



Half Yearly Report
June 30, 2019 (Un-audited)



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Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali Raza Siddiqui
Director - Non-Executive

Khalid Imran
Director - Non-Executive

Shahid Hussain Jatoi *
Director - Non-Executive

Muhammad Ali
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

Company Secretary

Hasan Shahid

Chief Financial Officer

Najmul Hoda Khan

Audit Committee

Saud Ahmed Mirza
Chairman

Shahid Hussain Jatoi
Member

Ali Raza Siddiqui
Member

Human Resource & Remuneration Committee

Saud Ahmed Mirza
Chairman

Chief Justice (R) Mahboob Ahmed
Member

Shahid Hussain Jatoi
Member

Suleman Lalani
Member

Executive Committee

Ali Raza Siddiqui
Member

Shahid Hussain Jatoi
Member

Suleman Lalani
Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal
Karachi - 74400
Tel: 0800-23275
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Registered Office

20th Floor, The Centre
Plot No. 28, SB-5
Abdullah Haroon Road
Saddar, Karachi - 74400
Pakistan
UAN: (+92-21) 111 574 111
Fax: (+92-21) 3563 2575

Website

www.js.com

* Appointed on July 26, 2019 in place of Mr. Munawar Alam Siddiqui.



Directors' Review

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the half year ended June 30, 2019. We are pleased to present the report on the performance of the Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Financial Performance

The Company has reported a net profit after tax of PKR 246 million for the half year ended June 30, 2019. The overall revenues for the period under review decreased to PKR 850 million from the corresponding period last year mainly due to lower dividend income on investments. The breakup value per share of the Company as on June 30, 2019 was PKR 25.40.

Further, the Company has recorded a provision for impairment of PKR 114 million on investments due to decline in net assets of unquoted subsidiary company during the period under review.

The basic and diluted earnings per share is PKR 0.27 for the half year ended June 30, 2019.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net loss after tax of PKR 235 million for the half year ended June 30, 2019 as compared to a net profit of PKR 1,058 million for the corresponding period last year.

The overall revenues for the period under review increased by PKR 4,638 million from the corresponding period last year. However, the administrative and other expenses and finance cost also increased by PKR 6,426 million during the same period.

Further, subsequent to period ended June 30, 2019, JS Investments Limited and JS Global Capital Limited, sub-subsidiary companies, pursuant to the approval of their shareholders in general meetings held on July 24, 2019 and August 20, 2019 respectively have decided to buy back up to 27,934,840 shares and 7,450,000 shares at the rate of PKR 18/- per share and PKR 55/- per share respectively.

The basic and diluted loss per share is PKR 0.05 for the half year ended June 30, 2019.

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 9th, 10th and 11th TFC issues of PKR 1,000 million, PKR 1,500 million and PKR 1,500 million respectively 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

Following the commencement of the IMF program and fiscal/monetary consolidation measures, there has been a visible improvement in the external account, albeit at the expense of an economic slowdown. Going forward, the reform process and corrective measures are expected to bring stability to the economy, from where it remains to be seen if adequate incentives are provided to the private sector to boost economic activity and exports in particular.

The Company is always aiming to push forward to enhance shareholders' value, which becomes even more noticeable in these difficult times. Astute management of strategic investments in its areas of business, such as banking, insurance, telecommunication, energy, technology, media and infrastructural sectors is required and the Company, as always, is embarking upon a path of long term wealth creation for its shareholders.

Acknowledgement

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

For and on behalf of the
Board of Directors

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Karachi: August 28, 2019

کریڈٹ ریٹنگ:

ڈائریکٹرز اس بات کی اطلاع دینے پر مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (Double A) اور مختصر مدتی کریڈٹ ریٹنگ A1+ (A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے ۵۰۰۰ ملین روپے کے نوٹس، ۵۰۰ ملین روپے کے دسویں اور ۵۰۰ ملین روپے کے گیارہویں TFCs کی ریٹنگ کو بھی AA+ (Double A Plus) پر برقرار رکھا ہے۔

یہ ریٹنگ Credit Risk میں انتہائی کم خطرہ کے امکانات، مالیاتی وعدوں کی بروقت ادائیگی اور زیادہ خطرات کو جذب کرنے کی صلاحیت کو ظاہر کرتی ہے۔

مستقبل کے امکانات:

آئی ایم ایف پروگرام کے آغاز اور مالی/مالیاتی استحکام کے اقدامات کے بعد معاشی سست روی کے باوجود بیرونی معاملات میں خاصی بہتری دیکھنے میں آئی ہے۔ امید ہے کہ آگے چل کر اصلاحات کے نظام اور اصلاحی اقدامات سے معیشت میں استحکام آئے گا جس کے قیام کیلئے ضروری ہے کہ نجی شعبوں کو خاص طور پر معاشی سرگرمیوں اور برآمدات کو فروغ دینے کے لئے مراعات فراہم کی جائیں۔

کمپنی ہمیشہ کی طرح موجودہ مشکل حالات میں بھی شیئر ہولڈرز ویلیو میں اضافے کے لئے کوشاں ہے۔ اپنے کاروباری شعبوں یعنی کہ بیکاری، انشورنس، ٹیلی مواصلات، توانائی، ٹیکنالوجی، میڈیا اور انفرا اسٹرکچر کے شعبا جات میں کمپنی کو اپنی اسٹریٹجک سرمایہ کاری کی زبردست نگرانی کی ضرورت ہے۔ اور کمپنی ہمیشہ کی طرح اپنے حصص یافتگان کے لیے طویل مدتی دولت حاصل کرنے کی راہ پر گامزن ہے۔

قدر شناسی:

ڈائریکٹرز اپنے کلائنٹس اور کاروباری شراکت داروں کی مسلسل حمایت (سپورٹ) کی بہت قدر افزائی کرتے ہیں۔ ہم اپنے ملازمین اور انتظامیہ کو ان کی لگن اور سخت محنت پر اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو کمپیوٹل مارکیٹس کو مستحکم کرنے کے لئے کوششوں، اچھی کارپوریٹ گورننس پر رہنمائی اور سرمایہ کاروں کے حقوق کے تحفظ کیلئے اقدامات کرنے پر داد و تحسین پیش کرتے ہیں۔

برائے اور منجانب

بورڈ آف ڈائریکٹرز

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی۔ ۲۸ اگست ۲۰۱۹ء

سلیمان لالانی

چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ، (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۱۹ء کو ختم ہونے والی ششماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور بمعہ ذیلی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی کارکردگی:

۳۰ جون ۲۰۱۹ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع ۲۴۶ ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے کم ہو کر ۸۵۰ ملین روپے رہی جس کی بنیادی وجہ سرمایہ کاری سے حاصل ہونے والی ڈیویڈنڈ آمدنی میں کمی ہے۔ ۳۰ جون ۲۰۱۹ء کو فی حصص بریک اپ ویلیو ۲۵.۴۰ روپے رہی۔

علاوہ ازیں جائزہ کی مدت کے دوران کمپنی نے اپنی (un-quoted) ذیلی کمپنی کے خالص اثاثوں میں کمی کے باعث ۱۴ ملین روپے کا امپیئرمنٹ کا پروویژن (provision for impairment) ریکارڈ کیا ہے۔

۳۰ جون ۲۰۱۹ء کو ختم ہونے والی ششماہی میں کمپنی کا basic اور diluted منافع فی حصص ۲۷ پیسے رہا۔

مجموعی مالیاتی گوشوارے:

۳۰ جون ۲۰۱۹ء کو ختم ہونے والی ششماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۲۳۵ ملین روپے کا خالص نقصان ریکارڈ کیا جب کہ پچھلے سال کی تقابلی مدت میں خالص منافع ۱۰۵۸ ملین روپے تھا۔

مجموعی آمدنی پچھلے سال تقابلی مدت سے بڑھ کر ۶۳۸ ملین روپے رہی۔ تاہم اسی مدت کے دوران انتظامی اور دیگر اخراجات اور مالیاتی لاگت میں بھی ۶۲۶ ملین روپے کا اضافہ ہوا۔

