



Jahangir Siddiqui & Co. Ltd.  
Half Yearly Report  
December 31, 2007  
(Un-audited)



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## Company Information

### BOARD OF DIRECTORS

<b>Mazharul Haq Siddiqui</b>	<b>Chairman</b>
<b>Munaf Ibrahim</b>	<b>Chief Executive Officer</b>
<b>Ali J. Siddiqui</b>	<b>Director</b>
<b>Ali Raza Siddiqui</b>	<b>Director</b>
<b>Stephen C. Smith</b>	<b>Director</b>
<b>Syed Nizam Ahmed Shah</b>	<b>Independent Director</b>
<b>Chief Justice (R) Mahboob Ahmed</b>	<b>Independent Director</b>
<b>Siraj Ahmed Dadabhoy</b>	<b>Independent Director</b>
<b>Adil Matcheswalla</b>	<b>Independent Director</b>

### AUDIT COMMITTEE

<b>Syed Nizam Ahmed Shah</b>	<b>Chairman</b>
<b>Ali J. Siddiqui</b>	<b>Member</b>
<b>Chief Justice (R) Mahboob Ahmed</b>	<b>Member</b>
<b>Farah Qureshi</b>	<b>Secretary</b>

### EXECUTIVE COMMITTEE

**Munaf Ibrahim**  
**Ali J. Siddiqui**  
**Ali Raza Siddiqui**

### EXECUTIVE COMPENSATION COMMITTEE

**Syed Nizam Ahmed Shah**  
**Chief Justice (R) Mahboob Ahmed**

### COMPANY SECRETARY

**Farah Qureshi**

### CHIEF FINANCIAL OFFICER

**Kamran Qadir**

### AUDITORS

**Ford Rhodes Sidat Hyder & Co.**  
Chartered Accountants

### LEGAL ADVISORS

**Bawaney & Partners**  
**Sayeed & Sayeed**

### SHARE REGISTRAR

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

### REGISTERED OFFICE

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

### WEBSITE

[www.js.com](http://www.js.com)

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## Chairman's Statement To The Shareholders

Dear Shareholder,

We are pleased to present the un-audited financial statements and results of operations of Jahangir Siddiqui & Co. Ltd. ("JSCL" or the "Company") along with consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the half year ended December 31, 2007.

During the period under review, JSCL continued to consolidate its position as Pakistan's fastest growing financial services business.

### The Economy

Pakistan's economy began the year on a positive note and has demonstrated great resilience amid continued political turmoil over the last 9 months. Despite the issues various economic indicators for FY08 still portray a healthy picture of the economy, suggesting that overall macroeconomic growth is well on track. In addition, despite rising trade deficit, the country's foreign reserves remained at a healthy US\$ 15.7 billion as of December 2007. Further, in FDI Pakistan received US\$ 2.07 billion in July-Dec 2007 as against US\$ 1.87 billion received in the same period last year, a growth of 10% year to year.

Home remittances have also lent good support to the balance of payments with US\$ 3.1 billion received during July-Dec of FY08 as against only US\$ 2.6 billion received in the corresponding period last year. On the fiscal side, tax revenues continued to grow at a decent pace with tax collection amounting to Rs. 338.5 billion during July-Nov of FY08 compared to only Rs. 296.3 billion collected in the corresponding period last year – a growth of 14% year on year. While most indicators have demonstrated good economic health, rising trade deficit which jumped to US\$ 8.2 billion in December 2007, and inflationary pressures on account of rising international commodity prices pose some concern to overall macroeconomic stability. Going forward, broad based economic reforms should maintain an upward momentum in tax collections and foreign inflows, ensuring twin imbalances on the fiscal and external fronts stay largely in check.

### Equity Markets

In the first half of the calendar year (Jan-Jun 2007), the market had given an impressive return of 37%. However, in the second half of 2007 the KSE-100 index only rose by 2%. Issues related to political instability in the backdrop of reinstatement of the Supreme Court Chief Justice, presidential election, imposition of emergency and assassination of Ms Bhutto mainly explained the market dullness in the latter part of the year. Foreign funds' interest also subsided in the Pakistani market as there was an inflow of only US\$ 73 million during Jul-Dec 2007 as compared to US\$ 700 million foreign inflow during Jan-Jun 2007. Amongst the various sectors, Banks and Insurance were the market outperformers, rising by 13.2% and 37.5%, respectively. Moreover, M&A (Mergers & Acquisitions) activities in banks further augmented investors' confidence. Insurance sector performed well owing to higher expected earnings as companies in the sector are likely to book huge capital gains.

### Debt Markets

Debt issuance remained brisk in the economy during the period under review as more companies sought to take advantage of the low interest spreads prevalent in the market. The growing mutual fund and insurance industries continued to fuel demand for corporate bonds and the new Islamic banks came on stream with a number of Sukuks offerings given strong demand in this sub sector. We expect these increased bond issuances continue for the remainder of the next fiscal year.

## **Business Overview**

JSCL is a financial services Holding Company, that also makes long term investments in growing public companies in Pakistan and engages in principal trading activities. Our financial services business comprises investments in companies in three operating areas: banking, insurance and other financial services.

## **Performance of Key Investments**

### **Banking**

#### **JS Bank Ltd.**

In compliance with the requirements of State Bank of Pakistan, JS Bank successfully issued 50% right shares at par amounting to Rs. 1,702 million during the period under review. Further JS Bank is now strengthening its branch network and three new branches were opened during six months from July – Dec 2007. The total number of branches of JS Bank is 9 as compared to 6 branches as on June 30, 2007. With the improving macro environment, we expect this performance to continue.

JS Bank continues to grow its branch network and assets rapidly, and is expanding the suite of services that it offers.

#### **BankIslami Pakistan Ltd.**

Our investment in BankIslami Pakistan Ltd. continue to perform well. Over 20 branches were opened during the period under review more than doubling the network to 34. Deposits doubled during the period and the liability side performed well. The rapid branch expansion plan will continue next year and deposit mobilization is envisioned to remain strong.

### **Insurance**

For the period under review EFU General Insurance Ltd., EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd. continued their earnings growth. Though final results are still pending, the EFU companies are continuing their leadership as Pakistan's largest insurance group and are consolidating their number one position in the insurance sector as the industry leader in terms of premium income and therefore market share in the insurance business.

### **Non Bank Financial Services**

#### **JS Global Capital Ltd.**

JS Global Capital's ("JSGC") business remains strong and the company has distributed 100% dividends out of the profits for the year ended June 30, 2007. JSGC has capitalised Rs. 119 million in the form of 50% fully paid bonus shares. It continues to have a strong earnings performance for the current fiscal year.

#### **JS Investments Ltd.**

JS Investments (formerly JS ABAMCO) continues along its plan to introduce new funds into the market, and sign distribution agreements with a number of international financial institutions.

During the six months under review, JS Investments floated a new fund, namely, the JS Capital Protected Fund III and closed the seed financing of JS Aggressive Income Fund in collaboration with ABN Amro Bank. Additionally, JS Investments pension product offered jointly with Standard Chartered Bank (Pakistan) Ltd. and EFU Life Assurance Ltd. is now off the ground.



## **Financial Results**

The Board is pleased to report a profit after tax of Rs. 7,450 million for the half year ended December 31, 2007 as compared to a net loss of Rs. 192 million for the same period last year. Operating revenue was significantly higher increasing to Rs. 8,222 million as compared to Rs. 221 million in the corresponding period last year. At the same time, operating expenses for the half year increased to Rs. 308 million from Rs. 85 million.

## **Bonus Shares**

The Directors declared the issue of fully paid Bonus Shares in the ratio of 1.5974026 to one i.e. 159.74026 %. For this purpose a sum of Rs. 1,230 million will be allocated from the free reserves of the Company and applied to the issuance of 123 million fully paid Ordinary Shares.

## **Net Asset Value of Underlying Holdings**

A key measure of our business performance is the underlying net asset value of our investment holdings.

The net asset value of the Company as at December 31, 2007 was Rs. 17.132 billion (US\$ 279.26 million)<sup>1</sup>.

As at December 31, 2007, the unrealised gain on our listed investment portfolio stood at Rs. 16.75 billion (US\$ 273 million). This amount is in excess of the reported book value of the Company.

## **Credit Rating**

The Directors are pleased to inform you that The Pakistan Credit Rating Agency Ltd. (PACRA) had maintained the long term rating of the Company at "AA+" (Double A plus) and a short term rating of "A1+" (A one plus) respectively during the financial year. The long-term rating denotes a very low expectation of credit risk and indicates a very strong capacity for timely payment of financial commitments. The short term rating indicates that obligations are supported by the highest capacity repayment.

