment	**(140,484)**	(150,666)
- Intangible assets	**(307,359)**	(230,661)
- Surplus on revaluation of investments	**(97,964)**	-
Deductible temporary differences		
Unused tax losses	**1,020,292**	1,356,677
Provision against investments and loans	**318,520**	220,983
Deferred cost	**818**	235
Deficit on revaluation of investments	**(6,203)**	327
Minimum Tax	**81,968**	-
	869,588	1,196,895

13.1 The Holding Company has not recorded deferred tax assets in view of uncertainty with respect to the availability of taxable profits in the future against which such losses can be utilised. Further, the Holding Company has assessed and un-assessed carry forward tax losses amounting to Rs. 1,154.66 million (June 30, 2011: Rs. 1,663.49 million). The amount of deferred tax asset not recognised in these financial statements amounts to Rs. 405.67 million (June 30, 2011: Rs. 582.22 million).

13.2 Included herein is a sum of Rs. 51.734 million (December 31, 2011: Rs. 305.885 million) representing deferred tax asset relating to American Express Bank Limited - Pakistan Branch, respectively, in respect of tax losses, expected to be available for carry forward and set off against the income of JSBL in terms of Section 57A of the Income Tax Ordinance, 2001. In addition, it also includes deferred tax asset set up in respect of tax loss of JSBL. The management of JSBL believes that based on the projections of future taxable profit, it would be able to realise these tax losses in the future.

13.3 The management of JSBL has prepared a five year projections which has been approved by the Board of Directors of JSBL. The projections involves certain key assumptions underlying the estimation of future taxable profits projected in the plan. The determination of future taxable profits is most sensitive to certain key assumptions such as cost to income ratio of JSBL, deposit composition, growth of deposits and advances, investment returns, potential provision against assets, branch expansion plan, etc. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset. The management believes that it is probable that JSBL will be able to achieve the profits projected in the projections and consequently the deferred tax asset will be fully realised in the future.

14. SHORT TERM INVESTMENTS

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
Assets at fair value through profit or loss			
Listed equity securities			
- Related parties	14.2	**63,396**	46,920
- Others	14.2	**314,801**	244,73
Government securities		**2,871,926**	9,588,545
Term Finance Certificates - Quoted		**72,298**	60,559
Term Finance Certificates - Unlisted / Sukuk		**209,871**	-
Units of mutual fund		**940,616**	-
Balance carried forward		**4,472,908**	9,940,758

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
Balance brought forward		**4,472,908**	9,940,758
Available for sale			
Equity securities			
- quoted	14.2	**2,233,967**	830,759
- unquoted - stated at cost		**17,998**	155,028
Term Finance / Sukuk Certificates			
- quoted		**1,518,778**	1,455,766
- unquoted - stated at cost		**766,087**	1,244,717
Commercial Paper		**-**	34,897
US Dollar Bonds		**794,641**	182,932
Government securities		**39,441,664**	5,263,933
Open-end fund units (at redemption price)		**872,544**	519,489
		45,645,679	9,687,521
	14.3	**50,118,587**	19,628,279

14.1 The above investments are carried at market value except where mentioned specifically. The cost of the above investments amounts to Rs. 43.132 (June 30, 2011: Rs. 19,696.36) million.

14.2 This includes investments in equity securities of related parties having market value of Rs. 2,446.82 (June 30, 2011: Rs. 1,670.88) million.

14.3 This includes investments pledged with various financial institutions having market value of Rs. 8,411.25 (June 30, 2011: 3,259.54) million costing Rs. 8,578.35 (June 30, 2011: Rs. 3,274.23) million.

15. TRADE DEBTS - Unsecured considered good

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
Receivable against sale of shares		**501,955**	9,881
Trade debts for advisory and other services		**62,801**	2
		564,756	9,883

16. LOANS AND ADVANCES

	Note	December 31, 2012	June 30, 2011
Current maturity of long term loans	12	**2,321**	1,640
Term loans advanced by JSBL - considered good	16.1	**19,937,155**	13,189,211
Provision against non-performing loans	16.2	**(971,253)**	(434,776)
		18,965,902	12,754,435
Advances - considered good			
Unsecured			
Against subscription of mutual fund - open end		**100,000**	-
Contractor and suppliers		**6,384**	24
Staff	16.3	**6,386**	1,128
		112,770	1,152
		19,080,993	12,757,227

16.1 These carry mark-up ranging from 8.46% to 10.39% (June 30, 2011: 1% to 23%) per annum and are secured by pledge of shares of listed companies, property of the borrowers and hypothecation of assets.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
16.2 Particulars of provision for non-performing loan		
Opening balance	**434,776**	500,548
(Reversal) / Charge for the period	**536,477**	(65,772)
Closing balance	**971,253**	434,776

16.3 The advances are provided to executives and other employees to meet personal expenses. In addition, advances are also given to executives against their salaries. These advances are recovered through deduction from salaries.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
17. ACCRUED MARK-UP			
Loans and advances		**693,691**	426,346
Reverse repurchase transactions		**-**	878
Bank deposits		**12,379**	7,420
Government securities		**10,233**	165,300
Term Finance Certificates		**4,049**	32,244
		720,352	632,188
18. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		**37,607**	2,094
Prepayments		**196,940**	157,784
Other receivables			
Remuneration from related parties	18.1	**20,666**	2,385
Others	18.2	**348,768**	155,685
		369,434	158,070
		603,981	317,948

18.1 This represents remuneration receivable from various Funds for services rendered as an asset management company. Remuneration for the period ended December 31, 2012 has been calculated from 1.00% to 2.00% (June 30, 2011: 1.00% to 3.00%) of the net asset value of these Funds.

18.2 Included herein is a sum of Rs. 10.69 (June 30, 2011: Rs. 2.83) million receivable from related parties.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
19. FUND PLACEMENTS			
Securities purchased under resale agreement:			
Secured and considered good			
Government securities		3,340,958	422,386
Call money lending		600,000	1,241,528
		3,940,958	1,663,914
20. CASH AND BANK BALANCES			
Cash in hand		183	116
Balances with banks on:			
Current accounts			
local currency		4,142,662	2,371,062
foreign currency		1,458,735	602,144
		5,601,397	2,973,206
Deposit accounts			
local currency		21,933	1,140,857
foreign currency		627,295	74,733
	20.1	649,228	1,215,590
Term Deposit Receipts	20.2	684,000	254,000
		6,934,808	4,442,934

20.1 These carry mark-up ranging from 5% to 11.90% (June 30, 2011: 5.00% to 12.45%) per annum.

20.2 These carry mark-up at the rate ranging from 9.45% to 9.6% (June 30, 2011: 11.55% to 14.83%) per annum.

21. DISCONTINUED OPERATION

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 (CCPL). 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 CCPL subject to completion of necessary regulatory formalities.

The results of the discontinued operations for the period ended are presented below:

	2012		
	CCPL	AMBL*	Total
	……….. (Rupees in '000) ………..		
Income			
Return on investment	-	12,966	12,966
Income from long term loan and fund placements	-	1,194	1,194
Fee, commission and brokerage	2,926	-	2,926
Other income	115	-	115
Balance carried forward	3,041	14,160	17,201

* Apna Microfinance Bank Ltd. (formerly Network Microfinance Bank Ltd.).

	2012		
	CCPL	AMBL*	Total
	……….. (Rupees in '000) ………..		
Balance brought forward	**3,041**	**14,160**	**17,201**
Expenditure			
Operating and administrative expenses	37,211	20,091	**57,302**
Financial charges	19	352	**371**
Reversal of impairment	-	(4,553)	**(4,553)**
	37,230	15,890	**53,120**
Loss before tax from discontinued operation	(34,189)	(1,730)	**(35,919)**
Taxation-current	(15)	(141)	**(156)**
Loss for the period from discontinued operation	**(34,204)**	**(1,871)**	**(36,075)**

	2011		
	CCPL	AMBL*	Total
	……….. (Rupees in '000) ………..		
Income			
Return on investments	-	19,581	19,581
Income from long term loan and fund placements	-	20,545	20,545
Fee, commission and brokerage	1,589	9	1,598
Other income	3,963	3,642	7,605
	5,552	43,777	49,329
Expenditure			
Operating and administrative expense	35,380	65,037	100,417
Financial charges	-	1,883	1,883
Impairment	-	6,999	6,999
	35,380	73,919	109,299
Loss before tax from discontinued operation	(29,828)	(30,142)	(59,970)
Taxation-current	-	(379)	(379)
Loss for the year from discontinued operation	(29,828)	(30,521)	(60,349)

* Apna Microfinance Bank Ltd. (formerly Network Microfinance Bank Ltd.).