علاوہ ازیں ۳۰ جون ۲۰۱۹ء کو ختم ہونے والی مدت کے بعد کمپنی کی ماتحت ذیلی کمپنیوں جے ایس انویسٹمنٹس لمیٹڈ اور جے ایس گلوبل کیپیٹل لمیٹڈ نے بالترتیب ۲۴ جولائی ۲۰۱۹ء اور ۲۰ اگست ۲۰۱۹ء کو ہونے والے عمومی اجلاسوں میں حصص یافتگان کی منظوری کے مطابق اپنے حصص کو ۱۸ روپے فی حصص اور ۵۵ روپے فی حصص بالترتیب ۹۳۴،۸۴۰،۲۷۰ حصص تک اور ۴۵۰،۰۰۰ حصص تک واپس خریدنے کا فیصلہ کیا ہے۔

۳۰ جون ۲۰۱۹ء کو ختم ہونے والی ششماہی میں کمپنی کا basic اور diluted نقصان فی حصص ۵ پیسے رہا۔

Independent Auditors' Review Report to the members of Jahangir Siddiqui & Co. Ltd. Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Jahangir Siddiqui & Co. Ltd. (the Company) as at 30 June 2019, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the financial information for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2019 and 30 June 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 30 June 2019.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants
Date: 28 August 2019
Karachi

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UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	271,181	88,192
Investment property		1,600	1,660
Long term investments	7	24,258,176	25,077,952
Long term loans and advances		28,706	25,620
Long term security deposits		2,958	3,027
		<u>24,562,621</u>	<u>25,196,451</u>
Current Assets			
Short term loans and advances	8	3,465	65,995
Short term prepayments and other receivables		6,455	8,020
Interest accrued		5,980	11,023
Other financial assets - short term investments	9	2,827,311	3,050,820
Taxation - net		88,797	87,037
Cash and bank balances		589,279	296,059
		<u>3,521,287</u>	<u>3,518,954</u>
		<u>28,083,908</u>	<u>28,715,405</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 capital		<u>9,159,424</u>	<u>9,159,424</u>
Reserves		<u>14,106,179</u>	<u>14,635,087</u>
		<u>23,265,603</u>	<u>23,794,511</u>
Non-Current Liabilities			
Long term financing	10	3,420,339	3,352,745
Liability against assets subject to finance lease		128,329	-
Current Liabilities			
Trade and other payables	11	267,647	440,206
Unclaimed dividend		10,543	10,543
Accrued interest on borrowings		169,208	126,531
Current maturity of liability against assets subject to finance lease		23,370	-
Current portion of long term financing	10	798,869	990,869
		<u>1,269,637</u>	<u>1,568,149</u>
		<u>28,083,908</u>	<u>28,715,405</u>
Contingencies and commitment			
	12		

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Profit or Loss

For the Half Year Ended June 30, 2019 (Un-audited)

		Half Year Ended		Quarter Ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
INCOME	Note	----- (Rupees in '000) -----			
Return on investments	13	687,962	796,052	642,938	584,186
Gain on sale of investments - net	14	62,301	36,828	216	14,750
Income from long term loans and fund placements	15	22,648	66,412	13,450	42,067
Other income		16,795	29,683	6,127	15,501
Gain / (loss) on remeasurement of investments through profit or loss - net		60,230	-	(9,739)	3,736
		849,936	928,975	652,992	660,240
EXPENDITURE					
Operating and administrative expenses		113,664	118,067	47,597	57,809
Finance cost		269,643	178,279	143,487	99,730
Provision for Workers' Welfare Fund	11	7,059	12,288	1,253	7,194
Provision for impairment - net		113,672	18,218	129,540	142,987
		504,038	326,852	321,877	307,720
PROFIT BEFORE TAXATION		345,898	602,123	331,115	352,520
Taxation					
Current		99,791	132,273	93,955	125,643
Prior		-	22,036	-	22,036
		99,791	154,309	93,955	147,679
PROFIT FOR THE PERIOD		246,107	447,814	237,160	204,841
EARNINGS PER SHARE		----- (Rupees) -----			
Basic and diluted	16	0.27	0.49	0.26	0.22

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2019 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees in '000)			
PROFIT FOR THE PERIOD	246,107	447,814	237,160	204,841
OTHER COMPREHENSIVE INCOME:				
Items that will not be reclassified to profit or loss account subsequently				
Unrealised loss on revaluation of investments at fair value through OCI during the period - net of deferred tax	(775,015)	-	(1,017,620)	-
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	(269,983)	-	49,056	-
	(1,044,998)	-	(968,564)	-
Items that may be reclassified subsequently to profit and loss account				
Fair value (loss) / gain on available for sale investments during the period - net of deferred tax	-	773,025	-	(359,883)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	-	(38,600)	-	(16,566)
	-	734,425	-	(376,449)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(798,891)	1,182,239	(731,404)	(171,608)

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2019 (Un-audited)

	Issued, subscribed and paid-up capital	Ordinary share premium	Reserves		Sub-total	Total
			Unrealised gain / (loss) on revaluation of investments at fair value through OCI	Revenue Reserve		
				Unappropriated profit		
	(Rupees in '000)					
Balance as at						
December 31, 2017 (audited)	9,159,424	4,497,894	11,736,221	2,126,869	18,360,984	27,520,408
Profit for the period	-	-	-	447,814	447,814	447,814
Other comprehensive income (OCI)	-	-	734,425	-	734,425	734,425
Total comprehensive income	-	-	734,425	447,814	1,182,239	1,182,239
Balance as at						
June 30, 2018 (un-audited)	9,159,424	4,497,894	12,470,646	2,574,683	19,543,223	28,702,647
Balance as at December 31, 2018, as previously reported	9,159,424	4,497,894	7,803,459	2,333,734	14,635,087	23,794,511
Impact of initial application of IFRS 9 (notes 4.3.1 & 4.3.2)	-	-	211,321	(46,546)	164,775	164,775
Adjusted balance as at						
January 01, 2019	9,159,424	4,497,894	8,014,780	2,287,188	14,799,862	23,959,286
Profit for the period	-	-	-	246,107	246,107	246,107
Other comprehensive loss	-	-	(1,209,773)	-	(1,209,773)	(1,209,773)
Total comprehensive (loss) / income	-	-	(1,209,773)	246,107	(963,666)	(963,666)
Transfer of revaluation reserve on account of sale of securities classified as fair value through OCI	-	-	-	269,983	269,983	269,983
Balance as at						
June 30, 2019 (un-audited)	9,159,424	4,497,894	6,805,007	2,803,278	14,106,179	23,265,603

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019	June 30, 2018
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	345,898	602,123
Adjustment for non cash charges and other items:		
Depreciation	13,594	1,131
Gain on sale of property and equipment	(1,156)	-
Gain on remeasurement of investments at fair value through profit or loss - net	(60,230)	-
Provision for impairment - net	113,672	18,218
Provision for Workers' Welfare Fund	7,059	12,289
Dividend income	(649,076)	(796,052)
Interest income	(61,534)	(66,412)
Finance cost	269,643	178,279
	(368,028)	(652,547)
Operating loss before working capital changes	(22,130)	(50,424)
(Increase)/ decrease in current assets:		
Loans and advances	62,530	9,355
Short term prepayments and other receivables	(16,645)	(177,737)
Long term loans, advances and security deposits	(3,017)	(709)
	42,868	(169,091)
Decrease in trade and other payables	(179,618)	(38,416)
Net cash used in operations	(158,880)	(257,931)
Investments - net	900,035	(1,029,437)
Dividend received	649,076	800,311
Finance cost paid	(218,602)	(135,803)
Taxes paid	(101,551)	(127,792)
Interest income received	66,577	61,247
Net cash generated from / (used in) operating activities	1,136,655	(689,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(26,568)	(34,319)
Proceeds from sale of property and equipment	1,160	-
Net cash used in investing activities	(25,408)	(34,319)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates - net of proceeds from issuance	(445,840)	1,261,286
Long term loan obtained from / (repaid to) bank - net	313,020	(62,500)
Net cash (used in)/ generated from financing activities	(132,820)	1,198,786
NET INCREASE IN CASH AND CASH EQUIVALENTS	978,427	475,062
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	296,059	1,427,482
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,274,486	1,902,544

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 04, 1991 as a public unquoted company. The Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Saddar, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services, etc.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information is un-audited and has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. This unconsolidated condensed interim financial information do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company as at December 31, 2018.

The SECP vide S.R.O. 229(I)/2019 dated February 14, 2019, while partially modifying S.R.O. 1007(I)/2017 dated October 4, 2017, has extended the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition and Measurement) to "Reporting period / Year ending on or after June 30, 2019".