## **Acknowledgement**

We would like to express our gratitude to our clients and business partners for their continued patronage of the Company and to our management and employees for their dedication and hard work.

We would also like to acknowledge the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Federal Board of Revenue for their efforts to strengthen and develop the financial markets.

For and on behalf of the  
Board of Directors

**Mazharul Haq Siddiqui**  
Chairman

Karachi: January 12, 2008

<sup>1</sup>An exchange rate of Rs. 61.35 per US \$ is assumed throughout this document.

## **Report To The Members On Review Of Interim Condensed Financial Information**

### **Introduction**

We have reviewed the accompanying interim condensed balance sheet of **JAHANGIR SIDDIQUI & COMPANY LTD.** as of **December 31, 2007** and the related interim condensed profit and loss account, and interim condensed statements of cash flows and changes in equity, together with the notes forming part thereof (herein after referred to as “interim financial information”) for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

Karachi: January 12, 2008

**FORD RHODES SIDAT HYDER & CO.**  
**CHARTERED ACCOUNTANTS**



## Interim Condensed Balance Sheet

As at December 31, 2007

	Note	December 31, 2007 (Un-Audited)	June 30, 2007 (Audited)
..... (Rupees in 000') .....			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	4	52,408	58,495
Investment properties		4,011	4,332
Stock exchange membership cards and room		12,201	12,201
Long term investments	5	15,375,696	6,165,311
Long term loans, advances and other receivables		2,500	2,605
Long term security deposits		2,494	2,494
		<b>15,449,310</b>	<b>6,245,438</b>
<b>Current Assets</b>			
Loans and advances		7,129	323,281
Short term investments	6	12,668,244	7,648,302
Investments held for sale	7	15,962	-
Trade debts		-	24,593
Prepayments, accrued mark-up and other receivables		20,452	200,517
Taxation – net		19,757	-
Cash and bank balances		31,709	1,159,054
		<b>12,763,253</b>	<b>9,355,747</b>
		<b>28,212,563</b>	<b>15,601,185</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	8	770,000	1,050,000
Reserves		16,362,401	7,227,328
Shareholders' equity		<b>17,132,401</b>	<b>8,277,328</b>
<b>Non-Current Liability</b>			
Long term financing	9	3,799,469	3,729,413
<b>Current Liabilities</b>			
Trade and other payables		393,272	1,571,239
Accrued interest / mark-up on borrowings		191,076	87,946
Short term borrowings	10	6,538,836	1,683,775
Current portion of long term financing		157,509	250,740
Taxation – net		-	744
		<b>7,280,693</b>	<b>3,594,444</b>
<b>CONTINGENCY AND COMMITMENTS</b>			
	11	<b>28,212,563</b>	<b>15,601,185</b>

The annexed notes 1 to 20 form an integral part of these financial statements.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Interim Condensed Profit and Loss Account

For the Half Year Ended December 31, 2007  
(Un-Audited)

Note	Half Year Ended		Quarter Ended	
	December 31 2007	December 31 2006	December 31 2007	December 31 2006
..... (Rupees in '000) .....				
<b>CONTINUING OPERATIONS</b>				
<b>INCOME</b>				
Return on investments	169,672	90,964	20,801	30,440
Gain on sale of investments	6,523,593	61,034	6,446,781	48,823
Income from long-term loans and fund placements	-	5,469	-	2,720
Fee and commission	14,089	22,970	138	7,722
Other income	13,393	5,328	6,848	1,936
Gain on revaluation of investments at fair value through profit and loss - net	1,501,165	34,817	1,463,725	82,070
	8,221,912	220,582	7,938,293	173,711
<b>EXPENDITURE</b>				
Operating and administrative expenses	307,518	85,179	261,059	39,352
Finance cost	446,762	291,566	231,861	148,928
Provision for impairment against investments in subsidiaries, associates and joint ventures	13,691	24,567	12,791	16,343
	767,971	401,312	505,711	204,623
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	7,453,941	(180,730)	7,432,582	(30,912)
<b>TAXATION</b>				
- Current	3,443	4,914	843	4,703
- Prior	-	(56)	-	(56)
	3,443	4,858	843	4,647
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	7,450,498	(185,588)	7,431,739	(35,559)
<b>DISCONTINUED OPERATION</b>				
Loss for the period from discontinued operations	-	(6,227)	-	(5,997)
<b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAXATION</b>	7,450,498	(191,815)	7,431,739	(41,556)
..... (Rupees) .....				
<b>Earnings / (loss) per share:</b>				
<b>Continuing Operations</b>				
- Basic and diluted	102.32	(2.67)	102.24	(0.53)
<b>Discontinued Operation</b>				
- Basic and diluted	-	(0.09)	-	(0.09)

The annexed notes 1 to 20 form an integral part of these financial statements.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Interim Condensed Cash Flow Statement For the Half Year Ended December 31, 2007 (Un-Audited)

Note	Half Year Ended	
	December 31 2007	December 31 2006
	..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	7,453,941	(186,893)
Adjustments for :		
Depreciation	9,021	4,641
Profit on sale of property and equipment	(325)	(925)
Interest income from defence savings certificates	(354)	(300)
Gain on revaluation of investments at fair value through profit and loss - net	(1,501,165)	(34,817)
Provision for impairment against investments in subsidiaries, associates and joint ventures	13,691	24,567
Finance cost	446,762	299,614
	<u>(1,032,370)</u>	<u>292,780</u>
Operating profit before working capital changes	6,421,571	105,887
(Increase)/decrease in operating assets :		
Loans and advances	80,434	2,844
Short term investments	(3,336,350)	277,003
Trade debts	24,593	-
Prepayments, accrued mark-up and other receivables	180,065	6,295
Fund placements – net	-	201,551
Long term loans, advances and other receivables	105	(75)
	<u>(3,051,153)</u>	<u>487,618</u>
Decrease in trade and other payables	<u>(1,201,263)</u>	<u>(13,004)</u>
Net cash generated from operations	2,169,155	580,501
Mark-up paid	(341,437)	(251,013)
Taxes paid	(23,944)	(5,301)
Dividend paid	<u>(106,492)</u>	<u>(86,805)</u>
Net cash inflow from operating activities	1,697,282	237,382
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(2,613)	(37,109)
Proceeds from sale of property and equipment	325	925
Investments acquired - net	<u>(7,652,030)</u>	<u>(4,532)</u>
Net cash used in investing activities	(7,654,318)	(40,716)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (redemption)/issue of term finance certificates - net	<u>(25,370)</u>	968,693
Proceeds from issue of preference shares - net	-	431,096
Securities sold under repurchase agreements - net	512,138	(900,096)
Net cash inflow from financing activities	486,768	499,693
Net (decrease)/increase in cash and cash equivalents	<u>(5,470,268)</u>	<u>696,359</u>
Cash and cash equivalents at beginning of the period	(524,721)	(2,935,170)
Cash and cash equivalents at end of the period	<u>(5,994,989)</u>	<u>(2,238,811)</u>

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The annexed notes 1 to 20 form an integral part of these financial statements.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive

## Interim Condensed Statement of Changes in Equity

For the Half Year Ended December 31, 2007  
(Un-Audited)

	Issued, subscribed and paid-up capital		Reserves				Total
	Ordinary share capital	Preference shares - Class 'A'	Capital	Revenue		Other	
			Ordinary share premium	General	Unappropriated profit	Unrealised gain on revaluation of available for sale investments-net	
	(Rupees in '000)						
<b>Balance as at July 1, 2006</b>	350,000	-	475,505	1,500,000	1,343,311	1,712,886	5,381,702
Net effect of revaluation of available for sale investments to fair value	-	-	-	-	-	367,495	367,495
Issue of share capital 7% Class A Preference Share	-	431,096	-	-	-	-	431,096
Loss after taxation for the period	-	-	-	-	(191,815)	-	(191,815)
Appropriations declared for the year ended June 30, 2006:							
- Transfer to general reserve	-	-	-	1,000,000	(1,000,000)	-	-
- Proposed dividend @ Rs. 2.5 per share	-	-	-	-	(87,500)	-	(87,500)
<b>Balance as at December 31, 2006</b>	<b>350,000</b>	<b>431,096</b>	<b>475,505</b>	<b>2,500,000</b>	<b>63,996</b>	<b>2,080,381</b>	<b>5,900,978</b>
<b>Balance as at July 1, 2007</b>	350,000	700,000	475,505	2,500,000	2,488,592	1,763,231	8,277,328
Net effect of revaluation of available for sale investments to fair value	-	-	-	-	-	1,534,363	1,534,363
Profit after taxation for the period	-	-	-	-	7,450,498	-	7,450,498
Appropriations for the year ended June 30, 2007:							
- Issue of bonus shares @ 100 percent	350,000	-	(350,000)	-	-	-	-
- Dividend @ Rs. 2.5 per ordinary share	-	-	-	-	(87,500)	-	(87,500)
- Preference dividend @ 7% per annum	-	-	-	-	(26,984)	-	(26,984)
Conversion of preference shares into ordinary shares in the ratio of 10:1	70,000	(700,000)	630,000	-	-	-	-
Appropriations during the period:							
- Final preference dividend @ 7% per annum	-	-	-	-	(15,304)	-	(15,304)
<b>Balance as at December 31, 2007</b>	<b>770,000</b>	<b>-</b>	<b>755,505</b>	<b>2,500,000</b>	<b>9,809,302</b>	<b>3,297,894</b>	<b>17,132,401</b>

