



Jahangir Siddiqui & Co. Ltd.

Quarterly Report

March 31, 2015

(Un-audited)



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Company Information

Board of Directors

Chief Justice (R) Mahboob Ahmed
Chairman - Non-Executive

Suleman Lalani
Chief Executive Officer

Asad Ahmed
Director - Independent, Non-Executive

Ali Hussain
Director - Non-Executive

Ali Jehangir Siddiqui
Director - Non-Executive

Munawar Alam Siddiqui
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

Stephen Christopher Smith
Director - Non-Executive

Audit Committee

Saud Ahmed Mirza
Chairman

Munawar Alam Siddiqui
Member

Stephen Christopher Smith
Member

Human Resource & Remuneration Committee

Chief Justice (R) Mahboob Ahmed
Chairman

Munawar Alam Siddiqui
Member

Suleman Lalani
Member

Executive Committee

Munawar Alam Siddiqui
Chairman

Ali Jehangir Siddiqui
Member

Suleman Lalani
Member

Chief Financial Officer & Company Secretary

Hasan Shahid

External Auditors

M. Yousuf Adil Saleem & Co
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

Technology Trade (Private) Limited
241-C, Block-2, P.E.C.H.S., Karachi
Pakistan

Registered Office

6th Floor, Faysal House
Shahra-e-Faisal
Karachi - 75530, Pakistan
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Website

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CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the quarter ended March 31, 2015. I am pleased to present, on behalf of the Board, the report on the performance of your Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Economic Review

Pakistan's economic performance during Jan-Mar 2015 witnessed visible signs of improvement. Pakistan's foreign exchange reserves improved to US\$16.5 billion by March 2015 benefitting from lower oil prices, the receipt of Coalition Support Funds from the US Government and the disbursement of funds under the agreed IMF program. At the same time, inflation reduced to 3.2% YoY in March 2015, resulting in State Bank of Pakistan cutting the policy interest rate by 150bps during the quarter. GDP growth also picked up and is expected to be at 4.5% for FY15, an improvement from the 4.1% growth in FY14. However, energy shortages remain a key impediment to further improvement in Pakistan's economic growth rate.

Equity Capital Markets

The Karachi Stock Exchange witnessed a downtrend during the quarter, as the KSE-100 index reduced by 5.9% vs. average gains of 6% by regional markets. The downward trend in the market was mostly driven by selling by foreign investors and the troubled international and domestic political situations. Analysts expect a recovery in the markets mid and large cap companies have strong fundamentals and attractive valuations.

Brief Review of Results

During the period under review, the Company has improved profitability due to net capital gain on sale of investments of PKR 1,641 million on disposal of equity investments. The Company has reported a net profit of PKR 1,242 million for the quarter ended March 31, 2015.

Due to the subdued performance of the equity capital markets during the quarter, our portfolio performance was also subdued resulting in a slight decline by 2% in the shareholders equity and breakup value per share of the Company which stood at PKR 20,999 million and PKR 27.51 respectively as compared to PKR 21,464 million and PKR 28.12 respectively as of December 31, 2014.

The basic and diluted earnings per share is PKR 1.63 for the quarter ended March 31, 2015.

Consolidated Financial Statements

In the consolidated financial statements the Group (the Company and its subsidiaries) has reported a net profit of PKR 1,557 million for the quarter ended March 31, 2015 as compared to a net profit of PKR 415 million for the comparative period last year.

The revenues from continuing operations have improved by 123% over the comparative period last year primarily on account of an increase in return on investment and net gain on sale of investments. However, the total operating, administrative and finance costs have also increased by 92%.

The basic and diluted earnings per share from continuing operations is PKR 1.79 for the quarter ended March 31, 2015.

As explained in detail in note 3 to the un-audited consolidated condensed interim financial statements for the quarter ended March 31, 2015, the matter of consolidating mutual funds as required by IFRS 10 has been taken up with the Securities and Exchange Commission of Pakistan (SECP) by various parties including the Mutual Fund Association of Pakistan, which has not yet provided clarification. Furthermore, the Company has also written to the SECP to provide clarification or exemption from consolidation of mutual funds. Considering requirements of the local law and fact that

the matter is still pending with the SECP for clarification/exemption, the Company has decided to continue with existing accounting policy and treatment for mutual funds until such time that there is clarity on this matter provided by the SECP.

Investing Activities during the period

Investment in Right shares of BankIslami Pakistan Limited (BIPL)

Pursuant to the approval of the shareholders of the Company in their Extraordinary General Meeting held on February 02, 2015 to invest upto PKR 1,669 million in the right share issue of BIPL, the Company has invested PKR 918 million in 91,841,563 ordinary right shares as per its entitlement based on shareholding as against a subscription and underwriting commitment of PKR 1,440 million in respect of the aforesaid right issue.

Credit Rating

The Directors are pleased to inform you that the Pakistan Credit Rating Agency (PACRA) has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company's TFC issues of PKR 1,000 million and PKR 750 million are also maintained at AA+ (Double A plus) by PACRA. These ratings denote a very low expectation of credit risk, the strong capacity for timely payment of financial commitments and strong risk absorption capacity.

Future Outlook

A considerable size of Company's investment portfolio comprises of investments in banking sector. Both banking investments, JS Bank and BankIslami are performing as per their business plans. In 2014, JS Bank issued convertible preference shares of PKR 1,500 million which fulfilled its minimum capital requirements as required by the State Bank of Pakistan (SBP). These convertible preference shares were largely purchased by the Company. The Company also expects that its recent increase of investment in BankIslami Pakistan Limited's right shares will bode well for the bank as after the issuance of the full amount of PKR 4,320 million or right shares by BIPL, it will exceed the required capital requirement of SBP.

The Company believes that these investments will contribute positively towards the Company's future profitability in the form of dividend income.