3. BASIS OF PREPARATION

- 3.1 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Rule Book of the Pakistan Stock Exchange Limited.
- 3.2 This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements; therefore should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2018.
- 3.3 This unconsolidated condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates (if any) 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 investee companies.
- 3.4 This unconsolidated condensed interim financial information is prepared in Pak Rupees, which is also the functional and presentation currency of the Company, and rounded off to rupees in thousand.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information is consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2018 other than described below:

4.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 9 – Financial Instruments

IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)

IFRS 15 – Revenue from Contracts with Customers

IFRS 16 – Leases

IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 – Long-term Interests in Associates and Joint Ventures - (Amendments)

IFRIC 23 – Uncertainty over Income Tax Treatments

The adoption of the above standards and amendment to accounting standards did not have any effect on the unconsolidated condensed interim financial information except IFRS 16 which are described as below:

4.2 IFRS 16 Leases

During the current year, the Company have adopted IFRS 16 as prescribed by SECP for the periods beginning on or after January 01, 2019.

'IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its head office. Before the adoption of IFRS 16, the Company classified its lease (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019 ---(Rupees in 000')---
Increase in RoU asset	169,959
Decrease in prepayments	-
Increase in total assets	169,959
Increase in lease liability against asset subject to finance lease	(169,909)
Increase in interest liability against asset subject to finance lease	(50)
Increase in net assets	-

The Company also applied the available practical expedients wherein it:

- Relied on its assessment of whether lease is onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

• Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

• Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

- **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- **Significant judgement in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its lease agreement to lease the asset for additional terms of more than one year. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for lease of head office due to the significance of this asset to its operations. This lease has a short non-cancellable period (i.e., eleven months) and there will be a significant negative effect on operations if a replacement is not readily available.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

	June 30, 2019		
	RoU asset	Lease liability	Interest liability
	(Rupees in '000)		
As at January 01, 2019	169,959	169,909	50
Additions	-	-	-
Depreciation expense	(9,439)	-	-
Interest expense	-	-	9,376
Payments	-	(18,210)	-
As at June 30, 2019	160,520	151,699	9,426

4.3 IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments on its effective date of January 01, 2019. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on January 01, 2019. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at January 01, 2019:

Financial assets

January 01, 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification (Rupees in '000)	IFRS 9 Measurement
Equity investments (Other related parties - long term investments)	Available for sale	8,788,389	Fair value through other comprehensive income	8,788,389
Equity investments (Other investments - long term investments)	Available for sale	5,599,676	Fair value through other comprehensive income	5,599,676
Equity investments	Held for trading	86,313	Fair value through profit or loss	86,313
Equity investments - unquoted securities	Available for sale (at cost)	270,600	Fair value through other comprehensive income (Note 4.3.1)	435,375
Equity investments (Other financial assets - short term investments)	Available for sale	2,273,517	Fair value through other comprehensive income	2,273,517
Equity investments (Other financial assets - short term investments)	Available for sale	390,990	Fair value through profit or loss (Note 4.3.2)	390,990
Debt investments	Held to maturity	300,000	Amortised Cost	300,000
Loans and advances	Loans and receivables	91,615	Amortised Cost	91,615
Interest Accrued	Loans and receivables	11,023	Amortised Cost	11,023
Cash and cash equivalents	Loans and receivables	296,059	Amortised Cost	296,059

4.3.1 The Company has elected to classify its non-trading equity securities at fair value through other comprehensive income. The fair value of such investment is Rs. 435.376 (cost of Rs. 270.600) million as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the unrealised gain as at January 01, 2019 has been adjusted by Rs. 164.77 million.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

- 4.3.2** The Company has elected to classify its trading equity securities at fair value through profit or loss. Accordingly, the unrealised loss as at 01 January, 2019 amounting to Rs. 46.55 million have been transferred to unappropriated profit at the beginning of the period.

Financial liabilities

Financial liabilities continue to be carried at amortised cost.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instruments is not significantly different from existing provision held.

- 4.3.4** In addition to above IFRSs, certain other IFRSs, amendments to IFRSs and IFRIC interpretations have become applicable during the period. However, such IFRSs, amendments to IFRSs and IFRIC interpretations are not considered relevant for the business of the entity.

4.4 Financial instruments - Policy effective from January 01, 2019

In the current period, the Company has adopted IFRS 9 Financial Instruments. See note 4.3 for an explanation of the impact. Comparative figures for the year ended December 31, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

4.4.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees /counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4.4.2 Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as return on investments when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

4.4.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

4.4.4 Impairment of financial assets

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

4.4.5 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated condensed interim financial information 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 the same as those applied to the annual unconsolidated financial statements for the year ended December 31, 2018.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets - owned	6.1	110,661	5,696
Capital work-in-progress		-	82,496
Right-of-use asset	6.2	160,520	-
		<u>271,181</u>	<u>88,192</u>
6.1 Movement in operating assets - owned			
Book value at beginning of the period		5,696	5,220
Cost of additions / transfers from CWIP during the period	6.1.1	109,064	3,085
Book value of deletions during the period		(4)	(433)
Depreciation charge for the period		(4,095)	(2,176)
Book value at end of the period		<u>110,661</u>	<u>5,696</u>
6.1.1 Details of additions during the period:			
Capital work-in-progress - net transfers			
Office equipment		7,883	188
Leasehold improvements	6.1.1.1	90,368	-
Office furniture		9,373	-
Motor vehicle		1,440	2,897
		<u>109,064</u>	<u>3,085</u>
6.1.1.1 This represents leasehold improvements capitalized by the Company upon transfer to new office premises. These are to be depreciated at the rate of 10% per annum on straight line basis.			
		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6.2 Right-of-use asset			
Head office	4.2	<u>160,520</u>	<u>-</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

7.1.1 The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to decline in market conditions at the reporting date, the net assets of JS Infocom Limited have declined resulting in charge of impairment amounting to Rs. 114.35 million.

7.1.2 The net assets of Quality Energy Solutions (Private) Limited mainly comprise of bank deposits. Due to interest income on bank deposits, net assets value (NAV) increased at the reporting date. Therefore, reversal in provision of impairment of Rs. 0.68 million is recognized during the period.

7.2 Other related parties

At fair value through OCI

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

Number of shares					Holding			
June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		Note	Activity	June 30, 2019 (Un-audited) %	December 31, 2018 (Audited) %	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
							(Rupees in '000)	
<u>Quoted - at fair value (note 7.2.1)</u>								
42,191,152	-	EFU General Insurance Limited	7.2.2	General Insurance	21.10	-	4,234,304	-
20,047,708	-	EFU Life Assurance Limited		Life Assurance	20.05	-	4,610,973	-
<u>Un-quoted - Fair value (note 7.2.1)</u>								
750,000	-	EFU Services (Private) Limited		Investment company	37.50	-	10,552	-
							8,855,829	-

Available-for-sale

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

Number of shares				Holding			
June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		Activity	June 30, 2019 (Un-audited) %	December 31, 2018 (Audited) %	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
				----- (Rupees in '000) -----			
<u>Quoted - at fair value (note 7.2.1)</u>							
-	42,191,152	EFU General Insurance Limited	7.2.2 General Insurance	-	21.10	-	4,219,115
-	20,047,708	EFU Life Assurance Limited	Life Assurance	-	20.05	-	4,569,274
<u>Un-quoted - at cost (note 7.2.1)</u>							
-	750,000	EFU Services (Private) Limited	Investment company	-	37.50	-	7,500
		Net assets value on December 31, 2018: Rs. 47.47 million based on audited financial statements for the year ended June 30, 2018					
						-	8,795,889

7.2.1 The Company has not accounted for investment in these companies as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company does not have significant influence in these companies.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

7.2.2 The shareholders of the Company in their Annual General Meeting held on April 17, 2018 have approved, by way of Special Resolution under section 199 of the Companies Act, 2017 to make further long term equity investment of up to Rs. 1,000 million from time to time by purchase of Ordinary Shares of EFU General Insurance Limited.

7.2.3 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Company. Refer note 4.3 for detailed policy notes.