The annexed notes 1 to 20 form an integral part of these financial statements.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



## Notes To The Interim Condensed Financial Statements For the Half Year Ended December 31, 2007 (Un-Audited)

### 1. THE COMPANY AND ITS OPERATIONS

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

### 2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited but subject to limited scope review by the auditors. These are required to be presented to the shareholders under Section 245 of the Ordinance and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting". The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2007.

### 3. ACCOUNTING POLICIES

The accounting policies followed for the preparation of these interim condensed financial statements are the same as those applied in preparing the annual financial statements of the Company for the year ended June 30, 2007. During the current period, in addition to the above referred accounting policies, the following accounting policy was adopted by the Company.

#### 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 the lower of carrying amount and fair value less costs to sell.

### 4. PROPERTY AND EQUIPMENT

The details of additions and disposals during the half year ended December 31, 2007 are as follows:

	December 31 2007 (Un-audited)	June 30, 2007 (Audited)
	..... (Rupees in '000) .....	
<b>Additions – cost</b>		
Leasehold improvements	-	18,147
Office equipment	469	19,077
Office furniture and fixtures	-	12,387
Motor vehicles	2,144	9,783
	<u>2,613</u>	<u>59,394</u>
<b>Disposals – cost</b>		
Office premises - leasehold	-	16,936
Office equipment	-	27,209
Office furniture and fixtures	-	4,953
Motor vehicles	560	5,214
	<u>560</u>	<u>54,312</u>

	Note	December 31 2007 (Un-audited) ..... (Rupees in '000) .....	June 30, 2007 (Audited)
<b>5. LONG TERM INVESTMENTS</b>			
<b>Related parties</b>			
Investment in subsidiaries	5.1	2,715,068	1,201,336
Investment in associates	5.2	8,470,907	2,523,083
Investment in joint ventures		-	15,962
Other related parties	5.3	4,115,445	2,351,007
		15,301,420	6,091,388
<b>Other investments</b>			
		74,276	73,923
		<b>15,375,696</b>	<b>6,165,311</b>

**5.1 Investment in subsidiaries – at cost**

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

Number of shares			Holding		(Un-audited)	(Audited)	
December 31, 2007	June 30, 2007	Note	December 31, 2007 %	June 30, 2007 %	December 31, 2007 ..... (Rupees in '000) .....	June 30, 2007	
<b>Quoted</b>							
293,238,784	172,521,177	JS Bank Ltd. Market value Rs. 6,407.26 (June 30, 2007: Rs. 3,321.03) million	5.1.1	57.43	50.68	1,576,817	156,932
52,823,617	52,023,617	JS Investments Ltd. (formerly JS ABAMCO Ltd.) Market value Rs. 4,013.62 (June 30, 2007: Rs. 3,844.54) million		52.82	52.02	165,640	165,640
<b>Unquoted *</b>							
73,736,250	72,236,250	JS Infocom Ltd. Net assets value of Rs. 597.05 (June 30 2007: Rs. 606.09) million Provision for impairment	5.1.2	100.00	97.97	788,490 (90,352) 618,138	696,445 (90,352) 606,093
10,000	10,000	JS International Ltd. Ordinary shares of US \$ 1 each having net assets value of Rs. 264.47 (March 31, 2007: Rs. 272.67) million based on financial statements for the period ended September 30, 2007. Provision for impairment		100.00	100.00	294,882 (30,409) 264,473	294,882 (22,211) 272,671
900,000	-	Credit Chex (Private) Ltd. Ordinary shares of Rs.100 each having net assets value of Rs.32.80 million (June 30 2007: Rs. Nil)	5.1.3	75.00	-	90,000	-
						<b>2,715,068</b>	<b>1,201,336</b>

\* Net assets values are based on un-audited financial statements for the period ended December 31, 2007 unless stated otherwise.

**5.1.1** During the period, JS Bank Ltd. (JSBL) offered 50% Right Shares to its shareholders. Accordingly, the shareholders of the Company in their Extraordinary General Meeting held on November 24, 2007 approved investment in 86,260,588 ordinary shares of Rs. 10/- each of JSBL by way of right shares subscription and a further investment of Rs. 600 million for acquiring unsubscribed rights/purchase of Ordinary shares from open market at negotiated price / prevailing market price.

**5.1.2** During the period, the Company has acquired remaining share capital of JS Infocom Ltd. resulting in 100% holding in subsidiary company.

**5.1.3** During the period, Credit Chex (Private) Ltd. (CCPL) issued 900,000 Ordinary shares of Rs.100/- each to the Company in respect of advance against share capital. CCPL is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 on May 16, 2006. The purpose of setting up of CCPL is to provide credit information and credit rating services.



## 5.2 Investment in associates – at cost

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

Number of shares			Holding		(Un-audited)	(Audited)
December 31, 2007	June 30, 2007		December 31, 2007 %	June 30, 2007 %	December 31, 2007 ..... (Rupees in '000) .....	June 30, 2007 .....
<b>Quoted</b>						
15,524,994	10,349,996	JS Global Capital Ltd. Market value Ra. 6,150.22 (June 30, 2007: Ra. 4,533.30) million.	43.47	43.47	99,000	99,000
6,245,198	3,000,000	Network Microfinance Bank Ltd. Market value Ra. 52.46 (June 30, 2007: Ra. 25.50) million Provision for impairment	41.63	30.00	62,452 (9,992) 52,460	30,000 (4,500) 25,500
74,185,000	76,185,327	Argard Nine Ltd. Market value Ra.3,356.87 (June 30, 2007: Ra. 4,022.58) million	23.72	24.36	2,665,767	1,888,323
11,238,812	11,238,812	JS Value Fund Ltd. (formerly BSJS Balanced Fund Ltd.) Market value Ra. 158.46 (June 30, 2007: Ra. 134.43) million	9.48	9.48	135,566	135,566
11,007,100	11,007,163	EFU Life Assurance Ltd. Market value Ra.6,811.74 (June 30, 2007: Ra. 2,971.93) million	22.01	22.01	5,510,614	367,194
<b>Unquoted</b>						
750,000	750,000	EFU Services (Private) Ltd. Net assets value of Ra. 7.53 (June 30, 2007: Ra. 7.53) million	37.50	37.50	7,500	7,500
					<b>8,470,907</b>	<b>2,523,083</b>

\* Net assets values are based on un-audited financial statements for the period ended December 31, 2007 unless stated otherwise.

## 5.3 Other related parties – Available for sale - at fair value

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

Number of shares			Note	Holding		(Un-audited)	(Audited)
December 31, 2007	June 30, 2007			December 31, 2007 %	June 30, 2007 %	December 31, 2007 ..... (Rupees in '000) .....	June 30, 2007 .....
9,000,000	9,000,000	Eye Television Network Ltd.		18.00	18.00	570,600	449,100
78,750,000	37,500,000	BankIslami Pakistan Ltd.	5.3.1	18.75	12.61	1,275,750	560,625
5,542,488	5,542,488	EFU General Insurance Ltd.		5.54	5.54	2,269,095	1,341,282
						<b>4,115,445</b>	<b>2,351,007</b>

5.3.1 This includes 22,500,000 right shares of Rs.10/-each allotted during the period to the Company by BankIslami Pakistan Ltd. (the Bank) pursuant to the withdrawal of case in the Honourable High Court of Sindh, as disclosed in note 22.1 to the financial statements of the Company for the year ended June 30, 2007. As a result, the Company's holding in the Bank has increased from 12.61% to 18.75%. Further, during the period, the Bank offered 31.25% Right Shares to its shareholders. Accordingly, the shareholders of the Company in their Extraordinary General Meeting held on November 24, 2007 approved investment in 18,750,000 ordinary shares of Rs. 10/- each of the Bank by way of right shares' subscription and a further investment of Ra. 500 million for acquiring unsubscribed rights/purchase from open market at negotiated price / prevailing market price.