Acknowledgement

Your Directors greatly value the continued support and patronage of the Company's clients and business partners. We also wish to appreciate our employees and management for their dedication and hard work. We also acknowledge the efforts of the regulatory agencies to strengthen the financial markets, improve good corporate governance and implement measures to safeguard investor rights

For and on behalf of the
Board of Directors

Karachi: April 28, 2015

Chief Justice (R) Mahboob Ahmed
Chairman



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Unconsolidated Condensed Interim Balance Sheet

As at March 31, 2015

	Note	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	6	5,944	6,656
Investment property		2,122	2,192
Long term investments	7	19,738,466	22,320,615
Long term loans and advances		2,305	2,476
Long term security deposits		779	779
		<u>19,749,616</u>	<u>22,332,718</u>
Current Assets			
Short term loans and advances		944	1,030
Short term prepayments and other receivables		33,997	13,123
Interest accrued		15,850	2,255
Other financial assets - Short term investments	8	111,893	79,321
Taxation - net		381,984	356,841
Cash and bank balances		2,707,540	135,281
		<u>3,252,208</u>	<u>587,851</u>
		<u><u>23,001,824</u></u>	<u><u>22,920,569</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up share capital	9	7,632,853	7,632,853
Reserves		<u>13,366,480</u>	<u>13,831,048</u>
		<u>20,999,333</u>	<u>21,463,901</u>
Non-Current Liabilities			
Long term liabilities	10	1,386,075	893,776
Current Liabilities			
Trade and other payables	11	214,206	209,857
Accrued interest on borrowings		79,498	30,929
Current portion of long term liabilities		<u>322,712</u>	<u>322,106</u>
		<u>616,416</u>	<u>562,892</u>
Contingencies and commitment	12	<u><u>23,001,824</u></u>	<u><u>22,920,569</u></u>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Unconsolidated Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Rupees in '000)	March 31, 2014
INCOME			
Return on investments		176,629	207,240
Gain on sale of investments - net	13	1,640,884	945
Income from long-term loans and fund placements		34,249	20,680
Commission		1,440	3,056
Other income		9,120	8,481
(Loss) / gain on remeasurement of investments through profit or loss account - held-for-trading		(242)	1
		<u>1,862,080</u>	<u>240,403</u>
EXPENDITURE			
Operating and administrative expenses		58,827	29,188
Finance cost		50,098	33,134
Provision for Workers' Welfare Fund		27,731	3,296
Provision for impairment - net		366,588	10,000
		<u>503,244</u>	<u>75,618</u>
PROFIT BEFORE TAXATION		<u>1,358,836</u>	<u>164,785</u>
Taxation			
Current		116,831	20,146
PROFIT FOR THE PERIOD		<u>1,242,005</u>	<u>144,639</u>
EARNINGS PER SHARE			
	14	..... (Rupees)	.....
Basic and diluted		<u>1.63</u>	<u>0.19</u>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	..... (Rupees in '000)	
PROFIT FOR THE PERIOD	1,242,005	144,639
OTHER COMPREHENSIVE (LOSS) / INCOME :		
Items that will not be reclassified to profit and loss	-	-
Items that may be reclassified subsequently to profit and loss		
Fair value (loss) / gain on available-for-sale investments during the period	(67,132)	2,328,284
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net	(1,639,441)	(222)
Total items that may be reclassified subsequently to profit and loss	(1,706,573)	2,328,062
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(464,568)	2,472,701

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2015 (Un-audited)

	Reserves					
	Issued, subscribed and paid-up capital	Ordinary share premium	Unrealised gain/ (loss) on revaluation of available for sale investments - net	Revenue Reserve	Sub-total	Total
				Accumulated loss		
	..... (Rupees in '000)					
Balance as at January 1, 2014	7,632,853	4,497,894	3,518,282	(1,880,077)	6,136,099	13,768,952
Profit for the period	-	-	-	144,639	144,639	144,639
Other comprehensive income	-	-	2,328,062	-	2,328,062	2,328,062
Total comprehensive income	-	-	2,328,062	144,639	2,472,701	2,472,701
Balance as at March 31, 2014	<u>7,632,853</u>	<u>4,497,894</u>	<u>5,846,344</u>	<u>(1,735,438)</u>	<u>8,608,800</u>	<u>16,241,653</u>
Balance as at January 1, 2015	7,632,853	4,497,894	11,024,854	(1,691,700)	13,831,048	21,463,901
Profit for the period	-	-	-	1,242,005	1,242,005	1,242,005
Other comprehensive loss	-	-	(1,706,573)	-	(1,706,573)	(1,706,573)
Total comprehensive (loss) / income	-	-	(1,706,573)	1,242,005	(464,568)	(464,568)
Balance as at March 31, 2015	<u>7,632,853</u>	<u>4,497,894</u>	<u>9,318,281</u>	<u>(449,695)</u>	<u>13,366,480</u>	<u>20,999,333</u>

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement

For the quarter ended March 31, 2015 (Un-audited)

	Note	March 31, 2015	March 31, 2014
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		1,358,836	164,785
Adjustment for non cash charges and other items:			
Depreciation		818	830
Gain on sale of property and equipment		-	(22)
(Loss) / gain on remeasurement of investments through profit or loss account - held-for-trading		242	(1)
Provision for impairment - net		366,588	10,000
Dividend income		(174,462)	(196,802)
Finance cost		50,098	33,134
		243,284	(152,861)
Operating profit before working capital changes		1,602,120	11,924
(Decrease) / increase in operating assets:			
Loans and advances		86	67
Prepayments and other receivables		1,767	(3,584)
Accrued markup		(13,595)	9,381
Long term loans, advances and security deposits		171	150
		(11,571)	6,014
Increase in trade and other payables		4,410	65,025
Net cash generated from operations		1,594,959	82,963
Mark-up paid		-	(16)
Taxes paid		(141,974)	(5,120)
Dividend paid		(61)	(335)
Net cash generated from operating activities		1,452,924	77,492
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(36)	(70)
Proceeds from sale of property and equipment		-	51
Dividend received		151,821	15,258
Investment sold / (acquired) - net of sale / (acquisition)		476,175	(1,512,987)
Net cash generated from / (used in) investing activities		627,960	(1,497,748)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of term finance certificates - net		-	470,869
Long term loan obtained from bank		491,375	-
Net cash generated from financing activities		491,375	470,869
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,572,259	(949,387)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		135,281	1,541,814
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15	2,707,540	592,427

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Company is presently listed on Karachi Stock Exchange Limited. The 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, managing strategic investments, consultancy services, underwriting, etc.

2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever requirements of the Companies Ordinance and SECP directives differ, the requirements of the Companies Ordinance and directives issued by the SECP shall prevail.