The major classes of assets and liabilities of Credit Chex (Private) Limited and Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited) classified as held for sale as at the period / year end are as follows:

	December 31, 2012	June 30, 2011
	………(Rupees in '000)………	
Assets		
Property and equipment	**956**	10,950
Loans, advances and other receivables	**449**	10,559
Short term investments	**-**	197,182
Deposit accrued markup, advance taxation, prepayments and other receivables	**855**	1,523
Cash and bank balances	**1,528**	6,293
Assets classified as held for sale	**3,788**	222,069
Liabilities		
Long term loans	**25,498**	-
Accrued markup, trade and other payables	**49,681**	2,551
Deposits and other accounts	**-**	14,163
Liabilities directly associated with assets classified as held for sale	**75,179**	16,714
Net assets directly associated with disposal group	**(71,391)**	205,355
	…………..(Rupees)…………..	
Loss per share:		
Basic and diluted from discontinued operation	**(0.04)**	(0.06)

22. SHARE CAPITAL

22.1 Authorised capital

December 31, 2012	June 30, 2011		December 31, 2012	June 30, 2011
Number of shares			(Rupees in '000)	
6,000,000,000	6,000,000,000	Ordinary shares of Rs. 10/- each	**60,000,000**	60,000,000
500,000,000	500,000,000	Preference shares of Rs. 10/- each	**5,000,000**	5,000,000
6,500,000,000	6,500,000,000		**65,000,000**	65,000,000

22.2 Issued, subscribed and paid-up capital

December 31, 2012	June 30, 2011		December 31, 2012	June 30, 2011
Number of shares			(Rupees in '000)	
		Ordinary shares of Rs.10/- each:		
52,415,925	52,407,500	Fully paid in cash	**524,159**	524,159
710,869,398	710,869,398	Fully paid bonus shares	**7,108,694**	7,108,694
763,285,323	763,285,323		**7,632,853**	7,632,853

	Note	December 31, 2012	June 30, 2011
23. RESERVES		........(Rupees in '000)........	
Capital reserve			
Premium on the issue of ordinary shares		**4,497,894**	5,284,746
Revenue reserves			
General reserve		**-**	10,000,000
Foreign exchange translation reserve		**55,017**	28,028
Accumulated loss		**(1,056,929)**	(14,546,402)
		(1,001,912)	(4,518,374)
Other			
Unrealised gain on revaluation of available for sale investments - net		**3,437,010**	1,046,103
Statutory reserve		**158,467**	18,160
		7,091,459	1,830,635

24. LONG TERM FINANCING

	Note	December 31, 2012	June 30, 2011
Long term loans		-	14,529
Term Finance Certificates	24.1	**761,470**	1,743,858
Liability against Class A, B & C TFCs	24.2	**66,438**	257,817
		827,908	2,016,204
24.1 Term Finance Certificates (TFCs)			
Secured			
Second issue	24.1.1	**373,800**	498,600
Fifth issue		**-**	1,096,994
Sixth issue	24.1.2	**1,246,927**	1,245,958
Seventh issue	24.1.3	**892,477**	-
		2,513,204	2,841,552
Less: Current portion shown under current liability		**1,751,734**	1,097,694
		761,470	1,743,858

24.1.1 The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 150 basis points per annum for first 5 years, and thereafter, an increase of 0.10% per annum for next 3 years and a further 0.10% per annum for the last 2 years. These TFCs have a tenor of ten years i.e. 2004-2014 with a call option exercisable by the Holding Company at any time during the tenor of the TFCs after the first 2 years by giving a 3 months notice. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 1,082.27 (June 30, 2011: Rs. 838.95) million equal to the issue size with the regulatory margin as prescribed by the State Bank of Pakistan's Prudential Regulations. In the event of any sale and repurchase of marketable securities, the lead arranger will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

24.1.2 The profit on these TFCs is payable semi-annually, based on the six months KIBOR average rate plus 170 basis points. These TFCs have a tenor of six years i.e. 2007 - 2013 with a call option exercisable by the Holding Company any time after one year on a coupon date by giving 30 days notice at a premium of 1.00% on the outstanding face value.

These TFCs are secured against first ranking charge on all present and future movable assets including book debts, receivables and investments, but excluding pledge of listed securities offered as security along with the requisite margin on existing secured TFC of Rs. 500 million and current and future overdraft / short term borrowing limits upto Rs. 4,000 million at any time outstanding. However, the trustee will be authorised to issue the No Objection Certificate for the creation of pari passu floating charges in favour of other creditors, so long as and to the extent that the value of movable assets of the Holding Company included in the floating charges exceeds 133% of the total liabilities secured by the floating charges in favour of the TFC holders.

24.1.3 The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 240 basis points per annum. These TFCs have a tenor of four years i.e. 2012-2016 with a call option exercisable by the Holding Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice. The Instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 6th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,057.44 million (June 30, 2011: Nil) to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

24.2 Liability against Class A, B & C TFCs

JSIL has sold and assigned Rs. 702.5 million of its present and future management fee from few funds (listed below) under its management to Financial Receivables Securitization Company Ltd. (FRSCL), a special purpose vehicle, incorporated for this purpose in accordance with Companies (Asset Backed Securitisation) Rules, 1999.

Unit Trust of Pakistan
JS Income Fund
JS Islamic Fund
JS Growth Fund
JS Large Cap Fund
JS Value Fund Limited

The sale of receivables has been treated as debt under EITF 88-18 " Sales of Future Revenue" and is being amortised under the interest method.

As per the terms of agreement between FRSCL and the Group, FRSCL raised finances by issuing TFCs to various investors with the following features.

Total Issue Size	Rs. 702.5 million
Private Placement / Pre-IPO	Rs. 502.5 million
Initial Public Offering (IPO)	Rs. 200 million
Tenor	7 years
Rate	6 month KIBOR plus 200 bps (payable semi-annually)
Floor	8.00%
Ceiling	16.00%

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
25. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		20,771,890	12,100,029
Savings deposits	25.1	15,369,962	9,101,925
Current accounts - Non-remunerative		16,845,870	10,116,442
Margin accounts		317,491	106,875
		53,305,213	31,425,271
Financial Institutions			
Remunerative deposits		6,420,235	1,385,904
Non-remunerative deposits		223,507	139,438
		6,643,742	1,525,342
		59,948,955	32,950,613
Current Maturity	29	59,920,434	32,842,424
		28,521	108,189
Particulars of deposits			
In local currency		56,062,279	30,815,155
In foreign currencies		3,886,676	2,135,458
		59,948,955	32,950,613

25.1 This represent deposits received from customers. The maturity period ranges from three months to five years. The rate of return payable on these deposits ranging from 6.00% to 10.39% (June 30, 2011: 5.25% to 14.40%) per annum.

	Note	December 31, 2012	June 30, 2011
26. TRADE AND OTHER PAYABLES		(Rupees in '000)	
Payable against purchase of shares		265,843	-
Accrued expenses		381,014	281,227
Bills payable		713,747	677,162
		1,360,604	958,389
Other liabilities			
Security deposits		58,997	46,198
Unclaimed dividend		12,739	10,154
Unrealised loss on forward foreign exchange contracts - net		2,337	1,269
Disputed tax liability	26.1	49,293	49,293
Others		387,880	149,970
		511,246	256,884
		1,871,850	1,215,273

26.1 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 (JSIBL) (formerly Citicorp Investment Bank Limited) to the Holding Company and 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 holding 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.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
27. ACCRUED INTEREST / MARK-UP ON BORROWINGS			
Long term financing		**109,728**	122,536
Deposits		**448,902**	243,532
Short term borrowings		**16,365**	11,736
		574,995	377,804
28. SHORT TERM BORROWINGS			
Securities sold under repurchase agreements secured against Government securities		**7,481,278**	2,406,143
Borrowing from banks/ NBFCs - unsecured	28.1	**1,172,183**	1,495,120
Short term running finance under mark-up arrangements	28.2	**158,421**	310,993
		8,811,882	4,212,256

28.1 Represents amount borrowed from banks / NBFCs having mark-up rates ranging from 8.5% to 10% (June 30, 2011: 7.75% - 12.15%) per annum.