7.3 Other investments

At fair value through OCI

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

Number of shares			June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
						----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>					
214,258,460	*	-	BankIslami Pakistan Limited		2,461,830	-	
89,690,363		-	Azgard Nine Limited		862,821	-	
153,406,638		-	Pakistan International Bulk Terminal Limited		1,294,752	-	
1,204,953	**	-	Pakistan Stock Exchange Limited		15,664	-	
11,622,000		-	Hum Network Limited		36,842	-	
			(Ordinary shares of Re.1 each)				
		<u>Un-quoted - Fair value</u>					
2,399,454		-	Security General Insurance Company Limited		424,823	-	
					5,096,732	-	

Available for sale

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

Number of shares			June 30, 2019 (Un-audited)	December 31, 2018 (Audited)		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
						----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>					
-	*	214,258,460	BankIslami Pakistan Limited		-	2,571,102	
-		112,157,863	Azgard Nine Limited		-	1,295,423	
-		153,730,638	Pakistan International Bulk Terminal Limited		-	1,664,903	
-	**	1,260,953	Pakistan Stock Exchange Limited		-	17,111	
-		11,622,000	Hum Network Limited		-	51,137	
			(Ordinary shares of Rs. 1 each)				
		<u>Un-quoted - at cost</u>					
-		2,399,454	Security General Insurance Company Limited		-	263,100	
			Net assets value on December 31, 2018:				
			Rs. 488.98 million based on audited				
			financial statements for the year				
			ended December 31, 2018				
					-	5,862,776	

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

** These include, 1,081,194 shares which are blocked for trading as per the requirements of Pakistan Stock Exchange Limited.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

7.3.1 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Company. Refer note 4.3 for detailed policy notes.

8. SHORT TERM LOANS AND ADVANCES

In the comparative figure, included herein was a short term loan amounting to Rs. 45 million to JS Infocom Limited, a wholly owned subsidiary of the Company. It was priced on a mark-up rate of 6 months KIBOR plus 175 basis points per annum or the borrowing cost of the Company, whichever was higher. Outstanding balance of the loan along with mark-up was repaid by JS Infocom Limited, during the period.

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees in '000)	
9.	OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS	Note	
	Available for sale		
	Listed equity securities	-	2,664,507
	Assets at fair value through OCI		
	Listed equity securities	1,917,884	-
	Assets at fair value through profit or loss		
	Listed equity securities	74,220	86,313
	Held to maturity		
	Term Finance Certificates - Unlisted	9.1	-
	300,000		
	At amortized Cost		
	Term Finance Certificates - Unlisted	9.1	150,000
	-		
	Government Securities	9.2	685,207
	-		
		2,827,311	3,050,820

9.1 This represents investment in AA- rated, secured and privately placed term finance certificates of TPL Corp Limited - TFCs (2nd Issue), having face value of Rs. 100,000 per certificate and carries profit at the rate of 3 month KIBOR + 1.50% per annum. These TFCs will mature on December 19, 2019.

9.2 Government securities - Amortized Cost

					Balances as at June 30, 2019	
Name of security	Issue Date	Face value				Carrying Value
		As at Jan 01, 2019	Purchased during the period	Sold / matured during the period	As at June 30, 2019	
		(Un-audited)				
		(Rupees in '000)				
Treasury Bills						
Market Treasury Bills - 3 months	14-Feb-19	-	100,000	100,000	-	-
Market Treasury Bills - 3 months	28-Feb-19	-	100,000	100,000	-	-
Market Treasury Bills - 3 months	28-Mar-19	-	500,000	500,000	-	-
Market Treasury Bills - 3 months	09-May-19	-	100,000	-	99,089	99,089
Market Treasury Bills - 3 months	23-May-19	-	100,000	-	98,493	98,493
Market Treasury Bills - 3 months	20-Jun-19	-	500,000	-	487,625	487,625
Total as at June 30, 2019						685,207
Total as at June 30, 2018						-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

- 9.2.1 These treasury bills carry effective interest rate ranging from 11% to 12.74% per annum and will be matured by September 12, 2019.
- 9.3 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Company. Refer note 4.3 for detailed policy notes.

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees in '000)	
10. LONG TERM FINANCING			
Term Finance Certificates (TFCs)			
Eighth issue - listed on Pakistan Stock Exchange Limited		-	131,167
Nineth issue - Privately Placed		497,171	620,712
Tenth issue - Privately Placed		1,303,599	1,487,805
Eleventh issue - listed on Pakistan Stock Exchange Limited		1,486,051	1,483,873
	10.1	3,286,821	3,723,557
Term Loan			
Term loan 1	10.2	62,251	186,899
Term loan 2	10.2	371,716	433,158
Term loan 3	10.3	498,420	-
		932,387	620,057
		4,219,208	4,343,614
Less: Current portion shown under current liability		798,869	990,869
		3,420,339	3,352,745

- 10.1 These TFCs are secured against lien over designated accounts with the Central Depository Company of Pakistan Limited. The accounts contain marketable securities having market value aggregating to Rs. 5,834.86 (December 31, 2018: Rs. 6,112.39) million to secure the outstanding principal with 35% margin.
- 10.2 These loans are secured by pledge of marketable securities having market value of Rs. 730.42 (December 31, 2018: Rs. 1,011.17) million with margin ranging from 30% to 40%. Term Loan 1 is repayable by January 2020 and Term Loan 2 is repayable by June 2022.
- 10.3 During the period, the Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six months KIBOR average rate plus 150 basis points per annum. This loan has a tenor of five years i.e. 2019-2024 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 pledge of marketable securities having market value of Rs. 770.63 million with margin ranging from 30% to 40%.

11. TRADE AND OTHER PAYABLES

This includes payable against Workers' Welfare Fund (WWF) amounting to Rs. 176.63 (December 31, 2018: Rs. 169.57) million. There is no change in the status of Federal WWF and Sindh WWF as reported in note 24 to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2018.

12. CONTINGENCIES AND COMMITMENTS

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, 2018.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
12.2 Commitment		
Commitment in respect of Future purchase transactions of listed equity securities	-	90,711

13. RETURN ON INVESTMENTS

This includes dividend income on investments in related parties aggregating to Rs. 606.01 (June 30, 2018: Rs. 739.6) million.

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
14. GAIN ON SALE OF INVESTMENTS - net				
Financial assets at fair value through profit or loss	62,301	(1,772)	216	(1,816)
Available for sale	-	38,600	-	16,566
	<u>62,301</u>	<u>36,828</u>	<u>216</u>	<u>14,750</u>

15. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 18.23 (June 30, 2018: Rs. 64.24) million on bank balances maintained with a related party (JS Bank Limited).

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
16. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation attributable to ordinary shareholders	<u>246,107</u>	<u>447,814</u>	<u>237,160</u>	<u>204,841</u>
	----- (Numbers in '000) -----			
Weighted average number of ordinary shares outstanding during the period	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
	----- (Rupees) -----			
Earnings per share:				
- Basic and diluted	<u>0.27</u>	<u>0.49</u>	<u>0.26</u>	<u>0.22</u>

	June 30, 2019 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees in '000) -----	
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	589,279	1,902,544
Market treasury bills	685,207	-
	<u>1,274,486</u>	<u>1,902,544</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

18. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its subsidiaries, associates, companies having common directorship, employee benefit plan, substantial shareholder 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.

	June 30, 2019	June 30, 2018
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Dividend received	23,419	174,450
Brokerage expense paid	802	496
Purchase of government securities	1,169,576	-
Proceeds on maturity of government securities	500,000	-
Mark-up paid on TFCs issued by the Company	1,409	563
Principal redemption made against TFCs issued by the Company	5,250	3,750
Investment in term deposit receipts	-	500,000
Capital gain tax paid for onward submission to National Clearing Company of Pakistan Limited (NCCPL)	113	-
Capital gain tax refund through NCCPL	113	262
Capital gain tax tariff paid for onward submission to NCCPL	40	30
Rent income received	13,819	24,543
Profit received on fund placements and deposit accounts	20,565	59,046
Bank charges paid	8	1,524
Reimbursement of expenses by the Company	113	3,941
Reimbursement of expenses to the Company	4,861	8,646
Loan repaid by subsidiary including interest	49,907	11,153
Investment in right shares of a subsidiary	-	1,100,000
Refund on cancellation of guarantee issued	-	810
Investment in TFCs issued by the Company	-	15,000
	----- (Number) -----	----- (Number) -----
Right shares received	-	110,000,000
Ordinary shares received against conversion of preference shares	-	218,062,317
Other Related Parties	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Donation paid	4,000	7,000
Dividend income received	582,590	565,155
Contributions paid to Staff Provident Fund	3,462	2,815
Interest / mark-up paid	535	1,074
Principal redemptions made against TFCs	9,975	-