3. BASIS OF PREPARATION

- 3.1 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi Stock Exchange Limited.
- 3.2 These unconsolidated condensed interim financial statements do not include all the statements and disclosures required in the annual financial statements; therefore should be read in conjunction with the Company's financial statements for the year ended December 31, 2014.
- 3.3 The comparative balance sheet presented in these unconsolidated condensed interim financial statements have been extracted from the annual financial statements of the Company for the year ended December 31, 2014, whereas the comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement have been taken from unconsolidated condensed interim financial statements for the quarter ended March 31, 2014.
- 3.4 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are stated at cost less impairment, if any, and have not been accounted for on the basis of reported results and net assets of the investees.
- 3.5 These unconsolidated condensed interim financial statements are presented in Pak Rupees, which is also the functional and presentation currency of the Company, and rounded off to rupees in thousand.

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2014, except for the following:

IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures

This standard deals with how to apply the equity method of accounting. However, the scope of the revised Standard has been changed so that it covers investments in joint ventures as well because IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

IFRS 10 – Consolidated Financial Statements

IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements that deals with consolidated financial statements and SIC 12 Consolidation - Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. This change is to remove the perceived inconsistency between the previous version of IAS 27 and SIC 12; the former used a control concept while the latter placed greater emphasis on risks and rewards. IFRS 10 includes a more robust definition of control in order to address unintentional weaknesses of the definition of control set out in the previous version of IAS 27. Specific transitional provisions are given for entities that apply IFRS 10 for the first time. Specifically, entities are required to make the 'control' assessment in accordance with IFRS 10 at the date of initial application, which is the beginning of the annual reporting period for which IFRS 10 is applied for the first time. No adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is the same before and after the application of IFRS 10. However, adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is different from that before the application of IFRS 10.

IFRS 11 – Joint Arrangements

IFRS 11 replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non monetary Contributions by Ventures. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties' rights and obligations under the arrangements. Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle was the key factor in determining whether a joint arrangement should be classified as a jointly controlled entity.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 is a new disclosure Standard that sets out what entities need to disclose in their annual consolidated financial statements when they have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities (broadly the same as special purpose entities under SIC 12). IFRS 12 aims to provide users of financial statements with information that helps evaluate the nature of and risks associated with the reporting entity's interest in other entities and the effects of those interests on its financial statements.

IFRS 13 – Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. IFRS 13 gives a new definition of fair value for financial reporting purposes. Fair value under IFRS 13 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. IFRS 13 should be applied prospectively as of the beginning of the annual period in which it is initially applied.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

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

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2014.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were same as those applied to the financial statements for the year ended December 31, 2014.

		March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
		..... (Rupees in '000)	
6.	PROPERTY AND EQUIPMENT		
	The details of additions and disposals during the period are as follows:		
	Additions - cost		
	Office equipment	36	171
	Motor vehicles	-	2,704
		<u>36</u>	<u>2,875</u>
	Disposals - cost		
	Office premises - leasehold	-	1,041
	Office equipment	-	3,826
	Motor vehicles	-	171
		<u>-</u>	<u>5,038</u>
		March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
	Note	..... (Rupees in '000)	

7. LONG TERM INVESTMENTS

Investments in related parties

Investment in subsidiaries	7.1	6,613,769	6,980,358
Other related parties - Available for sale	7.2	13,124,604	15,340,184
		19,738,373	22,320,542
Other investments	7.3	93	73
		<u>19,738,466</u>	<u>22,320,615</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

7.1 Investment in subsidiaries - at cost

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

Number of shares		Activity	Holding		(Un-audited)	(Audited)	
March 31, 2015	December 31, 2014		March 31, 2015 %	December 31, 2014 %	March 31, 2015 (Rupees in '000)	December 31, 2014	
<u>Quoted</u>							
755,245,007 *	755,245,007	JS Bank Limited Market value Rs. 4,848.67 (December 31, 2014: Rs. 5,392.45) million	Commercial Banking	70.42	70.42	4,673,400	4,673,400
<u>Un-quoted</u>							
145,374,878 *	145,374,878	JS Bank Limited Convertible Preference Shares	Commercial Banking	96.92	96.92	1,453,749	1,453,749
73,736,250	73,736,250	JS Infocom Limited Net assets value Rs. 97.71 (December 31, 2014: Rs. 246.09) million based on un-audited financial statements for the period ended March 31, 2015 Less: Impairment	Telecom Media & Technology	100.00	100.00	708,490 (612,416) 96,074	708,490 (462,472) 246,018
10,000	10,000	JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs. 5.27 (September 30, 2014: Rs. 5.11) million based on un-audited financial statements for the period ended December 31, 2014 Less: Impairment	Investment services	100.00	100.00	294,882 (294,882) -	294,882 (294,882) -
63,000,000	63,000,000	Energy Infrastructure Holding (Private) Limited Net assets value Rs. 420.06 (December 31, 2014: Rs. 629.19) million based on un-audited financial statements for the period ended March 31, 2015 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000 (239,454) 390,546	630,000 (22,809) 607,191
					6,613,769	6,980,358	

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



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

7.2 Other related parties

Available-for-sale

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

Number of shares					Holding		(Un-audited)	(Audited)
March 31, 2015	December 31, 2014		Note	Activity	March 31, 2015 %	December 31, 2014 %	March 31, 2015 (Rupees in '000)	December 31, 2014
		<u>Quoted - at fair value</u>						
99,358,000	132,300,000	Hum Network Limited (Ordinary Shares of Re. 1/- each)		Television Network	10.51	14.00	1,377,102	1,943,487
122,416,897 *	122,416,897	BankIslami Pakistan Limited		Islamic Banking	21.26	21.26	1,104,200	1,200,910
91,841,563	-	BankIslami Pakistan Limited - Letter of Right	7.2.1	Islamic Banking	21.26	-	19,287	-
25,983,302	25,983,302	EFU General Insurance Limited		General Insurance	16.24	16.24	3,682,354	3,972,587
20,047,708	20,047,708	EFU Life Assurance Limited		Life Assurance	20.05	20.05	3,052,264	3,405,103
112,157,863	112,157,863	Azgard Nine Limited		Textile Composite	24.96	24.96	476,671	660,610
121,920,000	159,850,000	Pakistan International Bulk Terminal Limited		Bulk Terminal	16.07	21.07	3,405,226	3,946,696
-	7,897,860	Singer Pakistan Limited	7.3.1	Household goods	-	17.39	-	203,291
		<u>Un-quoted - at cost</u>						
750,000	750,000	EFU Services (Private) Limited		Investment company	37.50	37.50	7,500	7,500
							<u>13,124,604</u>	<u>15,340,184</u>