## 6. SHORT TERM INVESTMENTS

Assets at fair value through profit or loss

Listed equity securities

- Related parties

- Others

Term finance certificates

Open-end fund units

Available for sale

Listed securities

- Related parties

- Others

Unlisted equity securities - at cost

	December 31, 2007 (Un-audited)	June 30, 2007 (Audited)
	..... (Rupees in '000) .....	
- Related parties	6,114,078	3,431,206
- Others	3,860,351	2,211,824
Term finance certificates	751	804
Open-end fund units	1,748,277	1,280,175
	<b>11,723,457</b>	<b>6,924,009</b>
- Related parties	545,181	330,067
- Others	377,239	394,226
Unlisted equity securities - at cost	22,367	-
	<b>944,787</b>	<b>724,293</b>
	<b>12,668,244</b>	<b>7,648,302</b>

	December 31, 2007 (Un-audited)	June 30, 2007 (Audited)
	..... (Rupees in '000) .....	
<b>7. INVESTMENTS HELD FOR SALE</b>		
<b>In joint ventures</b>		
DCD Factors (Private) Ltd.	18,067	-
Provision for impairment	(3,596)	-
	14,471	-
 DCD Factors Inc.	 1,491	 -
	<u>15,962</u>	<u>-</u>

During the period, the Board of Directors of the Company in their meeting held on October 26, 2007 decided to dispose off investments in DCD Factors (Private) Ltd. [formerly DCD JS Factors (Private) Ltd.] and DCD Factors Inc. [formerly DCD JS Factors Inc.]. Accordingly, investments in these joint ventures have been classified as 'held for sale'.

**8. SHARE CAPITAL**

**8.1 Authorised capital**

December 31, 2007	June 30, 2007		December 31, 2007 (Un-audited)	June 30, 2007 (Audited)
Number of shares			..... (Rupees in '000) .....	
6,000,000,000	50,000,000	Ordinary shares of Rs.10 each	60,000,000	500,000
500,000,000	100,000,000	Preference shares of Rs. 10 each	5,000,000	1,000,000
<u>6,500,000,000</u>	<u>150,000,000</u>		<u>65,000,000</u>	<u>1,500,000</u>

During the period, the shareholders of the Company in their Sixteenth Annual General Meeting held on September 29, 2007 passed a special resolution to increase the Authorised Share Capital of the Company.

**8.2 Issued, subscribed and paid-up capital**

December 31, 2007	June 30, 2007	Note	(Un-audited) December 31, 2007	(Audited) June 30, 2007
Number of shares			..... (Rupees in '000) .....	
		Ordinary shares of Rs.10/- each:		
30,387,500	23,387,500	Fully paid in cash	303,875	233,875
46,612,500	11,612,500	Fully paid bonus shares	466,125	116,125
-	70,000,000	Fully paid 7% Class 'A' Preference shares of Rs. 10 each	-	700,000
<u>77,000,000</u>	<u>105,000,000</u>		<u>770,000</u>	<u>1,050,000</u>

**8.2.1** The Shareholders of the Company in their Sixteenth Annual General Meeting held on September 29, 2007 approved 100% bonus issue i.e. one new Ordinary share for every Ordinary share held by those Ordinary Shareholders of the Company who were registered in the books of the Company as per the entitlement list provided by the Central Depository Company of Pakistan Limited at the close of business on September 20, 2007. Subsequent to the period end, these bonus shares have been issued to the Ordinary Shareholders of the Company as per their entitlement.

**8.2.2** On June 30, 2007, the Company exercised its right to convert all 70 Million Class "A" Preference shares into Ordinary shares of Rs. 10/- each at a conversion premium of Rs. 90/- i.e. at a total conversion price of Rs.100/- for each Ordinary share.

Accordingly, each holder of Class "A" Preference shares is issued one fully paid up Ordinary share of the Company for every ten Class "A" Preference shares i.e. in the ratio of 10:1. Such Ordinary shares after being issued shall rank pari passu in all respects with the other Ordinary shares issued by the Company.

**9. LONG TERM FINANCING**

During the period, the Company issued privately placed Term Finance Certificates (TFCs) amounting to Rs. 1,250 million. The profit on these TFCs is payable semi-annually, based on a six months' average KIBOR 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 a 30 days notice at a premium of 1.00% on the outstanding face value. Transaction costs associated with the issue of TFCs, amounting to Rs. 6.875 million, are included in the initial measurement of the financial liability and have been amortised over the life of TFCs using effective interest method.



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 No Objection Certificate for creation of pari passu floating charges in favour of other creditors, so long as and to the extent that the value of the movable assets of the Company included in the floating charge exceeds 133% of the total liabilities secured by the floating charge in favour of the TFC holders.

	Note	December 31, 2 0 0 7 (Un-audited) ..... (Rupees in '000) .....	June 30, 2 0 0 7 (Audited)
<b>10. SHORT TERM BORROWINGS</b>			
Securities sold under repurchase agreements		512,138	-
Short term running finance under mark-up arrangements	10.1	6,026,698	1,683,775
		<u>6,538,836</u>	<u>1,683,775</u>
<b>10.1</b> Represents total facilities of running finance aggregating to Rs. 7,350 (June 30, 2007: 5,600) million from commercial banks for one year and are renewable. The rate of mark-up ranges between 10.07% and 12.42% (June 30, 2007: 11.03% and 12.55%) per annum on a daily product basis. These arrangements are secured by pledge of marketable securities. The unavailed aggregate facility of running finances amounted to Rs. 1,323 (June 30, 2007: 3,916) million at the period end.			
<b>11. CONTINGENCY AND COMMITMENTS</b>			
<b>11.1 Contingency</b>			
No contingency exists as at the balance sheet date.			
<b>11.2 Commitments</b>			
Commitments in respect of:			
- Underwriting of shares		<u>333,333</u>	-
- Preference dividend		<u>-</u>	<u>28,326</u>
<b>12. OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Included herein is a sum of Rs.118.987 million, representing donation accrued as payable to Mahvash and Jahangir Siddiqui Foundation (formerly Siddiqui Foundation) in which Mr. Ali J. Siddiqui 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.			
<b>13. TAXATION</b>			
The income tax assessments of the Company upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalised. Income tax returns for the tax years 2003, 2004, 2005 and 2006 have been filed on self-assessment basis and are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001. Further the Company has assessed and un-assessed carry forward tax losses aggregating to Rs.1,702.11 (June 30, 2007: 1,476.82) million. However, the Company has not recorded deferred tax asset in view of uncertainty about the availability of taxable profits in the future against which such losses can be utilised.			
<b>14. SEGMENT INFORMATION</b>			
For management purposes, the Company is organised into following major business segments:			
<b>CONTINUED:</b>			
<b>Capital market operations</b>	Principally engaged in trading of equity securities and maintaining strategic and trading portfolios.		
<b>Others</b>	Other operations of the Company comprise of underwriting and consultancy services.		
<b>DISCONTINUED:</b>			
<b>Fixed income operations</b>	Principally engaged in fixed income trading and management of the Company's funding operations by use of government securities and placements. The Company, effective December 30, 2006, had discontinued its fixed income operations.		
The operating results of continuing and discontinued operations were as follows:			