28.2 The Group has short term running finance facilities under mark-up arrangements aggregating to Rs. 500 (June 30, 2011: Rs. 4,550) million from various commercial banks having mark-up ranging from 8.50% to 15.12% (June 30, 2011: 14.83% to 15.85%) per annum calculated on a daily product basis. The facilities utilised against these arrangements are secured against shares of listed companies, equitable mortgage of office premises and certificates of funds under management having an aggregate fair value of Rs. 800.41 (June 30, 2011: Rs. 839.16) million.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
29. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing:			
Term finance certificates	24.1	**1,751,734**	1,097,694
Liability against Class A, B & C TFCs	24.2	**103,120**	76,159
Deposits and other accounts	25	**59,920,434**	32,842,424
		61,775,288	34,016,277

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies
- In respect of Holding Company

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

Subsequent to the period end, the ATIR has decided the subject matter in respect of Tax year 2008 and 2009 in favour of the Holding Company.

- In respect of JSIL

JSIL has filed appeals against orders passed for the tax years 2006 and 2009 against demand of Rs. 162 million and Rs. 66 million respectively mainly on account of disallowances on arbitrary basis, taxability of a portion of capital gain in dividend received from mutual funds and allocation of expenses between various source of income taxed at normal and low rate exempt income. Management and tax advisors are confident that good ground exist to contest these disallowance at appellate forums, these additions can not be maintainable and eventually outcome will come in favour of JSIL. Hence, no provision has been made in these financial statements.

30.1.1 Contingency in respect of Joint Venture - Gujranwala Energy Limited (GEL)

(a) GEL in order to achieve the financial close, had mandated National Bank of Pakistan ("NBP") to arrange PKR 14,135 million. The aforesaid mandate was executed on 14 April 2008. However, due to circular debt issue, the overall situation related to power generating companies and the excessively harsh terms prescribed by PPIB and deteriorating law and order and financial situation the financial close could not be achieved with in the envisaged time period. The Venture, as a result thereof, approached Private Power and Infrastructure Board ("PPIB") with the request to make certain amendments in the power purchase agreement to facilitate the financial close but PPIB did not respond positively towards the Venture's request and as consequence thereof GEL has filed a suit under the petition in the Honorable High Court of Sindh to protect its right and interest including encashment of performance guarantee amounting to US $ 1,000,000 extended to PPIB. The Honorable High Court of Sindh has ordered the plaintiff (GEL) to keep the guarantee alive and have restricted PPIB from encashing the guarantee till the adjudication of the application filed by GEL . The stay order is still infield and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

(b) With reference to Note 30.1.1 (a) and 11.3.1, GEL has also extended commitment bank guarantee amounting to 3,000,000 Euro in favour of Wartsila Finland (supplier of engines). As explained above the venture could not raise the requisite funds and deposit initial mobilization advance with

Wartisla. GEL filed a Suit in Honourable High Court of Sindh to stop encashment of such guarantee. The Honorable High Court of Sindh has restricted Wartsila from en-cashing the guarantee till the adjudication of the application filed by the Venture but the Company has to keep the guarantee alive. The stay order is still infield and the case is pending for adjudication. Accordingly, no related adjustment has been made in these financial statements.

30.1.2 Contingency in respect of Credit Chex (Pvt) Limited (CCPL) – a subsidiary

CCPL entered into an agreement with a foreign supplier in respect of software license, maintenance and royalty fee in the year 2009. The total amount of liability against the services obtained by CCPL as at 30 June 2010 was Rs.13,696,000 (after the renegotiation agreement entered into between the CCPL and the foreign supplier and certain payments made to the foreign supplier subsequent to the renegotiation agreement, as mentioned in the aforesaid note). However, during the year, CCPL considers that the foreign supplier has breached certain terms of the agreement and accordingly, CCPL believes that no amount is payable as a fee and charges and therefore, CCPL has extinguished all its liabilities towards the foreign supplier. However, during the year, director of CCPL has received a notice for the payment of outstanding dues amounting to GBP 239,422 (approximately Rs. 33,520,000) from the legal advisor of the foreign supplier (i.e. outstanding debt plus interest thereon in relation to unpaid invoices relating to the support, licensing and maintenance of software for CCPL). The aforementioned notice is considered to be the final demand for repayment by the foreign supplier, and failure for repayment could lead to debt recovery action against the CCPL. However, the CCPL based on the opinion of its legal advisor believes that no amount is payable to the foreign suppliers under the aforesaid agreement and accordingly, no provision has been made for any claim by the foreign supplier in these financial statements.

30.1.3 Transaction-related contingent liabilities	**December 31, 2012**	**June 30, 2011**
	(Rupees in '000)	
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		
i) Government	**1,950,045**	693,437
ii) Banking companies and other financial institutions	**588,099**	80,706
iii) Others	**293,522**	591,717
	2,831,666	1,365,860
30.1.4 Other contingencies		
Claims not acknowledged as debts	**66,718**	66,481
Trade related contingent Liabilities documentary credits	**4,992,746**	1,837,310

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
30.2 Commitments			
Forward purchase of government securities		-	1,229,735
Forward sale commitments		-	397,989
Commitments in respect of forward exchange contracts:			
- Purchase		2,292,630	1,966,183
- Sale		2,450,968	1,602,492
Forward commitments to extend credit		604,511	396,371
Other commitments			
Commitments in respect of capital expenditure		33,149	5,315
Bank Guarantees		400,000	-
Assets acquired under operating lease		3,720	-

31. RETURN ON INVESTMENTS

	Note	December 31, 2012	June 30, 2011
Mark-up / interest income from:			
At fair value through profit or loss			
Government securities		1,353,932	165,605
Term Finance Certificates		159,437	-
		1,513,369	165,605
Available for sale			
Term Finance / Sukuk Certificates		3,163,121	1,411,388
Government securities		91,581	-
Held to maturity			
Defence and Special Saving Certificates		43,389	9,847
		4,811,460	1,586,840
Dividend income on:			
At fair value through profit or loss		32,363	15,883
Available for sale investments		971,528	352,564
		1,003,891	368,447
		5,815,351	1,955,287

32. GAIN / (LOSS) ON SALE OF INVESTMENTS - net

	Note	December 31, 2012	June 30, 2011
At fair value through profit or loss		108,817	148,137
Available for sale	32.1	3,761,628	538,349
Held to maturity		310	-
		3,870,755	686,486

32.1 This includes net gain on sale of investments in related parties amounting to Rs. 2,453.50 (June 30, 2011: Rs. 339.39) million.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
33. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS			
Interest on loans to staff		763	581
Interest on loans and advances		3,518,755	1,865,879
Interest on deposits with financial institutions		80,885	44,321
Return on reverse repurchase transactions of Government securities		227,621	172,665
Return on term deposit receipts		25,012	24,064
		3,853,036	2,107,510
34. FEE, COMMISSION AND BROKERAGE			
Consultancy and advisory fee		17,233	-
Commission income		760,742	273,001
Remuneration from funds under management	34.1	306,465	244,683
Fee for extinguishment of right to convert loan to ordinary shares		70,000	-
Brokerage Income		217,132	-
Other services		125,028	73,959
		1,496,600	591,643
34.1 Remuneration from funds under management			
Closed-end funds			
JS Value Fund Limited		45,454	23,312
JS Growth Fund		106,094	61,817
		151,548	85,129
Open-end funds			
Unit Trust of Pakistan		53,151	41,445
JS Income Fund		20,517	11,396
JS Islamic Fund		9,079	5,523
JS Aggressive Asset Allocation Fund		4,643	2,765
JS Fund of Funds		5,517	4,383
JS KSE - 30 Index Fund (Formerly UTP - A - 30 + Fund)		1,607	1,065
JS Capital Protected Fund IV		-	9,996
JS Pension Savings Fund		5,192	2,449
JS Islamic Pension Savings Fund		3,334	1,641
JS Aggressive Income Fund		2,112	1,171
JS Principal Secure Fund I		21,767	18,450
JS Principal Secure Fund II		1,368	8,934
JS Large Cap Fund		45,040	36,798
JS Cash Fund		30,624	13,538
		203,951	159,554
Less : Sales Tax		49,034	-
		306,465	244,683