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

7.2.1 This represents letter of rights of BankIslami Pakistan Limited (BIPL) as per the Company's entitlement in 75.02% right issue by bank. Subsequent to the period end, the Company has paid subscription of Rs. 918.42 million to BIPL against the aforesaid letter of right.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

7.3 Other investments

Available for sale

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

Number of shares		Note	(Un-audited) March 31, 2015 (Rupees in '000)	(Audited) December 31, 2014
March 31, 2015	December 31, 2014			
		<u>Quoted - at fair value</u>		
1,500	-	Singer Pakistan Limited	20	-
		<u>Un-quoted - at cost</u>		
4,007,383	4,007,383	Karachi Stock Exchange Limited	73	73
			<u>93</u>	<u>73</u>

7.3.1 During the period, related party relationship has seized on account of resignation of major shareholder of the Company as director of Singer Pakistan Limited.

(Un-audited) March 31, 2015 (Rupees in '000)	(Audited) December 31, 2014
-------------------------------------------------------------------	--------------------------------------------

8. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS

Financial assets at fair value through profit or loss

Listed equity securities	85,908	49,910
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Available-for-sale - at fair value

Listed equity securities	-	3,794
Government securities	25,985	25,617
	<u>25,985</u>	<u>29,411</u>
	<u>111,893</u>	<u>79,321</u>

9. ISSUE OF RIGHT PREFERENCE SHARES

Pursuant to the proposal of the Board of Directors of the Company in their meeting held on August 20, 2014 to issue 114,492,798 (15%) right shares as non-voting, non-participatory, cumulative, transferable and redeemable or convertible Class "A" Preference Shares of PKR 10 each to the existing ordinary shareholders of the Company by way of rights, the shareholders of the Company in their Extraordinary General Meeting held on September 19, 2014 through special resolution have approved the issuance of aforesaid preference shares subject to the approval of the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Company has applied to SECP for approval of the same. However, some of the shareholders of the Company have filed a suit with the Honourable High Court of Sindh. The Court has issued order wherein, the SECP has been restrained from permitting the Company from approving the issuance of Class "A" Preference Shares. The Company believes that the case is not maintainable and has therefore filed appeal before the Honourable Court. The matter is pending adjudication before the Court.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

10. LONG TERM LIABILITIES

Included herein is term loan amounting to Rs. 491.37 million net of issue cost of Rs. 8.63 million obtained from a commercial bank. The mark-up on this term loan is payable semi-annually, based on the six month KIBOR average rate plus 150 basis points per annum. This loan has a tenor of five years i.e. 2015-2020 including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual instalments starting from 18th month of the drawdown date. This loan is secured by a lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having market value of Rs. 881.91 million to secure the outstanding principal with 35% margin.

11. TRADE AND OTHER PAYABLES

Included herein is an amount of Rs. 92.57 million relating to the provision of Workers' Welfare Fund which pertains to certain amendments made through the Finance Acts of 2006 & 2008 whereby Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. On prudent basis, the Company has recognized current periods provision of Rs. 27.73 million and aggregate provision amounting to Rs. 92.57 million for the period from July 2011 to March 2015.

Further, pursuant to the show cause notice dated June 28, 2014 issued by the Deputy Commissioner of Inland Revenue (DCIR) under section 221(3) for rectification under section 221(1) of the Income Tax Ordinance, 2001 in respect of Tax Year 2013 for non-payment of WWF of Rs. 53.06 million under the provisions of section 4 of the Workers Welfare Fund Act, 1971, read with FBR circular # 13 of 2008, the Company has filed Writ Petition under Article 199 of the Constitution of Islamic Republic of Pakistan before the High Court of Sindh challenging the levy and demand for payment of WWF and obtained interim relief. The matter is pending adjudication before the Court.

12. CONTINGENCIES AND COMMITMENT

12.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended December 31, 2014.

12.2 Commitments

Future sale transactions of listed equity securities

Term loan from Allied Bank Limited

Subscription and underwriting commitment of right shares of BankIslami Pakistan Limited

March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
..... (Rupees in '000)	
82,756	50,595
-	500,000
1,440,133	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	Note	March 31, 2015	March 31, 2014
		..... (Un-audited) .....	..... (Un-audited)
		..... (Rupees in '000) .....	..... (Rupees in '000)
13. GAIN ON SALE OF INVESTMENTS - net			
Financial assets at fair value through profit or loss		1,443	723
Available for sale	13.1	1,639,441	222
		<u>1,640,884</u>	<u>945</u>
13.1	This includes net gain on sale on investments in related parties amounting to Rs. 1,622.96 (March 31, 2014: Rs. Nil) million.		
		March 31, 2015	March 31, 2014
		..... (Un-audited) .....	..... (Un-audited)
		..... (Rupees in '000) .....	..... (Rupees in '000)
14. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation attributable to Ordinary shareholders		<u>1,242,005</u>	<u>144,639</u>
		..... (Number in '000) .....	..... (Number in '000)
Weighted average number of Ordinary shares outstanding during the period		<u>763,285</u>	<u>763,285</u>
		..... (Rupees) .....	..... (Rupees)
Earnings per share:			
- Basic and diluted		<u>1.63</u>	<u>0.19</u>
15. CASH AND CASH EQUIVALENTS			
		..... (Rupees in '000) .....	..... (Rupees in '000)
Cash and bank balances		<u>2,707,540</u>	<u>592,427</u>

16. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, subsidiaries, companies having common directorship, employee benefit plan and its key management personnel (including their associates).