	CONTINUING		DISCONTINUED	TOTAL
	Capital Market Operations	Others	Fixed Income Operation	
..... (Rupees in '000) .....				
<b>Segment results for the half year ended December 31, 2007</b>				
Return on investments	169,318	-	-	169,318
Gain on sale of investments	6,523,593	-	-	6,523,593
Fee and commission	-	14,089	-	14,089
Gain on revaluation of investments at fair value through profit and loss - net	1,501,165	-	-	1,501,165
Unallocated revenue	-	-	-	13,747
	<b>8,194,076</b>	<b>14,089</b>	<b>-</b>	<b>8,221,912</b>
Operating and administrative expenses	268,597	793	-	269,390
Finance cost	446,762	-	-	446,762
Provision for impairment against investments in subsidiaries, associates and joint ventures	13,691	-	-	13,691
	<b>729,050</b>	<b>793</b>	<b>-</b>	<b>729,843</b>
Segment results	7,465,026	13,296	-	7,492,069
Unallocated expenditure	-	-	-	(38,128)
Profit before taxation	7,465,026	13,296	-	7,453,941
Taxation:				
Segment	1,876	1,400	-	3,276
Unallocated revenue	-	-	-	167
	<b>1,876</b>	<b>1,400</b>	<b>-</b>	<b>3,443</b>
Net profit after taxation for the period	<b>7,463,150</b>	<b>11,896</b>	<b>-</b>	<b>7,450,498</b>
<b>Segment results for the half year ended December 31, 2006</b>				
Return on investments	90,665	-	3,303	93,968
Gain on sale of investments	61,034	-	8,274	69,308
Income from long-term loans and fund placements	2,597	-	3,002	5,599
Fee and commission	-	22,970	-	22,970
Gain on revaluation of investments at fair value through profit and loss - net	34,817	-	-	34,817
Unallocated revenue	-	-	-	8,499
	<b>189,113</b>	<b>22,970</b>	<b>14,579</b>	<b>235,161</b>
Operating and administrative expenses	58,389	1,350	12,694	72,433
Finance cost	291,566	-	8,048	299,614
Provision for impairment against investments in subsidiaries, associates and joint ventures	24,567	-	-	24,567
	<b>374,522</b>	<b>1,350</b>	<b>20,742</b>	<b>396,614</b>
Segment results	(185,409)	21,620	(6,163)	(161,453)
Unallocated expenditure	-	-	-	(25,440)
(Loss) / profit before tax	(185,409)	21,620	(6,163)	(186,893)
Taxation:				
Segment	3,778	907	64	4,749
Unallocated revenue	-	-	-	229
Prior period	-	-	-	(56)
	<b>3,778</b>	<b>907</b>	<b>64</b>	<b>4,922</b>
Net (loss) / profit after taxation for the period	<b>(189,187)</b>	<b>20,713</b>	<b>(6,227)</b>	<b>(191,815)</b>



#### 15. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

	Half Year Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	..... (Un-audited) .....			
	..... (Rupees in '000) .....			
Profit / (loss) after taxation from continuing operations	7,450,498	(185,588)	7,431,739	(35,559)
Less: Cumulative preference dividend on convertible preference shares	(15,304)	(1,571)	(2,953)	(1,571)
Profit after taxation attributable to Ordinary shareholders from continuing operations	7,435,194	(187,159)	7,428,786	(37,130)
Loss after taxation attributable to Ordinary shareholders from discontinued operations	-	(6,227)	-	(5,997)
	7,435,194	(193,386)	7,428,786	(43,127)
	..... (Number in '000) .....			
<b>Weighted average number of Ordinary shares</b>				
Number of Ordinary shares outstanding during the period	72,663	70,000	72,663	70,000
Convertible preference shares	-	4,311	-	4,311
Weighted average number of Ordinary shares adjusted for the effect of dilution	72,663	74,311	72,663	74,311
	..... (Rupees) .....			
<b>Earnings / (loss) per share:</b>				
<b>Basic and diluted</b>				
- from continuing operations	102.32	(2.67)	102.24	(0.53)
- from discontinued operation	-	(0.09)	-	(0.09)

December 31, December 31,  
2007 2006  
..... (Un-audited) .....

#### 16. CASH AND CASH EQUIVALENTS

Cash and bank balances	31,709	46,275
Short term running finances under mark-up arrangements	(6,026,698)	(2,285,086)
	(5,994,989)	(2,238,811)

#### 17. RELATED PARTY TRANSACTIONS

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

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

	Half Year Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	..... (Un-audited) .....			
	..... (Rupees in '000) .....			
Brokerage expense	9,416	3,191	6,547	2,833
Purchase of money market instruments	-	43,325	-	-
Sale of money market instruments	-	101,420	-	-
Mark-up on loan to a subsidiary	-	2,857	-	1,130
Return on investments in related parties	145,237	33,206	145,237	24,748
Rental income	10,152	2,315	5,076	766
Rent expense	3,120	2,902	1,560	1,451
Proceeds from sale of fixed assets	325	415	-	415
Advisory fee and commission income	14,085	24,157	134	5,697
Loan repaid by a subsidiary	-	35,663	-	35,663
Investment in related parties	1,655,051	-	1,643,006	-
Advance against term finance certificates and share subscription	-	327,000	-	15,000
Bonus shares received from related parties (Number of shares)	8,421,918	26,011,806	8,421,918	26,011,806

	Half Year Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	..... (Un-audited) .....			
	..... (Rupees in '000) .....			

**Key management personnel:**

Remuneration to Chief Executive Officer	2,974	2,794	1,590	1,397
Remuneration to Executives	8,317	5,920	3,440	3,156
Advisory fee to a director	3,000	3,000	1,500	1,500

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

**18. APPROPRIATIONS**

In the meeting held on January 12, 2008, the Board of Directors of the Company, in addition to the following appropriations, announced the issue of fully paid interim bonus shares in the ratio of 1.5974026 (June 30, 2007: 1.00) Ordinary Shares for every one Ordinary Share held by the Shareholders i.e. @ 159.74026% (June 30, 2007: 100.00%).

	(Un-audited) December 31, 2007	(Audited) June 30, 2007	(Un-audited) December 31, 2007	(Audited) June 30, 2007
	..... (Rupees per share) .....		..... (Rupees in '000) .....	
Cash dividend	-	2.50	-	87,500
Preferred dividend	-	0.40	-	28,326
Transfer to general reserve			7,500,000	-
			<u>7,500,000</u>	<u>115,826</u>

**19. DATE OF AUTHORISATION FOR ISSUE**

These interim condensed financial statements were authorised for issue by the Board of Directors in its meeting held on January 12, 2008.

**20. GENERAL**

**20.1** Figures have been rounded off to the nearest thousand rupees.

**20.2** Figures for the quarter ended December 31, 2007 and the corresponding figures for the quarter ended December 31, 2006 as reported in these interim condensed financial statements have not been subject to limited scope review by the external auditors.

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive



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INTERIM CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS

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## Interim Condensed Consolidated Balance Sheet As at December 31, 2007

	Note	December 31, 2007 (Un-Audited)	June 30, 2007 (Audited)
..... (Rupees in '000) .....			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	4	667,325	568,421
Intangible assets		983,743	851,832
Investment properties		4,011	4,332
Stock exchange membership cards and room		33,201	33,201
Long term investments	5	15,038,527	7,613,096
Long term loans, advances and other receivables		79,005	82,382
Long term deposits		2,537	2,494
		16,808,349	9,155,758
<b>Current Assets</b>			
Short term investments	6	21,958,683	13,006,027
Investments held for sale		15,788	-
Trade debts - unsecured		136,871	61,622
Loans and advances		9,108,905	5,376,046
Accrued markup		122,676	70,354
Deposits, prepayments and other receivables		419,070	660,602
Fund placements		1,499,786	5,680,640
Taxation - net		160,135	105,339
Cash and bank balances		1,599,029	2,843,056
		35,020,943	27,803,686
		<b>51,829,292</b>	<b>36,959,444</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	7	770,000	1,050,000
Reserves		19,177,670	10,756,535
Equity attributable to equity holders' of the parent		19,947,670	11,806,535
Minority Interest		2,966,831	2,488,944
Total equity		22,914,501	14,295,479
<b>Non-Current Liabilities</b>			
Long term financing	8	4,488,835	4,444,299
Deposits and other accounts		228,730	228,000
Deferred tax liability		12,264	8,458
		4,729,829	4,680,757
<b>Current Liabilities</b>			
Trade and other payables	9	1,419,318	2,663,039
Accrued interest / mark-up on borrowings		601,347	176,601
Short term borrowings		8,547,608	1,971,495
Current portion of non-current liabilities	10	13,616,689	13,172,073
		24,184,962	17,983,208
<b>CONTINGENCY AND COMMITMENTS</b>			
	11		
		<b>51,829,292</b>	<b>36,959,444</b>

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

Mazharul Haq Siddiqui  
Chairman

Munaf Ibrahim  
Chief Executive



## Interim Condensed Consolidated Profit and Loss Account

For the Half Year Ended December 31, 2007  
(Un-Audited)