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019 ----- (Un-audited) ----- ----- (Rupees in '000) -----	June 30, 2018
Other Related Parties		
Insurance premium paid	2,787	2,478
Royalty paid	7,500	7,475
Security deposit received	1,471	-
Rent paid	22,257	-
Rent received	12,881	-
Reimbursement of expenses to the Company	836	-
Reimbursement of expenses by the Company	1,090	-
Advisory fee paid	3,000	3,000
Key Management Personnel		
Remuneration paid to Chief Executive Officer	19,929	16,592
Fee paid to directors for attending directors / committee meetings	2,700	2,100
Remuneration paid to executives	15,877	12,276
Interest received on long term loans to executives	1,093	11
Loan and advances repayments from executives	413	343
Reimbursement of expenses to directors	5,228	781
	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
BALANCES	----- (Rupees in '000) -----	
Subsidiary and Sub-subsidiary Companies		
Receivable against expenses incurred on their behalf	126	177
Cash at bank accounts	587,311	295,124
Profit receivable on deposit accounts	5,195	7,534
Outstanding principal of TFCs issued by the Company	24,000	29,250
Mark-up payable on TFCs issued by the Company	942	860
Outstanding principal of loan issued by the Company	-	45,000
Mark-up receivable on loan issued by the Company	-	2,199
Payable against settlement of equity securities	-	199,037
Other Related Parties		
Outstanding principal of TFCs issued by the Company	-	9,975
Mark-up payable on TFCs issued by the Company	-	250
Unearned rent	6,996	-
Advance for maintenance and other expenses	234	-
Security deposit	1,471	-
Donation payable	4,927	4,000
Rent payable	-	4,047
Key Management Personnel		
Loans and advances	24,520	24,933

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

19. FAIR VALUE OF FINANCIAL INSTRUMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
Investments at fair value through OCI				
Listed equity securities	15,435,070	-	-	15,435,070
Unquoted equity securities*	-	-	435,375	435,375
Investments at fair value through profit or loss				
Listed equity securities	74,220	-	-	74,220
	<u>15,509,290</u>	<u>-</u>	<u>435,375</u>	<u>15,944,665</u>

- * As at June 30, 2019, the Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited (see note 7) are carried at fair value. The fair values of these investment are determined by the management after applying appropriate haircut to the carrying values of the net assets of investee companies as the net assets of investee companies mainly comprise of marketable securities and other assets having carrying value approximately equal to their fair value.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2019 (Un-audited)

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
Available for sale investments				
Listed equity securities	17,052,572	-	-	17,052,572
Investments at fair value through profit or loss - held for trading				
Listed equity securities	86,313	-	-	86,313
	<u>17,138,885</u>	<u>-</u>	<u>-</u>	<u>17,138,885</u>

19.1 During the period ended June 30, 2019, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

20. DATE OF AUTHORISATION

These unconsolidated condensed interim financial information were authorised for issue by the Board of Directors in their meeting held on August 28, 2019.

21. GENERAL

21.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

21.2 Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2019

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	11,963,077	6,369,826
Intangible assets	7	699,450	742,938
Investment property		1,600	1,660
Long term investments	8	49,904,243	68,397,461
Long term loans, advances, prepayments and other receivables		102,818,580	102,998,993
Assets repossessed		625,378	91,421
Long term deposits		21,940	22,242
Deferred taxation		1,517,854	1,303,083
		167,552,122	179,927,624
Current Assets			
Short term investments	9	106,658,153	101,853,479
Trade debts		1,051,564	1,184,680
Loans and advances		147,651,553	149,341,063
Accrued markup		7,866,539	5,746,955
Short-term prepayments, deposits, and other receivables		4,458,712	5,886,291
Other financial assets - fund placements		4,598,062	1,937,347
Taxation - net		1,224,128	1,253,057
Cash and bank balances		37,267,488	33,124,776
		310,776,199	300,327,648
		478,328,321	480,255,272
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		9,159,424	9,159,424
Reserves		18,473,892	18,946,154
Equity attributable to equity holders' of the parent		27,633,316	28,105,578
Non-controlling interests		5,985,525	6,009,183
Total equity		33,618,841	34,114,761
Non-Current Liabilities			
Long term financing	10	10,890,141	10,823,545
Liabilities against assets subject to finance lease		4,873,564	34,635
Long term deposits and other accounts		6,678,389	1,663,233
Deferred liability - employee benefit		168,433	102,494
		22,610,527	12,623,907
Current Liabilities			
Trade and other payables		15,057,156	15,536,365
Unclaimed Dividend		21,072	21,072
Accrued interest / mark-up on borrowings		2,465,088	2,860,545
Short term borrowings		52,588,855	96,558,663
Current deposits and current portion of long term liabilities	11	351,966,782	318,539,959
		422,098,953	433,516,604
		478,328,321	480,255,272
Contingencies and Commitments			
	12		

The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Profit or Loss

For the Half Year Ended June 30, 2019 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Note	(Rupees in '000)			
Income				
Return on investments	5,030,632	6,196,941	2,881,959	3,225,379
(Loss) / Gain on sale of investments - net	(293,863)	104,465	(309,960)	(1,406)
Income from long term loans and fund placements	14,960,816	8,639,349	7,699,026	4,690,376
Fee, commission and brokerage	1,589,308	1,695,875	804,355	698,585
Other income	605,084	532,766	402,344	273,742
(Loss) / Gain on remeasurement of investments through profit or loss - net	(43,946)	40,207	(116,763)	37,729
	21,848,031	17,209,603	11,360,961	8,924,405
Expenditure				
Administrative and other expenses	6,343,772	5,783,523	3,200,205	2,867,958
Finance cost	15,565,817	9,700,022	8,086,211	4,880,042
Provision for workers' welfare fund	7,622	36,579	1,831	19,164
Provision for / (reversal of) impairment on investments - net	218,997	(31,653)	251,675	(31,653)
	22,136,208	15,488,471	11,539,922	7,735,511
Share of profit from associates	15,020	4,186	9,436	4,186
(Loss) / Profit before taxation	(273,157)	1,725,318	(169,525)	1,193,080
Taxation				
- Current	509,545	652,889	349,551	427,337
- Prior	4,942	36,919	2,471	29,477
- Deferred	(553,125)	(22,548)	(436,913)	(28,383)
	(38,638)	667,260	(84,891)	428,431
(LOSS) / PROFIT FOR THE PERIOD	(234,519)	1,058,058	(84,634)	764,649
Attributable to:				
Equity holders' of the parent	(42,821)	868,955	75,416	682,220
Non-controlling interests	(191,698)	189,103	(160,050)	82,429
	(234,519)	1,058,058	(84,634)	764,649
(LOSS) / EARNINGS PER SHARE	13 (Rupees)			
Basic and diluted	(0.05)	0.95	0.08	0.74

The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2019 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Rupees in '000)			
(LOSS) / PROFIT FOR THE PERIOD	(234,519)	1,058,058	(84,634)	764,649
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to statement of profit or loss:				
Fair value loss on revaluation of investments at fair value through OCI during the period - net of deferred tax	(934,970)	-	(934,970)	-
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	(270,819)	-	(270,819)	-
	(1,205,789)	-	(1,205,789)	-
Items that may be reclassified subsequently to statement of profit or loss:				
Fair value gain / (loss) on revaluation of available for sale investments during the period - net of deferred tax	245,599	(146,686)	(576,955)	(1,228,431)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	376,608	(95,684)	635,420	(16,875)
	622,207	(242,370)	58,465	(1,245,306)
Exchange difference of translation of net assets in foreign branches of a subsidiary	52,214	31,298	48,209	18,670
	674,421	(211,072)	106,674	(1,226,636)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(765,887)	846,986	(1,183,749)	(461,987)
Attributable to:				
Equity holders' of the parent	(613,891)	885,937	(918,613)	(316,344)
Non-controlling interests	(151,996)	(38,951)	(265,136)	(145,643)
	(765,887)	846,986	(1,183,749)	(461,987)