Contributions to the account in respect of staff retirement benefit are made in accordance with terms of the contribution plan. Remuneration of the key management personnel is in accordance with the terms of their employment. Other transactions are at agreed terms.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	(Un-audited)	
	(Rupees in '000)	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies:		
Dividend received	151,031	-
Brokerage expense paid	3,216	178
Purchase of government securities	2,378,079	465,069
Sale of government securities	2,379,779	-
Investment in term deposit receipts	1,500,000	-
Maturity of term deposit receipts	1,000,000	-
Purchase of shares	678,345	-
Sale of shares	2,831,624	-
Capital gain tax paid for onward submission to NCCPL	124,539	-
Rent income	8,915	8,531
Market maker fee paid	518	522
Profit received on fund placements and deposit accounts	11,692	30,559
Profit received on term deposit receipts	7,603	-
Bank charges paid	-	2
Reimbursement of expenses by the Company	89	431
Reimbursement of expenses to the Company	2,574	3,494
Underwriting commission received	-	3,056
Investment in convertible right preference shares (No. of shares received: 145,374,878)	-	1,453,749
Common Directorship		
Dividend income received	-	14,700
Underwriting commission received	1,440	-
Reimbursement of expenses to the Company	74	-
Donation paid	1,000	4,000
Letter of right received (No. of shares)	91,841,563	-
Sale of shares (No. of shares)	32,942,000	-
Other Related Parties		
Contributions to Staff Provident Fund	936	812
Insurance premium paid	1,388	1,104
Proceeds against insurance claim / cancellation	44	1
Royalty paid	2,475	2,475
Advisory fee paid	1,500	1,500
Reimbursement of expenses to the Company	-	7
Sale of shares (No. of shares)	42,706,500	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	(Un-audited)	
	(Rupees in '000)	
Key Management Personnel		
Remuneration to Chief Executive Officer	4,771	2,485
Advisory fee to Director	1,500	1,500
Fee paid to directors for attending directors / committee meetings	750	-
Remuneration to executives	3,510	2,230
Interest on long term loans to executives	43	47
Loan and advances repayments from executives	231	148
	March 31, 2015	December 31, 2014
	(Un-audited)	(Audited)
	(Rupees in '000)	
BALANCES		
Subsidiary and Sub-subsidiary Companies:		
Receivable against expenses incurred on their behalf	5,077	361
Cash at bank accounts	2,206,584	134,640
Profit receivable on deposit accounts and TDR	15,850	967
Investment in Term Deposit Receipts	500,000	-
Payable against purchase of equity securities - net	4,652	50,052
Outstanding principal of TFCs issued by the Company	129,413	129,413
Markup payable on TFCs issued by the Company	7,385	3,566
Common Directorship		
Receivable against expenses incurred on their behalf	262	-
Dividend receivable	17,388	-
Donation payable	70,475	46,635
Other Related Parties		
Outstanding principal of TFCs issued by the Company	133,738	133,738
Markup payable on TFCs issued by the Company	7,430	3,414
Key Management Personnel		
Loans and advances receivable	2,108	2,339
Payable to director against fee for attending meeting	188	750



Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

17. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on April 28, 2015.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Consolidated Condensed Interim Balance Sheet

As at March 31, 2015

	Note	March 31, 2015 (Un-Audited) (Rupees in '000)	December 31, 2014 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	6	2,377,508	2,278,807
Intangible assets		281,981	255,859
Investment property		2,122	2,192
Long term investments	7	92,555,632	72,486,421
Long term loans, advances and other receivables		8,139,957	6,498,826
Long term deposits		779	10,358
		103,357,979	81,532,463
Current Assets			
Short term investments	8	15,817,481	29,350,832
Trade debts		745,309	595,962
Loans and advances		55,310,884	51,286,718
Accrued markup		2,912,349	4,849,839
Short-term prepayments, deposits and other receivables		1,100,523	938,466
Other financial assets - fund placements		5,055,892	15,755,061
Taxation - net		466,774	514,475
Cash and bank balances		9,775,701	9,551,165
		91,184,913	112,842,518
Assets classified as held for sale		141,900	141,900
		91,326,813	112,984,418
		194,684,792	194,516,881
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	9	7,632,853	7,632,853
Reserves		17,112,128	16,947,084
Equity attributable to equity holders' of the parent		24,744,981	24,579,937
Non-controlling interests		5,926,049	5,615,494
Total equity		30,671,030	30,195,431
Non-Current Liabilities			
Long term financing	10	1,263,062	778,480
Long-term deposits and other accounts		249,602	117,164
Deferred liability - employee benefit		17,301	21,349
Deferred taxation		862,066	300,375
		2,392,031	1,217,368
Current Liabilities			
Trade and other payables		3,829,842	3,932,662
Accrued interest / mark-up on borrowings		1,180,275	1,150,628
Short term borrowings		48,901,451	50,537,973
Current deposits and current portion of long term liabilities	11	107,710,163	107,482,819
		161,621,731	163,104,082
Contingencies and Commitments	12	194,684,792	194,516,881

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Consolidated Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2015 (Un-audited)

	Note	March 31, 2015	March 31, 2014
		..... (Rupees in '000)	
CONTINUING OPERATIONS			
Income			
Return on investments		2,120,202	238,943
Gain on sale of investments - net		2,342,396	174,495
Income from long term loans and fund placements		1,765,013	2,153,831
Fee, commission and brokerage		384,390	308,928
Other income		138,100	109,587
Gain on remeasurement of investments through profit and loss - held for trading - net		40,976	57,150
		6,791,077	3,042,934
Expenditure			
Administrative and other expenses		2,122,924	1,092,407
Finance cost		2,672,469	1,405,103
Workers' Welfare Fund		41,069	10,175
Provision for impairment on investments - net		78,316	14,986
		4,914,778	2,522,671
Profit before taxation from continuing operations		1,876,299	520,263
Taxation			
- Current		197,781	60,723
- Prior		-	69
- Deferred		121,659	39,473
		319,440	100,265
Profit after taxation from continuing operations		1,556,859	419,998
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations		-	(5,107)
PROFIT FOR THE PERIOD		1,556,859	414,891
Attributable to:			
Equity holders of the parent		1,366,830	299,095
Non-controlling interests		190,029	115,796
		1,556,859	414,891
EARNINGS / (LOSS) PER SHARE			
Basic and diluted			
Continuing operations		1.79	0.40
Discontinued operations		-	(0.01)
		1.79	0.39