Note	Half year ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	..... (Rupees in '000) .....			
<b>INCOME</b>				
Return on investments	325,722	122,229	176,414	15,104
Gain on sale of investments	5,785,467	92,939	5,687,450	66,330
Income from long term loans and fund placements	500,896	10,532	227,779	(69,602)
Fee, commission and brokerage	400,363	341,053	233,571	115,399
Other income	77,102	26,485	35,177	2,312
Gain on revaluation of investments at fair value through profit and loss - net	1,440,636	20,019	1,442,369	54,307
	8,530,186	613,257	7,802,760	183,850
<b>Share of profit/(loss) from:</b>				
- associates	467,325	18,572	302,119	13,119
- joint ventures	-	(703)	34	(1,012)
	467,325	17,869	302,153	12,107
	8,997,511	631,126	8,104,913	195,957
<b>EXPENDITURE</b>				
Operating and administrative expenses	1,028,131	334,729	677,717	101,087
Finance cost	1,102,225	354,390	545,241	89,526
Reversal of provision for impairment against investments	(359)	-	-	-
	2,129,997	689,119	1,222,958	190,613
<b>Profit/(loss) for the period before taxation</b>	6,867,514	(57,993)	6,881,955	5,344
<b>TAXATION</b>				
- Current	14,392	37,068	6,012	4,267
- Prior	-	(56)	-	(56)
- Deferred	3,134	(824)	936	(841)
	17,526	36,188	6,948	3,370
<b>Profit/(loss) for the period after taxation</b>	6,849,988	(94,181)	6,875,007	1,974
Loss/(profit) attributable to minority interest	8,966	(47,531)	(33,926)	(19,767)
	6,858,954	(141,712)	6,841,081	(17,793)
	..... (Rupees) .....			
<b>EARNINGS/(LOSS) PER SHARE</b>				
- Basic and diluted	94.06	(2.59)	94.57	(0.28)

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

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive

## Interim Condensed Consolidated Cash Flow Statement For the Half Year Ended December 31, 2007 (Un-Audited)

Note	Half year ended	
	December 31, 2007	December 31, 2006
	..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	6,867,514	(57,993)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	45,088	21,917
Amortisation on intangible assets	98,589	10,820
Profit on sale of property and equipment	(3,531)	(1,383)
Interest income from defence saving certificates	(354)	(300)
Share of profit in associates and joint ventures	(467,325)	(17,869)
Liabilities no longer payable written back	(4,264)	(10,793)
Reversal of provision for impairment in investments	(359)	-
Gain on revaluation of investments at fair value through profit and loss - net	(1,440,636)	(20,018)
Finance cost	1,102,225	354,390
	<u>(670,567)</u>	<u>336,764</u>
<b>Operating profit before working capital changes</b>	<b>6,196,947</b>	<b>278,771</b>
<b>(Increase)/decrease in operating assets :</b>		
Short term investments	(6,465,326)	(50,848)
Trade debts	(75,249)	1,061,854
Loans and advances	(3,732,859)	(1,423,049)
Long term loans, advances and other receivables	3,377	(11,267)
Long term deposits	(43)	3,308
Fund placements	4,180,854	285,887
Deposits, prepayments, accrued mark-up and other receivables	189,210	53,773
	<u>(5,900,036)</u>	<u>(80,342)</u>
<b>(Decrease)/increase in operating liabilities:</b>		
Trade and other payables	(1,266,911)	(230,594)
Deposits and other accounts	575,797	7,198,149
<b>Net cash (used in)/generated from operations</b>	<b>(394,203)</b>	<b>7,165,984</b>
Mark-up paid	(675,284)	(270,149)
Taxes paid	(68,516)	(92,635)
Dividend paid	(110,862)	(89,049)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,248,865)</b>	<b>6,714,151</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(196,161)	(394,345)
Intangible assets acquired	(231,824)	-
Proceeds from sale of property and equipment	57,345	3,032
Investment acquired - net of sale	(6,112,525)	(939,467)
<b>Net cash outflow from investing activities</b>	<b>(6,483,165)</b>	<b>(1,330,780)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Redemption)/proceeds from issue of term finance certificates - net	(25,610)	968,693
Proceeds from issue of preference shares	-	431,096
Long term loans - net of repayment	(62,500)	(191,667)
Commercial papers - net of redemption	-	(542,433)
Certificate of deposits - net of redemption	-	(2,631,426)
Securities sold under repurchase agreements	520,763	(1,075,096)
Proceeds from securitisation of future management fee	-	480,000
<b>Net cash inflow/(outflow) from financing activities</b>	<b>432,653</b>	<b>(2,560,833)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,299,377)</b>	<b>2,822,538</b>
Cash and cash equivalents at beginning of the period	871,561	(2,364,492)
<b>Cash and cash equivalents at end of the period</b>	<b>(6,427,816)</b>	<b>458,046</b>

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

**Masharuf Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive

**Interim Condensed Consolidated Statement of Changes in Equity**  
for the Half Year Ended December 31, 2007  
(Un-Audited)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							MINORITY INTEREST	TOTAL		
	Issued, subscribed and paid-up capital	Capital	Reserves			Others					
	Ordinary shares	Preference shares Class 'A'	Ordinary shares premium	General	Foreign exchange translation	Unsupplied profit	Unrealized gains on revaluation of available for sale investment - net	Hedging	Preference shares redemption		
Balance as at July 1, 2006	350,000	-	475,505	1,500,000	(212)	2,777,150	1,380,119	-	-	1,238,590	7,921,152
Issue of share capital 7% class A preference shares	-	431,096	-	-	-	-	-	-	-	-	431,096
Net effect of revaluation of available for sale investments to fair value held as at the period end	-	-	-	-	-	-	412,740	-	-	604,856	1,039,596
Net effect of translation of net assets of foreign subsidiary to reporting currency	-	-	-	-	5,337	-	-	-	-	-	5,337
Loss for the period	-	-	-	-	-	(141,712)	-	-	-	47,531	(94,181)
Appropriations declared subsequent to year ended June 30, 2006:	-	-	-	1,000,000	-	(1,000,000)	-	-	-	-	-
- Final dividend @ Rs. 2.50 per Ordinary share	-	-	-	-	-	(87,500)	-	-	-	-	(87,500)
Balance as at December 31, 2006	350,000	431,096	475,505	2,500,000	5,125	1,547,938	1,992,859	-	-	1,973,977	9,315,980
Balance as at July 1, 2007	350,000	700,000	2,016,379	2,500,000	968	4,240,430	1,732,408	241,948	25,302	2,488,944	14,295,479
Net effect of revaluation of available for sale investments to fair value held as at the year end	-	-	-	-	-	-	1,478,051	-	-	486,853	1,964,904
Net effect of translation of net assets of foreign subsidiaries to reporting currency	-	-	-	-	550	-	(3,425)	(17,645)	6,189	-	550
Share of associate	-	-	(51,751)	-	-	-	-	-	-	-	(66,632)
Profit for the period	-	-	-	-	-	6,858,954	-	-	-	(8,966)	6,849,988
Appropriations for the year ended: June 30, 2007:	-	-	(350,000)	-	-	-	-	-	-	-	-
- Issue of bonus shares @ 100%	350,000	-	(350,000)	-	-	-	-	-	-	-	-
- Final dividend @ Rs. 2.50 per Ordinary share	-	-	-	-	-	(87,500)	-	-	-	-	(87,500)
- Preferred dividend @ 7% per annum	-	-	-	-	-	(26,984)	-	-	-	-	(26,984)
Conversion of preference shares into ordinary shares in the ratio of 10:1	70,000	(700,000)	630,000	-	-	-	-	-	-	-	-
Appropriations during the period:	-	-	-	-	-	(15,304)	-	-	-	-	(15,304)
- Final preferred dividend @ 7% per annum	-	-	-	-	-	(15,304)	-	-	-	-	(15,304)
Balance as at December 31, 2007	770,000	-	2,244,628	2,500,000	1,518	18,269,596	3,287,654	223,603	31,691	2,964,831	22,914,591

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

**Manzarul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive





## Notes to the Interim Condensed Consolidated Financial Statements For the Half Year Ended December 31, 2007 (Un-Audited)

### 1. THE GROUP AND ITS OPERATIONS

- 1.1 Jahangir Siddiqui & Company 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 and investment banking and other businesses. The Group is mainly operating in Pakistan and 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 (Guarantee) Limited. The Holding Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shakra-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 intra group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiary Companies	Nature of Business	Note	Date of Acquisition	Holding (including indirect holding)	
				December 2007	June 2007
JS Investments Ltd. (formerly JS ABAMCO Ltd.)	Investment Advisor, Asset Manager and Investment Banking		July 31, 2000	52.02%	52.02%
JS Infocom Ltd.	Telecom, Media and Technology	1.2.1	August 25, 2003	100.00%	97.97%
JS International Ltd.	Investment Advisory Services		July 14, 2005	100.00%	100.00%
JS International LLP (Sub-subsidiary)	Investment Advisory Services		April 11, 2006	100.00%	100.00%
JS Bank Ltd. (JSBL)	Commercial Banking	1.2.2	December 30, 2006	57.43%	50.68%
Credit Chex (Private) Ltd.	Credit Information and Credit Rating Services	1.2.3	October 8, 2007	75.00%	-
JS ABAMCO Commodities Ltd. (Sub-subsidiary)		1.2.4	December 12, 2007	52.02%	-