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
35. OTHER INCOME			
Gain on sale of property and equipment		**60,572**	14,475
Rental income		**35,778**	44,034
Return on bank deposit accounts		**50,106**	8,028
Exchange gain		**668**	-
Income from dealing in foreign currency		**260,402**	103,076
Liability written back		**50,000**	-
Other income		**82,266**	36,431
		539,792	206,044
36. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries and benefits		**2,011,531**	1,005,896
Telephone, fax, telegram and postage		**143,319**	88,199
Vehicle running		**10,815**	3,084
Directors' meeting fee		**10,931**	4,957
Utilities		**23,065**	13,268
Newspapers and periodicals		**709**	262
Conveyance and travelling		**49,353**	24,862
Repairs and maintenance		**432,697**	231,195
Computer expenses		**20,614**	9,705
Auditors' remuneration	36.1	**15,799**	13,933
Royalty fee	36.2	**40,119**	19,900
Consultancy fee		**51,547**	27,811
Advisory fee	36.3	**445,005**	13,440
Legal and professional charges		**63,020**	28,697
Printing and stationery		**88,643**	45,361
Rent, rates and taxes		**773,431**	438,186
Insurance		**18,970**	9,012
Entertainment		**1,889**	558
Advertisement		**77,087**	55,181
Office supplies		**2,828**	918
Depreciation	36.4	**393,379**	258,717
Amortisation of intangible assets	8.1	**30,087**	21,778
Provision against non-performing loans, advances and receivables		**550,302**	2,549
Fees and subscription		**57,846**	29,092
Donations		**14,000**	264
Brokerage and commission expense		**36,248**	46,958
Clearing fees		**17,445**	6,022
Office security		**104,249**	6,364
Workers' welfare fund		**5,648**	614
Others		**48,774**	58,699
		5,539,350	2,465,482

36.1 Auditors' remuneration

Auditors' remuneration includes the following:

	Ernst & Young Ford Rhodes Sidat Hyder		Other Auditors		
	Holding company	Subsidiary companies	Subsidiary companies	December 31, 2012	June 30, 2011
	(Rupees in '000)				
Annual audit fee	**1,500**	**213**	**4,879**	**6,592**	3,874
Half-yearly review fee	**200**	**-**	**1,175**	**1,375**	1,100
Certifications and other services	**250**	**-**	**7,147**	**7,397**	8,682
Out of pocket expenses	**50**	**3**	**382**	**435**	277
	2,000	**216**	**13,583**	**15,799**	13,933

36.2 This represents the royalty payable under agreements approved by the Board of Directors of the respective companies.

36.3 Represents amount paid / payable to an individual and a director for advisory services rendered in terms of their respective agreements duly approved by the Board of Directors.

	Note	December 31, 2012	June 30, 2011
		(Rupees in '000)	
36.4 Depreciation			
Operating assets	7.1	**392,400**	262,091
Investment property	9	**979**	641
		393,379	262,732

37. FINANCE COST

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Mark-up on:		
Short term running finance	**84,731**	105,333
Long term financing	**579,821**	507,298
Borrowing from banks / NBFCs	**59,632**	229,222
Deposits	**4,487,511**	1,702,318
Repurchase transactions of securities	**483,789**	409,280
	5,695,484	2,953,451
Amortisation of transaction costs	**3,916**	2,360
Bank charges	**46,051**	21,730
	5,745,451	2,977,541

	December 31, 2012	June 30, 2011
	(Rupees in '000)	

38. IMPAIRMENT ON INVESTMENTS

	December 31, 2012	June 30, 2011
Associate & Joint Venture	64,391	-
Available for sale investments	448,663	1,292,881
	513,054	1,292,881

39. SHARE OF PROFIT/ (LOSS) OF ASSOCIATES AND JOINT VENTURE

	December 31, 2012		June 30, 2011	
	Profit / (loss) after tax	Share of Profit / (loss) after tax	Profit / (loss) after tax	Share of Profit /(loss) after tax
	(Rupees in '000)			
Associates				
JS Global Capital Limited	-	36,006	89,121	38,741
JS Value Fund Limited	490,795	113,602	260,582	61,680
	490,795	149,608	349,703	100,421
Joint Venture				
Gujranwala Energy Limited	(14,432)	(3,609)	(3,525)	(2,089)
	476,363	145,999	346,178	98,332

40. TAXATION

	Note	December 31, 2012 Current	Prior	Deferred	June 30, 2011 Current	Prior	Deferred
		(Rupees in '000)					
Jahangir Siddiqui & Co. Ltd.	40.1	-	(2,609)	-	2,609	(3,952)	-
JS Investments Limited	40.2	2,045	(8,971)	(177)	11,526	-	(8,815)
JS Bank Limited	40.3	109,918	(50,661)	363,735	42,051		(124,818)
JS Infocom Limited	40.4	3,326	7,240	-	2,682	(2,593)	-
Credit Chex (Private) Limited	40.5	-	-	-	-	-	-
Energy Infrastructure Holding (Pvt) Ltd	40.6	4,952	10	-	4,138	5	-
JS Global Capital Limited	40.7	69,036	(11,224)	7,369	-	-	-
		189,277	(66,215)	370,927	63,006	(6,540)	(133,633)
Total Taxation				493,989			(77,167)

40.1 The income tax assessments of the Holding Company upto tax year 2005 corresponding to accounting year ended June 30, 2005 have been finalised. Income tax returns for the tax years 2003 to 2011 and transitional tax year 2012 have been filed on self-assessment basis and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.

40.2 The income tax assessments of JS Investments Limited has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax ordinance 2001.

40.3 The income tax assessments of the JS Bank Limited for tax year 2006 to 2010 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

40.4 The income tax assessments of JS Infocom Limited for the tax years 2004 to 2010 have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes.

40.5 The income tax assessments of Credit Chex (Private) Limited for the tax years 2006 to 2010 have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes.

40.6 The income tax assessments of Energy Infrastructure Limited for the tax year 2009 & 2010 has been filed and is deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes.

40.7 Except for the tax year 2005 and the tax year 2009, income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes. The tax year 2005 has been selected for audit and the proceedings are pending in the LTU.

For the tax year 2009, the Additional Commissioner Inland revenue- E (ACIR), Audit Division II, LTU Karachi passed an order under Section 122 (5A) of the ordinance. Appeal was filed by the Company against the said order to Commissioner Inland Revenue Appeal [(CIR Appeal)]. During the period order has been passed by CIR (Appeal) in which it has withheld the findings of ACIR in respect of apportionment of expenses, allowability of expenses and claiming of tax deducted at source. CIR (RTO) filed appeal before the Appellate Tribunal against the CIR-A order on October 4, 2011. The appeal was heard on April 25, 2012 & May 12, 2012 and reserved for order. The ATIR again heard the above appeal on August 28, 2012. However, order is not received till to date.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
41. BASIC EARNINGS / (LOSS) PER SHARE		
Attributable to equity holders' of the parent:		
Profit / (loss) from continuing operations	**3,000,089**	(1,155,141)
Loss after taxation for the period / year from discontinued operations	**(28,330)**	(23,656)
Profit / (Loss) after taxation attributable to Ordinary shareholders	**2,971,759**	(1,178,797)
	(Numbers in '000)	
Number of Ordinary shares outstanding during the period / year	**763,285**	763,285
Earnings / (loss) per share:	------(Rupees)------	
Basic		
Continuing operations	**3.93**	(1.51)
Discontinued operations	**(0.04)**	(0.03)
	3.89	(1.54)

41.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2012 and June 30, 2011.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
42. REVALUATION OF AVAILABLE FOR SALE INVESTMENTS		
Gain during the period / year	**5,886,622**	39,261
Reclassification adjustments included in the profit and loss account for:		
- Gain on sale of investments - net	**(3,761,389)**	(538,349)
- Impairment on investments	**448,663**	1,292,881
	2,573,896	793,793
43. SHARE OF OTHER COMPREHENSIVE LOSS OF ASSOCIATES		
Available for sale financial asset		
Loss arising during the period / year	**(3,021)**	(1,813)
44. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**6,934,808**	4,442,934
Short-term running finance utilised under mark-up arrangement	**(158,421)**	(310,993
Borrowing from bank / NBFCs	**(1,172,183)**	(1,495,120)
	5,604,204	2,636,821

45. DEFINED BENEFIT PLAN

45.1 General description

JS Bank operates a recognized gratuity fund for all employees who opted for the new staff retirement benefit scheme introduced by the management with effect from January 01, 2007.