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The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	..... (Rupees in '000)	.....
PROFIT AFTER TAX FOR THE PERIOD	1,556,859	414,891
OTHER COMPREHENSIVE (LOSS)/INCOME		
Items that will not be reclassified to profit and loss account		
Actuarial gain on defined benefit plan - net of tax	-	-
Items that may be reclassified subsequently to profit and loss account:		
Fair value gain on revaluation of available-for-sale investments during the period - net	1,170,678	2,439,031
Reclassification adjustments relating to available-for-sale investments disposed off during the period - net	(1,729,344)	-
Impairment on investments - net	(78,316)	-
Related deferred tax	(438,362)	-
	(1,075,344)	2,439,031
Exchange difference of translation of net assets of foreign subsidiaries	(1,111)	(12,840)
	(1,076,455)	2,426,191
Total items that may be reclassified subsequently to profit and loss - net of tax	(1,076,455)	2,426,191
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	480,404	2,841,082
Attributable to:		
Equity holders of the parent	165,044	2,614,317
Non-controlling interest	315,360	226,765
	480,404	2,841,082

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2015 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT								TOTAL
	Reserves						Sub-total	Non-controlling interests	
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Unrealised gain/ (loss) on revaluation of available for sale investments - net	Statutory	Revenue Reserve			
						Unappropriated profit/ (accumulated loss)			
	(Rupees in '000)								
Balance as at January 1, 2014	7,632,853	4,497,894	127,591	3,763,732	207,821	(1,406,105)	14,823,786	4,277,080	19,100,866
Profit for the period	-	-	-	-	-	299,095	299,095	115,796	414,891
Other comprehensive (loss) / income	-	-	(12,840)	2,439,031	-	-	2,426,191	86,406	2,512,597
Total comprehensive (loss) / income for the period	-	-	(12,840)	2,439,031	-	299,095	2,725,286	202,202	2,927,488
Transfer from statutory reserves	-	-	-	-	19,483	(19,483)	-	-	-
Convertible preference shares issued to non-controlling interests	-	-	-	-	-	-	-	46,251	46,251
Balance as at March 31, 2014	7,632,853	4,497,894	114,751	6,202,763	227,304	(1,126,493)	17,549,072	4,525,533	22,074,605
Balance as at January 1, 2015	7,632,853	4,497,894	6,377	12,381,111	361,752	(300,050)	24,579,937	5,615,494	30,195,431
Profit for the period	-	-	-	-	-	1,366,830	1,366,830	190,029	1,556,859
Other comprehensive (loss) / income	-	-	(1,111)	(1,200,675)	-	-	(1,201,786)	125,331	(1,076,455)
Total comprehensive (loss) / income for the period	-	-	(1,111)	(1,200,675)	-	1,366,830	165,044	315,360	480,404
Transfer from statutory reserve	-	-	-	-	42,829	(42,829)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,805)	(4,805)
Balance as at March 31, 2015	7,632,853	4,497,894	5,266	11,180,436	404,581	1,023,951	24,744,981	5,926,049	30,671,030

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Consolidated Condensed Interim Cash Flow Statement

For the quarter ended March 31, 2015 (Un-audited)

	Note	March 31, 2015	March 31, 2014
		..... (Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		1,876,299	520,263
Loss before taxation from discontinued operations		-	(5,118)
		<u>1,876,299</u>	<u>515,145</u>
Adjustments for non cash charges and other items:			
Depreciation		109,103	85,339
Amortisation on intangible assets		10,561	7,993
Amortisation of transaction cost on term finance certificates & long term loan		1,530	1,252
Gain on sale of property and equipment		(5,405)	(5,616)
Provision for doubtful debts, loans and advances		338,328	11,744
Charge for defined benefit plan		17,301	12,423
Provision for impairment on investments - net		78,316	14,986
Gain on remeasurement of investments			
through profit or loss - held for trading - net		(40,976)	(57,150)
Finance cost		2,670,939	1,403,851
		<u>3,179,697</u>	<u>1,474,822</u>
Operating profit before working capital changes		5,055,996	1,989,967
Decrease / (increase) in operating assets :			
Short term investments		13,300,684	(17,790,554)
Trade debts		(149,347)	(194,377)
Loans and advances		(4,362,494)	(1,133,458)
Long term loans, advances, deposits and other receivables		(1,631,552)	(2,545,007)
Fund placements		10,699,169	16,713,270
Deposits, prepayments, accrued mark-up and other receivables		1,775,433	(305,313)
		<u>19,631,893</u>	<u>(5,255,439)</u>
Increase / (decrease) in operating liabilities:			
Trade and other payables		(102,759)	281,570
Deposits and other accounts		351,458	3,103,674
		<u>24,936,588</u>	<u>119,772</u>
Net cash generated from operations			
Interest / mark-up paid		(2,641,292)	(1,408,014)
Gratuity paid		(21,349)	-
Taxes paid		(150,080)	(51,199)
Dividend paid (including non-controlling interests)		(4,866)	(335)
		<u>22,119,001</u>	<u>(1,339,776)</u>
Net cash generated from / (used in) operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(213,247)	(394,313)
Intangible assets acquired		(36,683)	(41,842)
Proceeds from sale of property and equipment		10,918	6,749
Investments acquired - net of sale		(20,510,306)	-
		<u>(20,749,318)</u>	<u>(429,406)</u>
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of term finance certificates - net		-	368,735
Long term loan obtained from bank		491,375	-
Proceeds from issuance of convertible preference shares by subsidiary		-	46,251
Securities (repurchased) / sold under repurchase agreements		(1,965,164)	1,167,118
		<u>(1,473,789)</u>	<u>1,582,104</u>
Net cash (used in) / generated from financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS		(104,106)	(187,078)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		5,890,006	5,443,584
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14	5,785,900	5,256,506

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

1. THE GROUP AND ITS OPERATIONS

1.1 Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies (together the Group) are involved in trading of securities, managing strategic investments, investment advisory, asset management, agency telecommunication, commercial banking and other businesses. 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 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Karachi Stock Exchange Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Holding Company are trading of securities, maintaining strategic investments, consultancy services, underwriting, etc.

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

Subsidiary Companies	Nature of Business	Date of Acquisition	Holding (including indirect holding)	
			March 31, 2015	December 31, 2014
JS Bank Limited (JSBL)	Commercial Banking	December 30, 2006	70.42%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager	November 1, 2012	36.79%	36.79%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services	December 21, 2011	35.95%	35.95%
JS Infocom Limited	Telecom, Media and Technology	August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services	July 14, 2005	100.00%	100.00%
JS International LLP (Sub-subsidiary)	Investment Advisory Services	April 11, 2006	100.00%	100.00%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage	November 1, 2012	36.79%	36.79%
Energy Infrastructure Holding (Private) Limited	Power generation	July 07, 2008	100.00%	100.00%
Gujranwala Energy Limited	Power generation	April 21, 2009	50.00%	50.00%

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. These consolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year December 31, 2014.