The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2019 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT								Non-controlling interests	TOTAL
	Reserves									
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Unrealised gain on revaluation of available for sale investments - net	Statutory	Revenue reserve				
						Unappropriated profit	Sub-total			
(Rupees in '000)										
Balance as at December 31, 2017 (audited)	9,159,424	4,497,894	11,679	12,029,151	1,076,558	6,915,910	33,690,616	6,393,248	40,083,864	
Profit for the period	-	-	-	-	-	868,955	868,955	189,103	1,058,058	
Other comprehensive income / (loss)	-	-	31,298	(14,316)	-	-	16,982	(228,054)	(211,072)	
Total comprehensive income / (loss) for the period	-	-	31,298	(14,316)	-	868,955	885,937	(38,951)	846,986	
Transfer to statutory reserves	-	-	-	-	102,672	(102,672)	-	-	-	
Adjustment related to conversion of preference shares	-	-	-	-	-	144,399	144,399	(144,399)	-	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,550)	(5,550)	
Proceeds from issue of Right Shares by subsidiary	-	-	-	-	-	-	-	70,000	70,000	
Adjustment related to change in ownership of subsidiary	-	-	-	-	-	2,642	2,642	(2,642)	-	
Balance as at June 30, 2018 (un-audited)	9,159,424	4,497,894	42,977	12,014,835	1,179,230	7,829,234	34,723,594	6,271,706	40,995,300	
Balance as at December 31, 2018 (audited)	9,159,424	4,497,894	70,394	5,584,452	1,160,931	7,632,483	28,105,578	6,009,183	34,114,761	
Impact of initial application of IFRS 9 (notes 3.3.1 to 3.3.3)	-	-	-	(13,728)	-	49,313	35,585	113,893	149,478	
Loss for the period	-	-	-	-	-	(42,821)	(42,821)	(191,698)	(234,519)	
Other comprehensive income / (loss)	-	-	52,214	(788,059)	-	-	(735,845)	39,702	(696,143)	
Total comprehensive income / (loss) for the period	-	-	52,214	(788,059)	-	(42,821)	(778,666)	(151,996)	(930,662)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(745)	(745)	
Proceeds from issue of Right shares by subsidiary	-	-	-	-	-	-	-	15,190	15,190	
Transfer of revaluation reserve on account of sale of securities classified as fair value through OCI	-	-	-	-	-	270,819	270,819	-	270,819	
Balance as at June 30, 2019 (un-audited)	9,159,424	4,497,894	122,608	4,782,665	1,160,931	7,909,794	27,633,316	5,985,525	33,618,841	

The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2019 (Un-audited)

	Note	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(273,157)	1,725,318
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation		830,895	359,437
Amortisation on intangible assets		46,698	35,264
Gain on sale of property and equipment		(29,286)	(58,180)
Provision for doubtful debts, loans and advances		436,049	123,867
Charge for defined benefit plan		65,939	84,109
Provision for / (reversal of) impairment on investments - net		218,997	(31,653)
Effect of translation of net investment in foreign branches		52,214	31,298
Loss / (Gain) on remeasurement of investments through profit or loss - net		43,946	(40,207)
Finance cost		15,565,817	9,700,022
		17,231,269	10,203,957
Operating profit before working capital changes		16,958,112	11,929,275
(Increase) / decrease in operating assets :			
Trade debts		131,964	(359,450)
Loans and advances		1,253,461	(76,075,406)
Long term loans, advances, prepayments, deposits and other receivables		180,715	30,726,943
Other financial assets - fund placements		(2,660,715)	1,354,939
Prepayments, deposits, accrued mark-up and other receivables		(692,005)	(1,294,669)
		(1,786,580)	(45,647,643)
Increase / (decrease) in operating liabilities:			
Trade and other payables		(479,209)	2,026,170
Deposits and other accounts		38,570,695	22,229,047
		53,263,018	(9,463,151)
Net cash generated from / (used in) operations		(16,222,381)	(10,012,225)
Interest / mark-up paid		-	(175,118)
Gratuity paid		(485,558)	(1,298,913)
Taxes paid		(745)	(5,550)
Dividend paid (including non-controlling interests)		36,554,334	(20,954,957)
Net cash generated from / (used in) operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,291,752)	(971,455)
Intangible assets acquired		(3,210)	(133,031)
Proceeds from sale of property and equipment		63,438	81,522
(Acquisition of) / proceeds from disposal of assets repossessed		(533,957)	543
Proceeds from issuance of right shares by subsidiary company		15,190	70,000
Investments sold - net		13,437,047	22,067,799
		11,686,756	21,115,378
Net cash generated from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates - net of proceeds from issuance		(439,499)	939,162
Long term loan obtained from bank - net of repayments		310,929	245,689
Securities sold under repurchase agreements - net		(48,323,198)	5,489,069
		(48,451,768)	6,673,920
Net cash (used in) / generated from financing activities			
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(210,678)	6,834,341
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		6,404,079	(1,370,676)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14	6,193,401	5,463,665

The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (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 managing strategic investments, trading of securities, investment advisory, asset management, agency telecommunication, commercial banking and other businesses. The Group is mainly operating in Pakistan but also provides services in Bahrain and Cayman Islands.

The Holding Company was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Holding Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Holding Company are managing strategic investments, trading of securities, consultancy services, etc.

1.2 Composition of the Group

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	Effective Holding	
			June 30, 2019	December 31, 2018
JS Bank Limited (JSBL)	Commercial Banking	December 30, 2006	75.02%	75.02%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager	November 1, 2012	48.88%	48.88%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services	December 21, 2011	50.38%	50.38%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage	November 1, 2012	48.88%	48.88%
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%
Quality Energy Solutions (Private) Limited	Power generation	May 9, 2016	100.00%	100.00%
Khairpur Solar Power (Private) Limited (Sub-subsidiary)	Power generation	May 18, 2017	100.00%	100.00%
Energy Infrastructure Holding (Private) Limited	Investment Company in energy, petroleum and infrastructure sectors	July 07, 2008	100.00%	100.00%
JS Petroleum Limited (Sub-subsidiary) - Note 1.2.1	Oil and Gas Storage	October 9, 2017	51.00%	51.00%
JS Fuel (Private) Limited (Sub-subsidiary)	Oil Marketing	November 24, 2017	100.00%	100.00%
JS Engineering Investments 1 (Private) Limited (Sub-subsidiary)	Engineering Infrastructure	November 23, 2017	100.00%	100.00%

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

- 1.2.1** The shareholders of the JS Petroleum Limited in their meeting held on February 22, 2019, have approved to change the status of the Company from "Private Limited" to "Public Limited". Further, the shareholders have also appointed six directors of the Company and resolved to increase the authorized capital to PKR 1,100 million divided into 60,000,000 ordinary shares and 50,000,000 Preference Shares of Rs. 10/- each.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited. This consolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. This consolidated condensed interim financial information does 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 audited consolidated financial statements for the year December 31, 2018.

This consolidated condensed interim financial information has been prepared under the accrual basis of accounting except for cash flow statement.

The comparative statement of financial position presented in this consolidated condensed interim financial information has been extracted from the audited consolidated financial statements of the Group for the year ended December 31, 2018, 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 information for the half year ended June 30, 2018.

2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the audited consolidated annual financial statements of the Company as at December 31, 2018.

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by the Securities and Exchange Commission of Pakistan (SECP). However, SECP has directed that the requirements of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I)/2016 dated January 28, 2016. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

The SECP vide S.R.O. 229(I)/2019 dated February 14, 2019, while partially modifying S.R.O. 1007(I)/2017 dated October 4, 2017, has extended the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition and Measurement) to "Reporting period / Year ending on or after June 30, 2019".



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2018 other than described below:

3.1 New / Revised Standards, Interpretations and Amendments

The Holding Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)

IFRS 9 - Financial Instruments

IFRS 15 – Revenue from Contracts with Customers

IFRS 16 – Leases

IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 – Long-term Interests in Associates and Joint Ventures - (Amendments)

IFRIC 23 – Uncertainty over Income Tax Treatments

The adoption of the above standards and amendment to accounting standards did not have any effect on the consolidated condensed interim financial information except IFRS 16 which are described as below:

3.2 IFRS 16 Leases

During the current year, the Group has adopted IFRS 16 as prescribed by SECP for the periods beginning on or after January 01, 2019.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group has lease contracts for its head office and branches. Before the adoption of IFRS 16, the Group classified its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Group initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Group elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019 ---(Rupees in 000')---
Increase in RoU asset	4,875,405
Decrease in prepayments	(281,423)
Increase in total assets	4,593,982
Increase in lease liability against asset subject to finance lease	(4,593,728)
Increase in interest liability against asset subject to finance lease	(254)
Increase in net assets	-

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether lease is onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- **Significant judgement in determining the lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under its lease agreement to lease the asset for additional terms of more than one year. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for lease of head office and various branches due to the significance of this asset to its operations. This lease has a short non-cancellable period (i.e., eleven months) and there will be a significant negative effect on operations if a replacement is not readily available.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

	June 30, 2019		
	RoU asset	Lease liability	Interest liability
	(Rupees in '000)		
As at January 01, 2019	4,875,405	4,593,728	254
Additions	538,200	538,200	-
Depreciation expense	(419,793)	-	-
Interest expense	-	229,063	43,195
Payments	-	(457,029)	(2,990)
As at June 30, 2019	4,993,812	4,903,962	40,459

3.3 IFRS 9 Financial Instruments

The Group except Subsidiary Bank has adopted IFRS 9 Financial Instruments on its effective date of January 01, 2019. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting.