- 1.2.1 During the period, the Holding Company acquired remaining share capital of JS Infocom Ltd. resulting in 100% holding in subsidiary company.
- 1.2.2 During the period, JS Bank Ltd. (JSBL) offered 50% Right Shares to its shareholders. Accordingly, the shareholders of the Holding Company in their Extraordinary General Meeting held on November 24, 2007 approved investment in 86,260,588 ordinary shares of Rs. 10/- each of JSBL by way of right shares subscription and a further investment of Rs. 600 million for acquiring unsubscribed rights/purchase of Ordinary shares from open market at negotiated price / prevailing market price.
- 1.2.3 During the period, Credit Chex (Private) Ltd. (CCPL) issued 900,000 Ordinary shares of Rs.100/-each to the Holding Company in respect of advance against share capital. CCPL is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 on May 16, 2006. The purpose of setting up of CCPL is to provide credit information and credit rating services.
- 1.2.4 JS ABAMCO Commodities Ltd. (JACL) was incorporated on September 25, 2007 as a public unlisted company and is a subsidiary company of JS Investments Ltd (subsidiary of the Holding Company). JS Investments Ltd. in its Extraordinary General Meeting dated July 5, 2007 passed a special resolution in respect of investment in the ordinary shares of JACL of Rs. 100 million. The principal activities of JACL are to deal and effectuate commodity contracts; to become member of commodity exchange including National Commodity Exchange Ltd. (NCEL) and to carry on the business as brokers, dealers and representatives of all kinds of commodity contracts and commodity backed securities.



**2. BASIS OF PREPARATION**

These interim condensed consolidated financial statements are un-audited and are required to be presented to the shareholders under Section 237(7) read with Section 245 of the Ordinance and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2007.

**3. ACCOUNTING POLICIES**

The accounting policies followed for the preparation of these interim condensed consolidated financial statements are the same as those applied in preparing the annual consolidated financial statements of the Company for the year ended June 30, 2007. During the current period, in addition to the above referred accounting policies, the following accounting policy was adopted by the Company in the preparation of these interim condensed consolidated financial statements.

**3.1 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 costs to sell.

**4. PROPERTY AND EQUIPMENT**

The details of additions in and disposals of operating assets during the period ended December 31, 2007 are as follows:

	December 31, 2007 (Un-audited)	June 30, 2007 (Audited)
	..... (Rupees in '000) .....	
<b>Additions - cost</b>		
- Office premises - leasehold	61,044	124,106
- Leasehold improvements	-	18,147
- Office equipment	43,621	132,249
- Office furniture and fixtures	49,104	71,183
- Motor vehicles	25,865	78,443
	<u>179,634</u>	<u>424,128</u>
<b>Disposals - cost</b>		
- Office premises - leasehold	347	20,251
- Office equipment	1,535	33,956
- Office furniture and fixtures	-	7,877
- Motor vehicles	34,801	34,517
	<u>36,683</u>	<u>96,601</u>

**5. LONG TERM INVESTMENTS**

**Related parties:**

- Investment in associates
- Interest in joint ventures
- Other related parties

10,652,739	5,172,378
-	15,788
<u>4,115,445</u>	<u>2,351,007</u>
14,768,184	7,539,173

**Other investments:**

- Available for sale
- Held to maturity

266,065	69,998
4,278	3,925
<u>15,038,527</u>	<u>7,613,096</u>

**6. SHORT TERM INVESTMENTS**

Investments carried at fair value through profit or loss  
Available for sale

12,172,309	7,060,867
9,786,374	5,945,160
<u>21,958,683</u>	<u>13,006,027</u>

7. During the period, the Board of directors of the Holding Company in their meeting held on October 26, 2007 decided to dispose off investments in DCD Factors (Private) Ltd. [formerly DCD JS Factors (Private) Ltd.] and DCD Factors Inc. [formerly DCD JS Factors Inc.]. Accordingly, investments in these joint ventures have been classified as 'held for sale'.

**8. SHARE CAPITAL**

**8.1 Authorised capital**

December 31, 2007	June 30, 2007		December 31, 2007 (Un-audited)	June 30, 2007 (Audited)
Number of shares			..... (Rupees in '000) .....	
6,000,000,000	50,000,000	Ordinary shares of Rs.10 each	60,000,000	500,000
500,000,000	100,000,000	Preference shares of Rs. 10 each	5,000,000	1,000,000
<u>6,500,000,000</u>	<u>150,000,000</u>		<u>65,000,000</u>	<u>1,500,000</u>

During the period, the Shareholders of the Holding Company in their Sixteenth Annual General Meeting held on September 29, 2007 passed a special resolution to increase the Authorised Share Capital of the Holding Company.

**8.2 Issued, subscribed and paid-up capital**

December 31, 2007	June 30, 2007	Note	(Un-audited) December 31, 2007	(Audited) June 30, 2007
Number of shares			..... (Rupees in '000) .....	
		Ordinary shares of Rs.10/- each:		
30,387,500	23,387,500	Fully paid in cash	303,875	233,875
46,612,500	11,612,500	Fully paid bonus shares	466,125	116,125
-	70,000,000	Fully paid 7% Class 'A' Preference shares of Rs. 10 each	-	700,000
<u>77,000,000</u>	<u>105,000,000</u>		<u>770,000</u>	<u>1,050,000</u>

- 8.2.1 The Shareholders of the Holding Company in their Sixteenth Annual General Meeting held on September 29, 2007 approved 100% bonus issue i.e. one new Ordinary share for every Ordinary share held by those Ordinary Shareholders of the Holding Company who were registered in the books of the Holding Company and the entitlement list provided by the Central Depository Company at the close of business on September 20, 2007. Subsequent to the period end, these bonus shares have been issued to the Ordinary Shareholders of the Holding Company as per their entitlement.

- 8.2.2 On June 30, 2007, the Holding Company exercised its right to convert all 70 Million Class "A" Preference shares into Ordinary shares of Rs. 10/- each at a conversion premium of Rs. 90/- i.e. at a total conversion price of Rs.100/- for each Ordinary share.

Accordingly, each holder of Class "A" Preference shares is issued one fully paid up Ordinary share of the Holding Company for every ten Class "A" Preference shares i.e. in the ratio of 10:1. Such Ordinary shares after being issued shall rank pari passu in all respects with the other Ordinary shares by the Holding Company.

**9. LONG TERM FINANCING**

During the period the Holding Company has issued privately placed Term Finance Certificates (TFCs) amounting to Rs. 1,250 million. The profit on these TFCs is payable semi-annually, based on a six months average KIBOR 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 anytime after one year on a coupon date by giving a 30 days notice at a premium of 1.00% on the outstanding face value. Transaction costs associated with the issue of TFCs, amounting to Rs. 6.875 million, are included in the initial measurement of the financial liability and have been amortised over the life of TFCs using effective interest method.

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 No Objection Certificate for creation of pari passu floating charges in favour of other creditors, so long as and to the extent that the value of the movable assets of the Holding Company included in the floating charge exceeds 133% of the total liabilities secured by the floating charge in favour of the TFC holders.



	December 31, 2007 (Un-audited) ..... (Rupees in '000) .....	June 30, 2007 (Audited) ..... (Rupees in '000) .....
<b>10. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Long term financing:		
- Long term loans	25,000	62,500
- Long term financing - TFCs	157,789	250,740
Deposits and other accounts	13,433,900	12,858,833
	<u>13,616,689</u>	<u>13,172,073</u>
<b>11. CONTINGENCY AND COMMITMENTS</b>		
<b>11.1 Contingency</b>		
<b>11.1.1</b> No contingency exist as at the balance sheet date.		
<b>11.1.2 Transaction-related Contingent Liabilities</b>		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		
	December 31, 2007 (Un-audited) ..... (Rupees in '000) .....	June 30, 2007 (Audited) ..... (Rupees in '000) .....
- Government	50,637	10,665
- Banking companies and other financial institutions	15	-
- Others	140,870	15
	<u>191,522</u>	<u>10,680</u>
<b>11.1.3 Other Contingencies</b>		
Claims not acknowledged as debts	<u>108,421</u>	<u>108,425</u>
<b>11.2 Commitments</b>		
Forward sale commitments	<u>100,000</u>	<u>39,427</u>
Commitments in respect of capital expenditure	<u>114,589</u>	<u>964</u>
Preferred dividend on preference shares	<u>-</u>	<u>26,984</u>
Underwriting commitments	<u>488,333</u>	<u>550,925</u>
Assets acquired under operating lease	<u>450</u>	<u>1,800</u>
Commitments in respect of forward exchange contracts:		
- Purchase	<u>1,959,984</u>	<u>3,204,714</u>
- Sale	<u>1,266,283</u>	<u>3,062,625</u>
<b>11.2.1</b> JS Investments Ltd. (formerly JS Abamco Ltd.) has given guarantee to the seed capital investors of JS Aggressive Income Fund for the lock-in-period of 2 years from the respective date of issuance of seed capital, ranging from November 6, 2007 to November 28, 2009. The Initial investment amount and a minimum return thereon of eight percent (8%) per annum is covered under the above guarantee.		