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

The comparative balance sheet presented in these consolidated condensed interim financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended December 31, 2014, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are extracted from the un-audited consolidated condensed interim financial statements for the period ended March 31, 2014.

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.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2014, except for the followings:

IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures

This standard deals with how to apply the equity method of accounting. However, the scope of the revised Standard has been changed so that it covers investments in joint ventures as well because IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting.

IFRS 10 – Consolidated Financial Statements

IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements that deals with consolidated financial statements and SIC 12 Consolidation - Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. This change is to remove the perceived inconsistency between the previous version of IAS 27 and SIC 12; the former used a control concept while the latter placed greater emphasis on risks and rewards. IFRS 10 includes a more robust definition of control in order to address unintentional weaknesses of the definition of control set out in the previous version of IAS 27. Specific transitional provisions are given for entities that apply IFRS 10 for the



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For the quarter ended March 31, 2015 (Un-audited)

first time. Specifically, entities are required to make the 'control' assessment in accordance with IFRS 10 at the date of initial application, which is the beginning of the annual reporting period for which IFRS 10 is applied for the first time. No adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is the same before and after the application of IFRS 10. However, adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is different from that before the application of IFRS 10.

The Securities and Exchange Commission of Pakistan (SECP), through circular no. SRO 633(I) / 2014 dated July 10, 2014, notified applicability of various International Financial Reporting Standards (IFRSs), including IFRS 10 - Consolidated Financial Statements. IFRS 10 became effective from accounting period beginning on or after January 1, 2015, with earlier adoption allowed. IFRS 10 provides more robust definition of control and requires entities to make the 'control' assessment including assessment of mutual funds managed by fund manager i.e. asset management company (AMC) and in case control exists, mutual funds need to be consolidated by fund manager/parent as its subsidiaries. Section 237 of the Companies Ordinance, 1984, (the Ordinance) also requires a holding company having one or more subsidiary companies to present consolidated financial statements. However, as per section 3 of the Ordinance, a subsidiary needs to be a company or body corporate. Since mutual funds do not fall in definition of company or body corporate, it appears that these should not be consolidated under local laws which prevail over IFRSs. The matter of consolidating mutual funds has also been taken up with the SECP by various forums including Mutual Fund Association of Pakistan (MUFAP), which has still not provided clarification. Further, the Company/Bank has also written to the SECP to provide clarification/exemption from consolidation of mutual funds. Considering requirements of the local law and fact that the matter is still pending with the SECP for clarification, the Company/Bank has decided to continue with existing accounting policy / treatment for mutual funds till the time clarification is provided by the SECP.

IFRS 11 – Joint Arrangements

IFRS 11 replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non monetary Contributions by Ventures. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties' rights and obligations under the arrangements. Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle was the key factor in determining whether a joint arrangement should be classified as a jointly controlled entity.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 is a new disclosure Standard that sets out what entities need to disclose in their annual consolidated financial statements when they have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities (broadly the same as special purpose entities under SIC 12). IFRS 12 aims to provide users of financial statements with information that helps evaluate the nature of and risks associated with the reporting entity's interest in other entities and the effects of those interests on its financial statements.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

IFRS 13 – Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. IFRS 13 gives a new definition of fair value for financial reporting purposes. Fair value under IFRS 13 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. IFRS 13 should be applied prospectively as of the beginning of the annual period in which it is initially applied.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2014.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were same as those applied to the consolidated financial statements for the year ended December 31, 2014.

6. PROPERTY AND EQUIPMENT

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

	March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
	..... (Rupees in '000)	
Additions - cost		
Owned:		
- Office premises - freehold	-	250,362
- Leasehold improvements	27,122	90,098
- Office equipment	75,782	242,275
- Office furniture and fixtures	15,403	45,444
- Motor vehicles	34,050	148,474
	<u>152,357</u>	<u>776,653</u>



Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Disposals - cost		
- Office premises - freehold	-	120,408
- Leasehold improvements	-	297
- Office equipment	3,998	16,748
- Office furniture and fixtures	60	2,120
- Motor vehicles	12,752	40,379
	<u>16,810</u>	<u>179,952</u>
7. LONG TERM INVESTMENTS		
Related parties:		
- Other related parties - Available for sale	13,124,604	15,340,184
Other investments	79,431,028	57,146,237
	<u>92,555,632</u>	<u>72,486,421</u>
8. SHORT TERM INVESTMENTS		
Assets at fair value through profit or loss	7,861,566	25,424,823
Available for sale	7,955,915	3,926,009
	<u>15,817,481</u>	<u>29,350,832</u>
9. ISSUE OF RIGHT PREFERENCE SHARES		
<p>Pursuant to the proposal of the Board of Directors of the Holding Company in their meeting held on August 20, 2014 to issue 114,492,798 (15%) right shares as non-voting, non-participatory, cumulative, transferable and redeemable or convertible Class "A" Preference Shares of PKR 10 each to the existing ordinary shareholders of the Holding Company by way of rights, the shareholders of the Holding Company in their Extraordinary General Meeting held on September 19, 2014 through special resolution have approved the issuance of aforesaid preference shares subject to the approval of the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Holding Company has applied to SECP for approval of the same. However, some of the shareholders of the Holding Company have filed a suit with the Honourable High Court of Sindh. The court has issued order wherein, the SECP has been restrained from permitting the Holding Company from approving the issuance of Class "A" Preference Shares. The Holding Company believes that the case is not maintainable and has therefore filed appeal before the Honourable Court. The matter is pending adjudication before the Court.</p>		
10. LONG TERM FINANCING		
<p>Included herein is term loan amounting to Rs. 491.37 million net of issue cost of Rs. 8.63 million obtained against term loan from a commercial bank by the Holding Company. The mark-up on this term loan is payable semi-annually, based on the six month KIBOR average rate plus 150 basis points per annum. This loan has</p>		

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

a tenor of five years i.e. 2015-2020 including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual installments starting from 18th month of the drawdown date. This loan is secured by a lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 881.91 million to secure the outstanding principal with 35% margin.