45.2 The number of employees covered under the following defined benefit scheme is 1,062 (December 31, 2011: 952).

45.3 Principal actuarial assumptions

Principal actuarial assumptions at the end of the reporting period expressed as weighted averages. The actuarial valuations were carried out on December 31, 2012 based on the Projected Unit Credit Method, using the following significant assumptions:

		2012	2011
Valuation discount rate	per annum	12%	13%
Expected return on plan assets	per annum	10%	9%
Future salary increase rate	per annum	12%	13%
Normal retirement age	years	60	60

	December 31, 2012	December 31, 2011
	(Rupees in '000)	
45.4 Reconciliation of payable to defined benefit plan		
Present value of defined benefit obligation	91,269	61,399
Fair value of any plan assets	(79,911)	-
Deficit	11,358	61,399
Past service cost - non vested	754	1,132
Cumulative unrecognised actuarial gains	10,855	12,814
	22,967	75,345
45.4.1 Movement in present value of defined benefit obligation		
Opening balance	61,399	49,634
Current service cost	27,745	22,304
Interest cost	7,600	6,949
Benefits paid during the year	(1,204)	-
Negative past service cost - Vested	-	(2,997)
Negative past service cost - Non Vested	-	(1,132)
Curtailment gains	(4,404)	(7,488)
Actuarial losses / (gains) on obligation	133	(5,871)
Closing balance	91,269	61,399
45.4.2 Movement in fair value of plan assets		
Opening balance	-	-
Contribution made	75,000	-
Expected return on plan assets	6,750	-
Benefits paid by the fund	(1,204)	-
Actuarial losses	(635)	-
Closing balance	79,911	-
45.4.2.1 Plan assets consist of the following:		
Pakistan Investment Bonds	70,753	-
Bank balances	9,158	-
	79,911	-
45.4.2.2 Actual return on plan assets	6,115	-

	December 31, 2012	December 31, 2011
	(Rupees in '000)	
45.4.2.3 Cumulative unrecognised actuarial gains / (losses) - net		
Opening balance	**12,814**	8,860
Actuarial (loss) / gain on plan assets	**(133)**	5,871
Actuarial loss on plan assets	**(635)**	-
	12,046	14,731
Actuarial gains recognised due to curtailment gain	**(524)**	(1,563)
Actuarial gains recognised due to 'corridor' limits	**(667)**	(354)
	10,855	12,814

45.5 Movement in payable to defined benefit plan

	2012	2011
Opening net liability	**75,345**	58,009
Expense for the year	**22,622**	17,336
Contributions	**(75,000)**	-
Closing net liability	**22,967**	75,345

45.6 Charge for defined benefit plan

	2012	2011
Current service cost	**27,745**	22,304
Interest cost	**7,600**	6,949
Transitional liability recognised	**-**	485
Expected return on contributions	**(6,750)**	-
Actuarial (gain) due to curtailment gain	**(524)**	-
Curtailment gain	**(4,405)**	(7,488)
Actuarial gain / loss recognized	**(667)**	(1,917)
Past service cost - vested	**(377)**	(2,997)
	22,622	17,336

45.7 Five year data on plans and experience adjustments

	2012	2011	2010	2,009	2,008
	(Rupees in '000)				
Present value of defined benefit obligation	91,269	61,399	49,634	36,247	19,242
Fair value of plan assets	(79,911)	-	-	-	-
	11,358	61,399	49,634	36,247	19,242
Experience adjustment on obligation - gain / (loss)	(133)	5,871	7,848	1,732	(141)
Experience adjustment on	(635)	-	-	-	-

45.8 JS Bank amortises transitional liability over a period of five years.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Group's net assets or a reduction in the profits available for dividends.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Executive Risk Committee, ultimately responsible for the management of risk associated with the Group's activities, have established Statement of Investment and Operating Policy (SIOP), risk management guidelines and other internal guidelines for the management and assessment of the aforesaid financial risks.

46.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available for sale investments and derivative financial instruments.

The following discussion includes sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable. Financial instruments affected by market risk include bank overdrafts, term finance certificates, investments and cash and bank balances.

The sensitivity has been prepared for period and year ended December 31, 2012 and June 30, 2011 respectively using the amounts of financial assets and liabilities held as at those balance sheet dates.

46.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Group has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The Group while dealing in financial instruments negotiates attractive fixed interest rates, which reduce the interest rate price risk.

The Group's interest rate exposure on financial instruments is disclosed as follows:

	December 31, 2012						
		Interest / Markup bearing					
	Effective yield / interest rate	Up to one year	Over one year to five years	Over five years	Total	Non-Interest / Markup bearing	Total
	%	....	....	(Rupees in '000)	....	....	....
Financial assets							
Investments	3.26 - 12.60	40,181,734	4,173,757	1,109,903	45,465,394	10,679,688	56,145,082
Loans, advances and receivables	7.00 - 15.00	18,968,223	337,084	507,710	19,813,017	115,270	19,928,287
Security deposits	-	-	-	-	-	18,451	18,451
Trade debts	-	-	-	-	-	564,756	564,756
Accrued markup and other receivables	-	-	-	-	-	1,089,786	1,089,786
Fund placements	8.46 - 10.39	3,940,958	-	-	3,940,958	-	3,940,958
Cash and bank balances	5.00 - 11.90	1,333,228	-	-	1,333,228	5,601,580	6,934,808
		64,424,143	4,510,841	1,617,613	70,552,597	16,069,531	88,622,128
Financial liabilities							
Long term financing	8.46 - 13.70	1,854,854	827,908	-	2,682,762	-	2,682,762
Employee benefit liability	-	-	-	-	-	22,967	22,967
Deposits and other accounts	6.00 - 10.39	59,920,434	28,521	-	59,948,955	-	59,948,955
Trade and other payables	-	-	-	-	-	1,871,850	1,871,850
Accrued interest / mark-up	-	-	-	-	-	574,995	574,995
Short term borrowings	8.50 - 15.12	8,811,882	-	-	8,811,882	-	8,811,882
7		70,587,170	856,429	-	71,443,599	2,469,812	73,913,411

	June 30, 2011						
		Interest / Markup bearing					
	Effective yield / interest rate	Up to one year	Over one year to five years	Over five years	Total	Non-Interest / Markup bearing	Total
	%	....	....	(Rupees in '000)	....	....	....
Financial assets							
Investments	4.97 - 25.17	13,007,013	4,173,751	650,585	17,831,349	8,166,503	25,997,852
Loans, advances and receivables	1.00 - 23.00	12,756,074	879,333	2,656,610	16,292,017	3,652	16,295,669
Security deposits	-	-	-	-	-	35,085	35,085
Trade debts	-	-	-	-	-	9,883	9,883
Accrued markup and other receivables	-	-	-	-	-	790,258	790,258
Fund placements	11.55 - 14.83	1,663,914	-	-	1,663,914	-	1,663,914
Cash and bank balances	5.00 - 12.45	1,469,590	-	-	1,469,590	2,973,344	4,442,934
		28,896,591	5,053,084	3,307,195	37,256,870	11,978,725	49,235,595
Financial liabilities							
Long term financing	15.34 - 16.00	1,173,853	2,001,675	-	3,175,528	14,529	3,190,057
Employee benefit liability	-	-	-	-	-	78,384	78,384
Deposits and other accounts	0.25 - 16.00	32,842,423	85,390	22,800	32,950,613	-	32,950,613
Trade and other payables	-	-	-	-	-	1,215,273	1,215,273
Accrued interest / mark-up	-	-	-	-	-	377,804	377,804
Short term borrowings	7.75 - 12.15	4,212,256	-	-	4,212,256	-	4,212,256
		38,228,532	2,087,065	22,800	40,338,397	1,685,990	42,024,387

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit after tax and equity,

	Increase /(decrease) in basis points (Rupees)	Effect on profit after tax	Effect on other components of equity
		……………………(Rupees in '000)……………………	
December 31, 2012	**100**	**(48,092)**	**1,978**
	(200)	**96,183**	**(3,957)**
June 30, 2011	100	(66,175)	(149,858)
	(200)	131,674	299,715

46.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries and to foreign exchange bank accounts.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit after tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of foreign subsidiary).

	Change in foreign currency rate (Rupees)	Effect on profit after tax	Effect on other components of equity
		……………………(Rupees in '000)……………………	
December 31, 2012	**2.50**	**1,960**	**31,754**
	(2.50)	**(1,960)**	**(31,754)**
June 30, 2011	2.50	947	11,777
	(2.50)	(947)	(11,777)

46.1.3 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

The following table summarizes the Group's equity price risk as of June 30, 2011 and 2010. It shows the effects of an estimated increase of 10% in the equity market prices as on those dates. A decrease of 10% in the fair values of the quoted securities would effect profit and equity of the Group in a similar but opposite manner.

	Price change	Fair Value	Effect on profit for the year	Effect on shareholders' equity
		.... (Rs. in million)		
December 31, 2012	**10% increase**	**1,079**	**241**	**856**
June 30, 2011	10% increase	5,520	297	180

46.2 Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Group has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Group's financial liabilities. The contractual maturities of liabilities at the year-end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which the liabilities will be settled.