State Bank of Pakistan has deferred the applicability of IFRS 9 on banks through email dated July 23, 2019. Therefore, the Subsidiary Bank has not been considered for the impact for adoption of IFRS 9 for its Pakistan operations in these consolidated condensed interim financial statements. Further, the Subsidiary Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime and for this SBP would issue suitable guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on January 01, 2019. However, the Group except the Subsidiary Bank has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39.

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

- 3.3.1** The Holding Company has elected to classify its non-trading equity securities at fair value through other comprehensive income. The fair value of such investment is Rs. 435.376 (cost of Rs. 270.600) million as result of fair value exercise carried out by the management of the Holding Company upon adoption of IFRS 9. Accordingly, the unrealised gain as at January 01, 2019 has been adjusted by Rs. 164.77 million.
- 3.3.2** The Holding Company has elected to classify its trading equity securities at fair value through profit or loss. Accordingly, the unrealised loss as at 01 January, 2019 amounting to Rs. 46.55 million have been transferred to unappropriated profit at the beginning of the period.
- 3.3.3** All the investments in units of mutual funds by JSIL (a subsidiary company) previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Group. Accordingly, the unrealized appreciation as at 01 January, 2019 amounting to Rs. 225.05 million has been transferred to consolidated unappropriated profit and non-controlling interest at respective holding percentages at the beginning of the period. Further, return on Mutual funds is not considered as solely payments of principal and interest.

Financial liabilities

Financial liabilities continue to be carried at amortised cost.

(b) Impairment

IFRS 9 requires the Group except Subsidiary Bank to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instruments is not significantly different from existing provision held.

- 3.3.4** In addition to above IFRSs, certain other IFRSs, amendments to IFRSs and IFRIC interpretations have become applicable during the period. However, such IFRSs, amendments to IFRSs and IFRIC interpretations are not considered relevant for the business of the entity.

3.4 Financial instruments - Policy effective from January 01, 2019

In the current period, the Group except Subsidiary Bank has adopted IFRS 9 Financial Instruments. See note 4.3 for an explanation of the impact. Comparative figures for the year ended December 31, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

3.4.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Group except Subsidiary Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Group except Subsidiary Bank recognises due to counterparties when funds reach the company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.4.2 Classification

In accordance with IFRS 9, the Group except Subsidiary Bank classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Group except Subsidiary Bank classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit or loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Group except Subsidiary Bank elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as return on investments when the right of the payment has been established, except when the Group except Subsidiary Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

3.4.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Group except Subsidiary Bank has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group except Subsidiary Bank has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group except Subsidiary Bank has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's except Subsidiary Bank's continuing involvement in the asset. In that case, the Group except Subsidiary Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group except Subsidiary Bank has retained. The Group except Subsidiary Bank derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

3.4.4 Impairment of financial assets

The Group except Subsidiary Bank holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Group except Subsidiary Bank does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group's except Subsidiary Bank approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group except Subsidiary Bank uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

3.4.5 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Group except Subsidiary Bank has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2018.

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 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 the same as those applied to the consolidated financial statements for the year ended December 31, 2018.

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees in '000)	
6. PROPERTY AND EQUIPMENT			
Operating assets - owned	6.1	6,274,670	5,554,252
Capital work-in-progress		694,595	815,574
Right-of-use asset	6.2	4,993,812	-
		<u>11,963,077</u>	<u>6,369,826</u>
6.1 Movement in operating assets - owned			
Book value at beginning of the period		5,554,252	4,974,050
Cost of additions / transfers from			
CWIP during the period	6.1.1	1,165,612	1,340,775
Book value of deletions during the period	6.1.2	(34,152)	(32,083)
Depreciation charge for the period		<u>(411,042)</u>	<u>(728,490)</u>
Book value at end of the period		<u>6,274,670</u>	<u>5,554,252</u>

6.1.1 Details of additions during the period:

Capital work-in-progress - net transfers

Office premises - leasehold	33,869	63,510
Land - freehold	-	155,051
Land - leasehold	5,559	17,196
Office equipment	364,218	413,222
Leasehold improvements	275,777	186,211
Office furniture	258,415	74,646
Motor vehicle	227,774	430,939
	<u>1,165,612</u>	<u>1,340,775</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6.1.2 Book value of deletions / (adjustments) during the period			
Office premises - leasehold		-	(21,547)
Land - leasehold		-	2,415
Office equipment		3,742	5,045
Leasehold improvements		(856)	9,647
Office furniture		56	498
Motor vehicle		31,210	36,025
		<u>34,152</u>	<u>32,083</u>
6.2 Right-of-use asset			
Head office and branches		<u>4,993,812</u>	<u>-</u>
7. INTANGIBLE ASSETS			
Opening written down value		657,667	413,633
Addition during the period		70,630	319,671
Amortization for the period		<u>(46,698)</u>	<u>(75,637)</u>
		681,599	657,667
Capital work-in-progress		17,851	85,271
		<u>699,450</u>	<u>742,938</u>
8. LONG TERM INVESTMENTS			
Investment in associates	8.2	222,933	186,674
Related parties:			
- Available for sale		-	9,871,381
- at fair value through OCI		9,938,374	-
Other investments			
- Available for sale		12,685,324	34,802,225
- Held to maturity		21,292,065	22,982,181
- at fair value through OCI		5,210,547	-
Advance against investment		555,000	555,000
		<u>49,904,243</u>	<u>68,397,461</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

- 8.1 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Group except Subsidiary Bank. Refer note 3.3 for detailed policy notes.

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
8.2 Investment in associates		
Carrying value / cost of investment	207,913	180,000
Share of profit from associates	15,020	6,674
	<u>222,933</u>	<u>186,674</u>

During the period, JS Bank Limited (a subsidiary) has invested in the shares of Intercity Touring Company (Pvt.) Limited (9.1% shareholding) and Veda Transit Solutions (Pvt.) Limited (8% shareholding). The Group has classified the investment as associate on account of significant influence exercised by the Bank over the investee companies.

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
9. SHORT TERM INVESTMENTS			
Assets at fair value through profit or loss	9.1	28,591,170	43,069,649
Available for sale	9.1	61,044,923	38,749,079
Assets at fair value through OCI	9.1	2,855,327	-
Held to maturity		13,331,526	20,034,751
At amortized cost		835,207	-
		<u>106,658,153</u>	<u>101,853,479</u>

- 9.1 These include investments in equity securities and mutual funds of related parties having aggregate market value of Rs. 3,021 million (December 31, 2018: Rs. 2,419 million).

- 9.2 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Group except Subsidiary Bank. Refer note 3.3 for detailed policy notes.

10. LONG TERM FINANCING

During the period, the Holding Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six months KIBOR average rate plus 150 basis points per annum. This loan has a tenor of five years i.e. 2019-2024 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 pledge of marketable securities having market value of Rs. 770.63 million with margin ranging from 30% to 40%.

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
11. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing - Term finance certificates	615,654	740,169
Long term loans	185,213	247,450
Deposits and other accounts	273,835,657	253,010,012
Current accounts - Non-remunerative	77,260,435	64,530,541
Liabilities against assets subject to finance lease	69,823	11,787
	351,966,782	318,539,959

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, 2018, except for the following:

In respect of JS Bank Limited

Pakistan Operations

During the year, Additional Commissioner Inland Revenue (ACIR) issued amended orders for tax year 2016 and 2017. This was done by taking recourse of conducting tax audit or alternatively direct amendments in the deemed assessments contending that certain matters in the deemed assessments were not admissible as not conforming to the law and prejudiced the interest of revenue. As result of amendments in tax year 2016 and 2017 ACIR has raised additional demand of Rs. 433.890 million and Rs. 508.803 million respectively.

For both tax years, the Subsidiary Bank has not accepted the amendments and have filed appeals before the Commissioner Inland Revenue-Appeals where it is pending for hearing and decision.