	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
11. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing - Term finance certificates	316,312	307,988
Deposits and other accounts	79,245,441	79,803,423
Current accounts - Non-remunerative	28,148,410	27,371,408
	<u>107,710,163</u>	<u>107,482,819</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended December 31, 2014.

12.2 Transaction-related Contingent Liabilities

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

	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
- Government	5,702,564	4,733,516
- Banking companies and other financial institutions	516,203	362,326
- Others	1,120,635	1,387,650
	<u>7,339,402</u>	<u>6,483,492</u>
12.3 Other Contingencies		
Claims not acknowledged as debts	<u>66,823</u>	<u>66,791</u>
Trade related contingent liabilities documentary credits	<u>8,211,579</u>	<u>7,828,275</u>



Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited) (Rupees in '000)
12.4 Commitments		
Commitments in respect of:		
Forward exchange contracts:		
- Purchase	5,419,752	6,110,485
- Sale	5,308,503	7,142,322
Forward commitments to extend credit	2,480,518	2,420,850
Other Commitments		
Forward commitments in respect of purchase	165,391	2,018,228
Forward commitments in respect of sale	606,034	6,644,737
Commitments in respect of capital expenditure	161,519	88,872
Commitments in respect of Term Loan from Allied Bank Limited	-	500,000
Cross currency swaps	1,588,850	1,588,850
Subscription and underwriting commitment of right shares of BankIslami Pakistan Limited	1,440,133	-
	March 31, 2015 (Un-audited)	March 31, 2014 (Rupees in '000)
13. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE		
Attributable to equity holders' of the parent:		
Profit from continuing operations	1,366,830	305,090
Loss after taxation from discontinued operations	-	(5,995)
Profit after taxation attributable to Ordinary shareholders	1,366,830	299,095
	..... (Number in '000)	
Weighted average number of Ordinary shares outstanding during the period	763,285	763,285
	..... (Rupees)	
Earnings / (loss) per share:		
Basic and Diluted		
Continuing operations	1.79	0.40
Discontinued operations	-	(0.01)
	1.79	0.39

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	..... (Un-audited) .....	..... (Un-audited)
	..... (Rupees in '000) .....	..... (Rupees in '000)
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,775,701	7,495,531
Short term running finances under mark-up arrangements	(150,000)	-
Borrowings from banks / NBFCs	(3,839,801)	(2,239,025)
	<u>5,785,900</u>	<u>5,256,506</u>

15. RELATED PARTY TRANSACTIONS

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

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

	March 31, 2015	March 31, 2014
	..... (Un-audited) .....	..... (Un-audited)
	..... (Rupees in '000) .....	..... (Rupees in '000)
Brokerage and commission expense	19,806	5,254
Purchase of money market instruments	882,387	6,428,453
Sale of money market instruments	9,135,907	33,929,169
Purchase of units	69,939	7,130,630
Letter of credits	11,508	-
Foreign exchange purchases transaction	1,676,565	-
Foreign exchange sale transaction	1,020,843	-
Rental income	4,000	249
Interest / markup earned	43	47
Royalty paid	4,975	4,975
Advisory fee paid	7,500	7,500
Insurance premium paid	68,245	39,337
Insurance claim received	4,410	1
Investments disposed off in funds under management - at cost	212,543	88,556
Investments made in funds under management	200,543	53,216
Donations paid to Mahvash and Jahangir Siddiqui Foundation		
- common directorship and key management personnel	14,255	4,000
Advance against term finance certificates and share subscription	-	4,500
Sales of shares / units	-	2,177
Remuneration and commission income from funds	41,476	55,835
Contribution to provident fund	22,375	18,262
Contribution to gratuity fund	21,349	1,290
Ijarah rentals	-	304
Loan repayment from executives / others	1,078	148
Loans disbursed to executives / others	280	-



Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	(Un-audited)	
	(Rupees in '000)	
Letter of Guarantees	59,500	70
Director fee	1,775	-
Dividend received	-	14,700
Acquisition of ijarah leased vehicles	-	1,438
Sale of Sukuk / Ijara Sukuk	5,040	-
Remuneration to key management personnel	144,414	-
	(Number)	
Bonus shares/units received from related parties	-	222,043
Purchase of shares	1,659,700	-
Sale of shares	75,648,500	-
Letter of right received	91,841,563	-

16. SEGMENT INFORMATION

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

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

The following tables present revenue and profit information for the Group's operating segments for the quarter ended March 31, 2015 and 2014 respectively.

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
	(Rupees in '000)							
Quarter ended March 31, 2015								
Revenue								
Segment revenues	2,093,603	4,720,000	139,016	13,892	-	6,966,511	(175,434)	6,791,077
Inter-segment revenues	(20,237)	(150,255)	(1,485)	(3,457)	-	(175,434)	175,434	-
Total revenue	2,073,366	4,569,745	137,531	10,435	-	6,791,077	-	6,791,077
Net profit / (loss) for the period	1,297,694	153,838	78,839	(365,744)	-	1,164,627	392,232	1,556,859

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2015 (Un-audited)

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
	.....(Rupees in '000).....							
Quarter ended March 31, 2014								
Revenue								
Segment revenues	382,431	2,570,837	115,953	16,432	115	3,085,768	(42,719)	3,043,049
Inter-segment revenues	(11,595)	(30,770)	(354)	-	-	(42,719)	42,719	-
Total revenue	370,836	2,540,067	115,599	16,432	115	3,043,049	-	3,043,049
Net profit / (loss) for the period	188,277	107,566	63,318	6,142	(5,107)	360,197	54,694	414,891

The following tables present assets and liabilities information for the Group's operating segments for the quarter ended March 31, 2015 and year ended December 31, 2014 respectively.

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others				
	(Rupees in '000).....							
Assets								
March 31, 2015	26,350,434	179,349,732	2,492,968	1,333,638	-	209,526,772	(14,841,980)	194,684,792
December 31, 2014	26,217,461	176,716,817	2,617,244	1,466,328	-	207,017,850	(12,500,969)	194,516,881
Liabilities								
March 31, 2015	2,640,801	165,310,054	147,853	225,948	-	168,324,656	(4,310,894)	164,013,762
December 31, 2014	2,127,298	163,637,271	163,885	9,797	-	165,938,251	(1,616,801)	164,321,450

17. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on April 28, 2015.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive



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