	Up to one year	Over one year to five years	Over five years	Total
December 31, 2012	............(Rupees in '000)............			
Financial liabilities				
Long term financing	1,854,854	921,808	-	**2,776,662**
Employee benefit liability	-	22,967	-	**22,967**
Deposits and other accounts	59,920,434	28,521	-	**59,948,955**
Trade and other payables	1,871,850	-	-	**1,871,850**
Accrued interest / mark-up	574,995	-	-	**574,995**
Short term borrowings	8,811,882	-	-	**8,811,882**
	73,034,015	**8799,396**	**-**	**74,007,311**
June 30, 2011				
Financial liabilities				
Long term financing	1,188,382	2,001,675	-	3,190,057
Employee benefit liability	-	78,384	-	78,384
Deposits and other accounts	32,842,423	85,390	22,800	32,950,613
Trade and other payables	1,215,273	-	-	1,215,273
Accrued interest / mark-up	377,804	-	-	377,804
Short term borrowings	4,212,256	-	-	4,212,256
	39,836,138	2,165,449	22,800	42,024,387

46.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the credit worthiness of the same.

Concentration of credit risk and credit exposure of the financial instruments

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of a Group's performance to developments affecting a particular industry.

The Group is exposed to credit risk on loans, funds placements and certain advances. The Group seeks to minimise its credit risk exposure through having exposures only to customers considered creditworthy by obtaining adequate collateral.

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Trade debts	564,756	9,883
Loans and advances	19,928,287	16,295,669
Long term security deposits	18,451	35,085
Interest accrued and other receivables	1,089,786	790,258
Fund placements	3,940,958	1,663,914

Credit quality by class of financial assets

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk.

December 31, 2012	Neither past due nor impaired			Past due but not impaired	Individually impaired	Total
	High Grade	Standard Grade	Sub-Standard grade			
	(Rupees in 000)					
Cash and bank balances	6,934,625	-	-	-	-	6,934,625
Due from banks	-	600,000	-	-		600,000
Cash collateral on securities borrowed and reverse repurchase agreements	3,340,958	-	-	-	-	3,340,958
Financial assets at fair value through profit or loss	2,871,926	72,298	-	-	-	2,944,224
Loans and advances:						
Corporate lending	1,177,278	11,094,592	924,806	62,480	2,047,235	15,306,391
Small business lending	906,107	1,991,558	13,085	8,640	-	2,919,390
Banks	482,407	393,096	-	-	-	875,503
Consumer lending	115,734	78,920	-	-	-	194,654
Residential mortgages	512,489	-	-	-	-	512,489
Employees and contractors	112,495	-	-	-	-	112,495
Financial investments available for sale:						
Quoted - Government debt securities	39,441,664	-	-	-	-	39,441,664
Quoted - Other debt securities	-	1,219,018	-	299,760	-	1,518,778
Unquoted - Debt securities	-	1,560,728	-	-	309,943	1,870,671
	55,895,683	17,010,210	937,891	370,880	2,357,178	76,571,842

June 30, 2011	Neither past due nor impaired			Past due but not impaired	Individually impaired	Total
	High Grade	Standard Grade	Sub-Standard grade			
	....(Rupees in 000)..					
Cash and bank balances	4,442,818	-	-	-	-	4,442,818
Due from banks	-	1,241,528	-	-	1,241,528	1,241,528
Cash collateral on securities borrowed and reverse repurchase agreements	422,386	-	-	-	-	422,386
Financial assets at fair value through profit or loss	9,588,545	60,559	-	-	-	9,649,104
Loans and advances:						
Corporate lending	1,114,767	9,751,201	761,666	50,728	2,622,581	14,300,943
Small business lending	1,319,679	304,440	3,124	-	13,161	1,640,404
Consumer lending	86,288	76,272	-	-	1,231	163,791
Residential mortgages	182,266	-	-	-	-	182,266
Employees and contractors	10,057	-	-	-	-	10,057
Financial investments available for sale:						
Quoted - Government debt securities	5,263,933	-	-	-	-	5,263,933
Quoted - Other debt securities	-	1,156,006	-	299,760	-	1,455,766
Unquoted - Debt securities	-	1,462,546	-	-	71,943	1,534,489
	22,430,739	14,052,552	764,790	350,488	2,708,916	40,307,485

47. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and fund placements. Capital signifies equity as shown in the balance sheet plus net debt.

During the period ended December 31, 2012, the Group's strategy was to maintain leveraged gearing. The gearing ratios as at December 31, 2012 and June 30, 2011 were as follows:

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Long term financing	59,948,955	32,950,613
Deposits and other accounts	2,682,762	3,190,057
Trade and other payables	1,894,817	1,293,657
Accrued interest / mark-up on borrowings	574,995	377,804
Short term borrowings	8,811,882	4,212,256
Total debt	73,913,411	42,024,387
Cash and bank balances	6,934,808	4,442,934
Fund Placements	3,940,958	1,663,914
	10,875,766	6,106,848
Net debt	63,037,645	35,917,539
Share Capital	7,632,853	7,632,853
Reserves	7,091,459	1,830,635
Equity	14,724,312	9,463,488
Capital	77,761,957	45,381,027
Gearing ratio	81%	79%

The Group finances its operations through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

48. 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.

For investments in government securities, fair value is determined by reference to quotations obtained from PKRV Reuters page. In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

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

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
	............................(Rupees in 000)..................................			
At fair value through profit or loss				
Open end Mutual funds	-	940,616	-	**940,616**
Term finance certificates	-	72,298	209,871	**282,169**
Listed equity securities	378,197	-	-	**378,197**
Government Securities	-	2,871,926	-	**2,871,926**
Available-for-sale investments				
Open end mutual funds	-	872,544	-	**872,544**
Listed equity securities	7,828,020	-	-	**7,828,020**
Unlisted equity investments	-	-	140,498	**140,498**
Sukuk and term finance certificates	-	2,313,418	1,076,030	**3,389,448**
Government securities	-	39,441,664	-	**39,441,664**
	8,206,217	**46,512,466**	**1,426,399**	**56,145,082**

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
	............................(Rupees in 000)..................................			
At fair value through profit or loss				
Open end Mutual funds	-	34,888	-	34,888
Term finance certificates	-	60,559	-	60,559
Listed equity securities	291,654	-	-	291,654
Government Securities	-	9,588,544		9,588,544
Available-for-sale investments				
Open end mutual funds	-	975,962	-	975,962
Close end mutual funds	331,157	-	-	331,157
Listed equity securities	5,012,759	-	-	5,012,759
Sukuk and term finance certificates	-	2,872,785	-	2,872,785
Government securities	-	5,644,049	-	5,644,049
	5,635,570	19,176,787	-	24,812,357

49. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over other party in making financial and operating decisions. Related parties comprise of associated companies, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Amount due from and to these related parties are shown under receivables and payables, reverse repos are shown under fund placements and the remuneration of chief executive and executives are disclosed in note 50. The relationship and transactions with the related parties are given below:

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Associates		
Brokerage expense	**127**	15,584
Sub-lease rental income	**-**	31,353
Rent Expense	**14,856**	5,863
Investment in units of mutual funds	**1,618,574**	-
Sale of units	**1,241,028**	-
Purchase of Government securities	**194,982**	-
Dividend income including preferred dividend	**13,487**	114,293
Markup Paid	**-**	913
Reimbursement of expenses by the holding company	**113**	2,084
Reimbursement of expenses to the holding company	**3,544**	
Other expenses	**-**	**2,945**
Units received against investments (No. of units)	**1,931,061**	-
Bonus units received (No. of units)	**51,984**	-
Common Directorship		
Sale of Government securities	**58,669,388**	-
Purchase of Government securities	**9,771,973**	-
Consultancy and advisory fee received	**100,997**	73,959
Investment made	**22,560**	-
Dividend income	**21,000**	173,851
Commission income	**312**	-
Donation payable	**47,251**	-
Rent Expense / Ijarah rentals	**3,769**	3,501
Reimbursement of expenses received	**-**	79
Common Directorship & Key Management Personnel		
Staff Provident Fund	**-**	4,131
Key Management Personnel		
Interest on long term loan to executive	**6,687**	230
Proceeds from sale of vehicle	**1,643**	-
Brokerage commission earned by the Group	**222**	-
Director / Chief Executive Officer (CEO)		
Royalty and advisory fee paid	**-**	9,900
Investment Advisor / Asset Manager		
Remuneration income	**306,465**	244,683
Dividend Income	**117,450**	52,037
Commission Income	**44**	35
Preliminary expenses incurred on behalf of the fund -reimbursed	**-**	2,929
Other expenses incurred on behalf of the fund	**897**	307
Other expenses incurred on behalf of the fund - reimbursed	**470**	227
Reimbursement of other expenses incurred on behalf of the fund	**-**	227