	Half Year Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	(Un-audited)			
	(Rupees in '000)			
<b>12. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE</b>				
Profit / (loss) after taxation attributable to equity holders of the parent	6,849,988	(179,853)	6,875,007	(17,793)
Less: Cumulative preference dividend on convertible preference shares	(15,304)	(1,571)	(2,953)	(1,571)
Profit / (loss) after taxation attributable to Ordinary shareholders of the parent	<u>6,834,684</u>	<u>(181,424)</u>	<u>6,872,054</u>	<u>(19,364)</u>
	(Number in '000)			
Weighted average number of Ordinary shares				
Number of ordinary shares outstanding during the period	72,663	70,000	72,663	70,000
Convertible preference shares	-	4,311	-	4,311
Weighted average number of Ordinary shares adjusted for the effect of dilution	<u>72,663</u>	<u>74,311</u>	<u>72,663</u>	<u>74,311</u>
	(Rupees)			
Earnings / (loss) per share:				
- Basic and diluted	<u>94.06</u>	<u>(2.59)</u>	<u>94.57</u>	<u>(0.28)</u>

	December 31, 2007	December 31, 2006
		(Un-audited)
	(Rupees in '000)	
<b>13. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,599,029	566,288
Short term running finances under mark-up arrangements	(6,026,698)	(3,582,547)
Borrowings from banks / NBFCs	(2,000,147)	(200,000)
	<u>(6,427,816)</u>	<u>(3,216,259)</u>

**14. RELATED PARTY TRANSACTIONS**

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

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

	Half Year Ended		Quarter Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
	(Un-audited)			
	(Rupees in '000)			
<b>Associated undertakings</b>				
Brokerage expense	11,054	3,191	6,575	2,833
Purchase of money market instruments	31,557	43,325	15,205	-
Sale of money market instruments	260,856	101,420	106,943	-
Mark-up on loan to a subsidiary	-	2,857	-	1,130
Return on investments in related parties	145,237	33,206	145,237	24,748
Advisory fee and commission income	14,085	24,157	91	5,697
Proceeds from sale of fixed assets	325	415	-	415
Investment in related parties	1,655,051	-	1,643,006	-
Advance against term finance certificates and share subscription	-	327,000	-	15,000
Remuneration and commission income from funds	296,745	231,883	160,624	231,883

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



15. **SEGMENT INFORMATION**

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

<b>Capital market operations</b>	Principally engaged in trading of equity securities and maintaining strategic and trading portfolios and brokerage income.
<b>Fixed income operations</b>	Principally engaged in fixed income trading and management of the Group's funding operations by use of government securities and placements. The Holding Company with effect from December 30, 2006, had discontinued its fixed income operations.
<b>Banking</b>	Principally engaged in providing investment and commercial banking services.
<b>Investment advisor / assets manager</b>	Principally providing investment advisory and asset management services to different mutual funds and unit trusts.
<b>Others</b>	Other operations of the Group comprise of telecommunication, underwriting, consultancy services, credit information and credit rating services.

	Capital Market Operations	Fixed Income Operations	Banking	Investment advisor/ assets manager	Others	Total
	..... (Rupees in '000) .....					
<b>Segment results for the period ended</b>						
<b>December 31, 2007</b>						
Gross operating revenue	7,226,924	-	890,032	393,136	6,347	8,516,439
Unallocated revenue	-	-	-	-	-	13,747
Share of profit/(loss) from:						
- associates	467,325	-	-	-	-	467,325
- joint ventures	-	-	-	-	-	-
<b>Total revenue</b>	<b>7,694,249</b>	<b>-</b>	<b>890,032</b>	<b>393,136</b>	<b>6,347</b>	<b>8,997,511</b>
Segment expenditure	715,359	-	990,057	270,229	115,431	2,091,076
Unallocated expenditure	-	-	-	-	-	38,921
<b>Total expenditure</b>	<b>715,359</b>	<b>-</b>	<b>990,057</b>	<b>270,229</b>	<b>115,431</b>	<b>2,129,997</b>
<b>Profit/(loss) before taxation</b>	<b>6,978,890</b>	<b>-</b>	<b>(100,025)</b>	<b>122,907</b>	<b>(109,084)</b>	<b>6,867,514</b>
<b>Taxation</b>						
Segment	1,876	-	4,449	6,500	1,400	14,225
Unallocated revenue	-	-	-	-	-	167
Deferred	-	-	4,161	(1,027)	-	3,134
Prior period	-	-	-	-	-	-
	<b>1,876</b>	<b>-</b>	<b>8,610</b>	<b>5,473</b>	<b>1,400</b>	<b>17,526</b>
<b>Profit/(loss) after taxation</b>	<b>6,977,014</b>	<b>-</b>	<b>(108,635)</b>	<b>117,434</b>	<b>(110,484)</b>	<b>6,849,988</b>
Minority interest	-	-	(46,246)	56,345	(19,065)	(8,966)
	<b>6,977,014</b>	<b>-</b>	<b>(62,389)</b>	<b>61,089</b>	<b>(91,419)</b>	<b>6,858,954</b>
<b>Segment results for the period ended</b>						
<b>December 31, 2006</b>						
Gross operating revenue	301,287	14,579	-	267,552	3,354	586,772
Unallocated revenue	-	-	-	-	-	26,485
Share of profit/(loss) from:						
- associates	18,572	-	-	-	-	18,572
- joint ventures	(703)	-	-	-	-	(703)
<b>Total revenue</b>	<b>319,156</b>	<b>14,579</b>	<b>-</b>	<b>267,552</b>	<b>3,354</b>	<b>631,126</b>
Segment expenditure	397,805	20,742	-	192,396	1,692	612,635
Unallocated expenditure	-	-	-	-	-	76,484
<b>Total expenditure</b>	<b>397,805</b>	<b>20,742</b>	<b>-</b>	<b>192,396</b>	<b>1,692</b>	<b>689,119</b>
<b>Profit/(loss) before taxation</b>	<b>(78,649)</b>	<b>(6,163)</b>	<b>-</b>	<b>75,156</b>	<b>1,662</b>	<b>(57,993)</b>
<b>Taxation</b>						
Segment	14,039	64	-	21,829	907	36,839
Unallocated revenue	-	-	-	-	-	229
Deferred	17	-	-	(841)	-	(824)
Prior period	-	-	-	-	-	(56)
	<b>14,056</b>	<b>64</b>	<b>-</b>	<b>20,988</b>	<b>907</b>	<b>36,188</b>
<b>(Loss)/profit after taxation</b>	<b>(92,705)</b>	<b>(6,227)</b>	<b>-</b>	<b>54,168</b>	<b>755</b>	<b>(94,181)</b>
Minority interest	(12,714)	-	-	(37,332)	2,515	(47,531)
	<b>(105,419)</b>	<b>(6,227)</b>	<b>-</b>	<b>16,836</b>	<b>3,270</b>	<b>(141,712)</b>

**16. APPROPRIATIONS**

In the meeting held on January 12, 2008, the Board of Directors of the Holding Company, in addition to the following appropriations, announced the issue of fully paid interim bonus shares in the ratio of 1.5974026 (June 30, 2007: 1.00) Ordinary Shares for every one Ordinary Share held by the Shareholders i.e. @ 159.74026% (June 30, 2007: 100.00%).

	(Un-audited) December 31, 2007	(Audited) June 30, 2007	(Un-audited) December 31, 2007	(Audited) June 30, 2007
	..... (Rupees per share) .....		..... (Rupees in '000) .....	
Cash dividend	-	2.50	-	87,500
Preferred dividend	-	0.40	-	28,326
Transfer to general reserve			7,500,000	-
			<u>7,500,000</u>	<u>115,826</u>

**17. DATE OF AUTHORISATION FOR ISSUE**

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on January 12, 2008.

**18. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**Mazharul Haq Siddiqui**  
Chairman

**Munaf Ibrahim**  
Chief Executive



**Jahangir Siddiqui & Co. Ltd.**

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