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Other Related Parties		
Investment disposed off - at cost	**-**	285,360
Sale of Government securities	**5,753,279**	-
Purchase of Government securities	**61,281**	-
Call lending / reverse repurchase transactions	**805,000**	-
Call borrowings / repurchase transactions	**11,625,000**	-
Purchase of forward foreign exchange contracts	**10,975,402**	-
Purchase of TFCs	**16,347**	-
Sale of forward foreign exchange contracts	**13,979,106**	-
Letter of guarantees	**30,295**	
Purchase of shares / units	**1,745,902**	50,544
Sale of shares / units	**1,814,042**	-
Investment in TFCs issued by the Holding company	**75,000**	-
Bonus/ additional shares / units (in numbers)	**-**	271,203
Contribution to staff provident fund trust	**14,044**	4,908
Dividend income	**197,382**	110,577
Brokerage / commission / service income	**157,362**	-
Subscription in shares	**127,374**	-
Royalty paid	**29,850**	12,375
Advisory fee paid	**9,000**	7,500
Rental income	**911**	-
Rent expense paid	**878**	-
Principal redemption against TFCs	**91,151**	16,998
Interest / markup paid	**101,453**	11,355
Other expenses incurred on behalf of related parties	**240**	7
Reimbursement of expenses from related parties	**1,176**	7
Insurance premium paid	**51,251**	1,445
Proceeds against insurance claim /cancellation	**26,798**	117

50. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVES AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to directors, chief executives and executives of the Group is as follows:

	Directors		Chief Executives		Executives	
	December 31, 2012	June 30, 2011	December 31, 2012	June 30, 2011	December 31, 2012	June 30, 2011
	.... (Rupees in 000)					
Managerial remuneration	**5,723**	9,477	**78,674**	74,801	**162,173**	226,949
House rent allowance	**2,182**	3,772	**13,354**	13,525	**64,627**	99,250
Utilities allowance	**573**	947	**2,678**	2,875	**16,063**	22,896
Car Allowance	**435**	1,359	**855**	903	**10,931**	45,443
Sub-brokerage, commission and performance bonus	**-**	-	**-**	-	**2,500**	-
Advisory fee	**439,164**	9,480	**-**	-	**-**	-
Retirement benefits	**778**	1,396	**4,333**	3,066	**18,096**	35,506
Medical	**265**	656	**2,831**	1,435	**4,072**	20,830
Reimbursable expenses	**1,666**	505	**1,345**	726	**19,504**	33,563
	450,786	27,592	**104,070**	97,331	**297,966**	484,437
Number of persons	**17**	5	**7**	5	**138**	210

50.1 The Group also provides the chief executives and certain executives with Group maintained cars.

50.2 The Group has also paid Rs. 4.03 million (June 30, 2011: Rs. 4.92 million) to certain non-executive directors as fee for directors/committee meetings.

51. OPERATING SEGMENT INFORMATION

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

Capital market operations — Principally engaged in trading of equity securities and maintaining strategic and trading portfolios.

Fixed income operations — Principally engaged in fixed income trading and management of the Group's funding operations by use of government securities and placements.

Banking — Principally engaged in providing investment, commercial banking and microfinancing services.

Investment advisor / assets manager — Principally providing investment advisory and asset management services to different mutual funds and unit trusts.

Others — Other operations of the Group comprise of telecommunication and information technology, underwriting and consultancy services, research and corporate finance services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	Continuing operations				Discontinued operations CCPL* and AMBL **	Total
	Capital market operaion	Banking	Investment advisor / assets manager	Other		
	(Rupees in 000)					
December 31, 2012						
Return on investments	978,056	4,661,882	132,439	42,974	12,966	**5,828,317**
Gain on sale of investments - net	2,562,568	1,092,662	211,124	4,401	-	**3,870,755**
Income from long-term loans and fund placements	87,958	3,746,152	415	18,511	1,194	**3,854,230**
Fee and commission	234,365	760,698	306,509	195,028	2,926	**1,499,526**
Gain/(loss) on revaluation of investments carried at fair value through profit and loss account - net	34,648	(1,011)	-	93,780	-	**127,417**
Unallocated revenue	-	-	-	-	115	**539,907**
	3,897,595	10,260,383	650,487	354,694	17,201	**15,720,152**
Share of profit / (loss) - net :						
Associates	149,608	-	-	-	-	**149,608**
Joint ventures	(3,609)	-	-	-	-	**(3,609)**
	4,043,594	10,260,383	650,487	354,694	17,201	**15,866,151**
Operating and administrative expenses	755,915	4,106,922	310,986	221,669	57,302	**5,452,794**
Finance cost	375,737	5,200,723	149,173	19,814	371	**5,745,818**
Impairment against investments	331,237	54,470	8,152	119,194	(4,553)	**508,500**
Impairment of intangibles	-	-	40,215	-	-	**40,215**
	1,462,889	9,362,115	508,526	360,677	53,120	**11,747,327**
Segment results	2,580,705	898,268	141,961	(5,983)	(35,919)	**4,118,824**
Unallocated expenditure	-	-	-	-	-	**143,857**
Profit / (loss) before taxation	2,580,705	898,268	141,961	(5,983)	(35,919)	**3,974,967**
Taxation:						
Segment	69,035	109,918	2,045	8,278	156	**189,432**
Prior period	(13,833)	(50,661)	(8,971)	7,250	-	**(66,215)**
Deferred	7,369	363,735	(177)	-	-	**370,927**
	62,571	422,992	(7,103)	15,528	156	**494,144**
Profit / (loss) after taxation	2,518,134	475,276	149,064	(21,511)	(36,075)	**3,480,823**
Non-controlling interest	(134,877)	(310,828)	(73,100)	1,996	7,745	**(509,064)**
Profit / (loss) attributable to holding company	2,383,257	164,448	75,964	(19,515)	(28,330)	**2,971,759**
Segment assets	14,387,944	75,820,288	2,335,095	1,039,837	3,788	**93,586,952**
Unallocated assets						**15,850**
Total assets						**93,602,802**
Segment liabilities	3,520,123	70,001,597	370,285	21,406	75,179	**73,988,590**
Unallocated liabilities						**-**
Total liabilities						**73,988,590**
Depreciation						**397,045**
Capital Expenditure						**494,176**

* Credit Chex (Private) Limited

** Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited)

	Continuing operations				Discontinued operations	
	Capital market operaion	Banking	Investment advisor / assets manager	Other	AMBL* and Investment finance services	Total
	(Rupees in 000)					
June 30, 2011						
Return on investments	287,761	1,577,463	70,997	19,066	19,581	1,974,868
Gain on sale of investments - net	493,088	134,809	64,152	(5,563)	-	686,486
Income from long-term loans and fund placements	51,105	2,037,753	374	18,278	20,545	2,128,055
Fee and commission	-	272,966	244,718	75,548	-	593,232
Gain/(loss) on revaluation of investments carried at fair value through profit and loss account - net	-	(251)	-	(1,333)	-	(1,584)
Unallocated revenue	-	-	-	-	3,651	213,658
	831,954	4,022,740	380,241	105,996	43,777	5,594,715
Share of profit / (loss) - net :						
Associates	100,421	-	-	-	-	100,421
Joint ventures	(2,089)	-	-	-	-	(2,089)
	930,286	4,022,740	380,241	105,996	43,777	5,693,047
Operating and administrative expenses	85,149	1,883,693	220,192	240,054	65,037	2,494,125
Finance cost	472,073	2,361,928	143,496	44	1,883	2,979,424
Impairment against investments	1,292,881	-	-	-	6,999	1,299,880
Impairment of intangibles	-	-	175,637	-	-	175,637
	1,850,103	4,245,621	539,325	240,098	73,919	6,949,066
Segment results	(919,817)	(222,881)	(159,084)	(134,102)	(30,142)	(1,256,019)
Unallocated expenditure	-	-	-	-	-	71,774
Loss before taxation	(919,817)	(222,881)	(159,084)	(134,102)	(30,142)	(1,327,793)
Taxation:						
Segment	2,609	42,051	11,526	6,820	379	63,385
Prior period	(3,952)	-	-	(2,588)	-	(6,540)
Deferred	-	(124,818)	(8,815)	-	-	(133,633)
	(1,343)	(82,767)	2,711	4,232	379	(76,788)
Loss after taxation	(918,474)	(140,114)	(161,795)	(138,334)	(30,521)	(1,251,005)
Non-controlling interest	-	(10,642)	71,393	4,592	6,865	72,208
Loss attributable to holding company	(918,474)	(150,756)	(90,402)	(133,742)	(23,656)	(1,178,797)
Segment assets	7,877,218	43,000,035	2,165,823	983,003	222,069	54,248,148
Unallocated assets						15,270
Total assets						54,263,418
Segment liabilities	3,097,859	38,173,230	692,773	60,525	16,714	42,041,101
Unallocated liabilities						-
Total liabilities						42,041,101
Depreciation						265,292
Capital Expenditure						428,978

* Apna Microfinance Bank Limited (formerly Network Microfinance Bank Limited)

52. GEOGRAPHIC INFORMATION

	December 31, 2012	June 30, 2011
	(Rupees in '000)	
Revenues from external customers		
Pakistan	**15,655,775**	5,537,062
Cayman Islands Section B.W.I	**105,476**	73,471
United Kingdom	**87,699**	38,737
	15,848,950	5,649,270
Non-current assets		
Pakistan	**3,102,991**	2,878,310
United Kingdom	**4,954**	13,663
	3,107,945	2,891,973

Non-current assets consist of property and equipment, investment properties, intangible assets and membership cards and rooms.

53. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Holding Company have approved cash dividend of 7.5 % i.e. Re. 0.75 per share (June 30, 2011: Nil) amounting to Rs. 572.464 million (June 30, 2011: Nil) in their meeting held on March 4, 2013. This appropriation will be approved in the forthcoming Annual General Meeting of the Company.

54. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on March 04, 2013 by the Board of Directors of the Holding Company.

55. GENERAL

Figures have been rounded off to nearest thousand rupees.

Mazharul Haq Siddiqui
Chairman

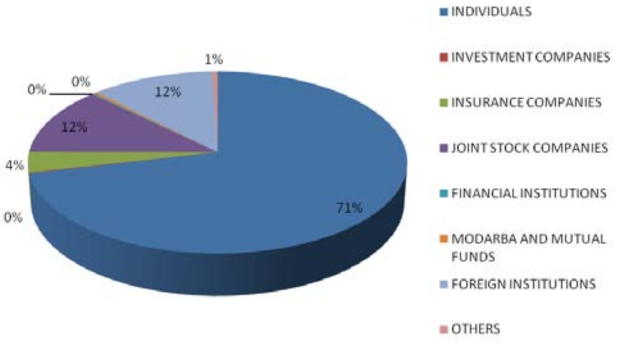
Suleman Lalani
Chief Executive

FORM 34
THE COMPANIES ORDINANCE 1984 (SECTION 236(1) AND 464)
PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2012

No of Share Holders	Shareholding					Total Share Held
1112	Shareholding	From	1	To	100	53,419
2451	Shareholding	From	101	To	500	945,971
2359	Shareholding	From	501	To	1000	2,157,058
5067	Shareholding	From	1001	To	5000	14,130,599
1632	Shareholding	From	5001	To	10000	12,838,146
2334	Shareholding	From	10001	To	100000	71,816,816
327	Shareholding	From	100001	To	1000000	85,440,723
21	Shareholding	From	1000001	To	2000000	29,997,916
8	Shareholding	From	2000001	To	3000000	19,212,252
1	Shareholding	From	3000001	To	4000000	3,511,300
1	Shareholding	From	4000001	To	5000000	4,237,000
1	Shareholding	From	6000001	To	7000000	7,000,000
2	Shareholding	From	7000001	To	8000000	14,414,795
1	Shareholding	From	8000001	To	9000000	8,784,902
1	Shareholding	From	16000001	To	17000000	16,307,863
1	Shareholding	From	17000001	To	18000000	17,809,897
1	Shareholding	From	19000001	To	20000000	20,000,000
1	Shareholding	From	43000001	To	44000000	43,367,582
1	Shareholding	From	62000001	To	63000000	62,029,000
1	Shareholding	From	329000001	To	330000000	329,230,084
15,323						763,285,323

S.NO	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARE HELD	PERCENTAGE (%)
1	INDIVIDUALS	15,103	544,322,157	71.31
2	INVESTMENT COMPANIES	2	998,025	0.13
3	INSURANCE COMPANIES	10	27,604,150	3.62
4	JOINT STOCK COMPANIES	148	92,694,707	12.15
5	FINANCIAL INSTITUTIONS	7	1,711,680	0.22
6	MODARBA AND MUTUAL FUNDS	9	2,692,251	0.35
7	FOREIGN INSTITUTIONS	21	89,326,425	11.70
8	OTHERS	23	3,935,928	0.52
	TOTAL	**15,323**	**763,285,323**	**100**

CATEGORIES OF SHAREHOLDERS



1. DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN

NAME	TOTAL SHARES HELD	PERCENTAGE (%)
MAZHARUL HAQ SIDDIQUI	22,964	
ALI J. SIDDIQUI	320,122	
MAHBOOB AHMED	732,439	
MUNAWAR ALAM SIDDIQUI	6	
STEPHEN CHRISTOPHER SMITH	17	
MUNAF IBRAHIM	1,854,038	
SULEMAN LALANI	216,096	
AKHTER JABEEN	368,636	
NASEEM MEHBOOB	235,732	
TOTAL	**3,750,050**	**0.49**

2. ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES

EFU GENERAL INSURANCE LIMITED	17,809,897	
EFU LIFE ASSURANCE LIMITED	7,136,869	
SAJ CAPITAL MANAGEMENT LIMITED	43,367,582	
EFU SERVICES (PVT) LIMITED	94,539	
TOTAL	**68,408,887**	**8.96**

3. NIT AND ICP

IDBP (ICP UNIT)	4,324	
NATIONAL BANK OF PAKISTAN (TRUSTEE DEPARTMENT NI(U)T FUND)	993,701	
TOTAL	**998,025**	**0.13**

4. BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS & NON BANKING FINANCE COMPANIES

BANKS	1,388,875	
NON BANKING FINANCE COMPANIES	322,805	
TOTAL	**1,711,680**	**0.22**

5. INSURANCE COMPANIES (other than disclosed in "2" above)

INSURANCE COMPANIES	**2,657,384**	**0.35**

6. MODARBAS AND MUTUAL FUNDS

MODARABAS	74,740	
MUTUAL FUNDS		
CDC – Trustee AKD Index Tracker Fund	99,503	
MCBFSL – Trustee JS KSE – 30 Index Tracker Fund	18,008	
MCBFSL – Trustee NAMCO Balanced Fund	2,500,000	
TOTAL	**2,692,251**	**0.35**

7. SHAREHOLDERS HOLDING SHARES 5 % OR MORE (other than disclosed in "2" above)

JAHANGIR SIDDIQUI	329,230,084	
JAHANGIR SIDDIQUI & SONS LIMITED	62,029,000	
TOTAL	**391,259,084**	**51.26**

8. EXECUTIVES:

EMPLOYEES OF THE COMPANY OTHER THAN CEO AND DIRECTORS	**45,657**	**0.01**

FORM OF PROXY
21st Annual General Meeting

The Company Secretary
Jahangir Siddiqui & Co. Ltd.
6th Floor, Faysal House, Shahrah-e-Faisal,
Karachi - 75530

I/We____of____
___________________________being member(s) of Jahangir Siddiqui & Co. Ltd. holding_____________________ordinary shares as per Registered Folio No. / CDC A/c. No. (for members who have shares in CDS)_____________________________hereby appoint Mr. / Mrs. / Miss____of____
_____________________________________or failing him/her Mr. / Mrs. / Miss____
of ____ being member of the Company, as my / our proxy to attend, act and vote for me / us and on my / our behalf at the 21st Annual General Meeting of the Company to be held on April 05, 2013 and / or any adjournment thereof.

As witness my / our hand / seal this ____ day of 2013.

Signed by ____

In the presence of
Witness:

1. Name ________________________________
Signature ______________________________
Address ________________________________
____
CNIC or ________________________________
Passport No. ___________________________

2. Name ________________________________
Signature ______________________________
Address ________________________________
____
CNIC or ________________________________
Passport No. ___________________________

Signature on
Rs.5/-
Revenue Stamp

The Signature should agree with the specimen registered with Company.

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him / her.

2. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 6th Floor, Faysal House, Shahrah-e-Faisal, Karachi, not less than 48 hours before the time of holding meeting.

3. No Person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.

4. If member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

5. Beneficial Owner of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxy are required to produce their original Computerized National Identity Card or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Jahangir Siddiqui & Co. Ltd.
6th Floor, Faysal House,
Main Shahra-e-Faisal
Karachi

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