Azad Jammu & Kashmir Operations

The Subsidiary Bank has commenced operations in Azad Jammu & Kashmir from tax year 2009 and has filed returns for the tax years 2009 to 2018 with the tax authorities of such region. The Commissioner has issued notices for amendment of assessment under section 122 of the Income Tax Ordinance, 2001 (as adopted in AJK Region) for the tax year 2011 to 2017. All assessments orders were rectified with Nil demand. However, such assessments are further amended under section 122(5A) of the Income Tax Ordinance, 2001 (as adopted in AJK and hereinafter refers to as 'the Ordinance') by the Commissioner Inland Revenue (CIR) for the tax year 2013 to 2017 and raised demand of Rs. 55.880 million. Based on the further amendments in tax years 2013 to 2017, CIR has increased mark-up earned on local advances and surplus funds, and dis-allowed fifty percent of allocated head office expense in each tax year, besides creating demand of Super Tax and Education Cess.

For said tax years, the Subsidiary Bank has not accepted further amendments and filed rectification application with CIR on grounds that amendments were made without considering the brought forward losses of Rs. 128.223 million. Simultaneously, the Subsidiary Bank has also filed appeals before the Commissioner Inland Revenue-Appeals (the CIRA) where it is pending for hearing and decision. The management is confident that the appeals filed in respect of above years will be decided in the Subsidiary Bank's favor and accordingly no demand for payment would arise.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

Sales tax

The Subsidiary Bank as a registered person under Sindh Sales Tax on Services Act, 2011 was issued an Order by the Assistant Commissioner Sindh Revenue Board (AC-SRB) creating a demand of Rs. 48.838 million besides penalty of Rs. 4.440 million against the Subsidiary Bank for alleged non-payment of Sindh sales tax on certain services / incomes (i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, Rebates from foreign correspondent Banks, and FX gain on remittance by Western Union) on total amounting to Rs. 277.488 million for the tax periods from July 2011 to December 2013.

An appeal was filed before Commissioner (Appeals) Sindh Revenue Board (CA-SRB), against the decision of AC-SRB which was decided in favor of the tax department except tax imposed on FX gain on remittance by Western Union. Thereafter, both the Subsidiary Bank and AC-SRB filed appeals before the Appellate Tribunal SRB against the decision of CA-SRB. Through its Order dated April 18, 2019, the Appellate Tribunal SRB quashed the demand raised by deciding the Subsidiary Bank's appeal in the Subsidiary Bank's favour and dismissing the AC-SRB's appeal.

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:

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
- Financial guarantees	2,655,710	3,552,003
- Performance guarantees	20,568,102	19,549,043
- Other guarantees	16,060,395	18,015,474
	<u>39,284,207</u>	<u>41,116,520</u>

Included herein the outstanding guarantees of Rs. 15.401 million (December 31, 2018: Rs. 19.201 million) of related parties.

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
12.3 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit	12.3.1	<u>12,314,629</u>	<u>14,957,752</u>
Commitments in respect of:			
Forward exchange contracts:			
- Purchase	12.3.2	<u>22,204,890</u>	<u>21,521,180</u>
- Sale	12.3.2	<u>8,678,455</u>	<u>13,106,262</u>
Undrawn formal standby facilities, credit lines and other commitments to lend	12.3.3	<u>151,830</u>	<u>284,137</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Other Commitments	----- (Rupees in '000) -----	
Forward commitments in respect of purchase of securities	1,574,852	300,182
Forward commitments in respect of sale of securities	9,828,495	2,497,568
Commitments in respect of capital expenditure	160,832	255,955
Bank Guarantee from a commercial bank in favor of NCCPL	400,000	400,000
Interest rate swaps	5,233,253	3,992,763
Options	2,080,677	2,631,433
Outstanding settlements against margin financing contracts - net	22,445	12,348

12.3.1 Included herein the outstanding letter of credits of Rs. 94.829 million (December 31, 2018: Rs. 44.016 million) of related parties.

12.3.2 The Subsidiary Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk.

12.3.3 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the subsidiary bank without the risk of incurring significant penalty or expense.

	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
13. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE	----- (Un-audited) ----- ----- (Rupees in '000) -----			
(Loss) / Profit after taxation attributable to equity holders' of the parent:	(42,821)	868,955	75,416	682,220
	----- (Number in '000) -----			
Weighted average number of Ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
(Loss) / Earnings per share:	----- (Rupees) -----			
Basic and Diluted	(0.05)	0.95	0.08	0.74

	June 30, 2019 (Un-audited)	June 30, 2018 (Audited)
14. CASH AND CASH EQUIVALENTS	----- (Rupees in '000) -----	
Cash and bank balances	37,267,488	22,778,726
Borrowings from banks / NBFCs	(31,074,087)	(17,315,061)
	6,193,401	5,463,665



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

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:

	June 30, 2019	June 30, 2018
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Long Term Deposits received	158,718,761	39,567,081
Interest paid on long term deposits	677,948	293,777
Long Term Deposits withdrawn	158,880,256	40,915,441
Loans and Advances repayment	5,342,119	2,600,057
Interest received on long term loans and advances	165,123	154,314
Loans and Advances disbursement	4,723,424	3,189,706
Dividend received	738,447	571,313
Brokerage and commission expense	455	-
Brokerage / commission / service income	84,469	14,674
Purchase of money market instruments	5,641,089	12,827,480
Sale / Maturity of money market instruments	126,034,301	112,064,846
Letter of credits (Contingencies and Commitments)	20,913	109,633
Letter of guarantees (Contingencies and Commitments)	15,401	15,000
Foreign exchange purchases transaction	3,366,328	1,416,821
Foreign exchange sale transaction	6,869,044	1,769,526
Rental income	15,916	7,906
Rent Expense	25,202	-
Interest / markup earned	165,123	-
Interest / markup paid	678,483	1,074
Principal redemptions made against TFCs	9,975	-
Royalty paid	7,500	13,725
Advisory fee paid	18,000	27,000
Insurance premium paid	285,451	256,588
Insurance claim received	6,548	7,789
Investments matured / disposed off in funds under management - at cost	883,051	531,638
Investments made in funds under management	1,532,428	451,638
Remuneration and commission income from funds	102,160	95,019
Commission income	153,787	160,132
Donation paid	4,000	7,000
Contribution to provident fund	120,447	102,940
Contribution to gratuity fund	65,939	175,118
Preference dividend paid	199	1,479

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

	June 30, 2019	June 30, 2018
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Loan repayment from executives / others	73,023	2,349
Interest received on long term loans to executives	9,923	11
Loan disbursed to executives / others	34,821	-
Security deposit paid	1,471	-
Reimbursement of expenses to company	1,262	17,931
Reimbursement of expenses by Company	2,019	-
Reimbursement of expenses to directors	5,228	781
Remuneration paid to Chief Executive Officer	121,726	88,673
Fee paid to directors for attending directors / committee meetings	7,925	9,325
Sale of Sukuk/ Ijara Sukuk	2,857,841	112,576
Remuneration to key management personnel	361,767	401,319

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, managing strategic and trading portfolios and earning share brokerage and money market, forex and commodity brokerage, advisory, underwriting, book running and consultancy services.
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.
Energy, infrastructure and petroleum	Principally engaged in investment in oil marketing sector and storage of petroleum, LPG and allied products.
Others	Other operations of the Group comprise of telecommunication, media, information technology and power generation.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the half year ended June 30, 2019 and 2018 respectively.

Half year ended June 30, 2019						
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, infrastructure and petroleum	Others	TOTAL SEGMENTS
Rupees in '000						
					ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
Revenue						
Segment revenues	1,177,521	20,646,530	48,212	133,903	9,460	22,015,626
Inter-segment revenues	(114,616)	(16,288)	(4,707)	(14,991)	(1,973)	(152,575)
Total revenue	1,062,905	20,630,242	43,505	118,912	7,487	21,863,051
Results						
Net profit for the period	136,914	(430,613)	(162,061)	(21,736)	3,381	(474,115)
Half year ended June 30, 2018						
Revenue						
Segment revenues	1,354,973	15,870,267	201,919	150,266	8,163	17,585,588
Inter-segment revenues	(267,524)	(79,629)	(2,579)	(20,953)	(1,114)	(371,799)
Total revenue	1,087,449	15,790,638	199,340	129,313	7,049	17,213,789
Results						
Net profit for the period	199,245	616,104	12,789	14,732	3,267	846,137
Half year ended June 30, 2018						
Revenue						
Segment revenues	1,354,973	15,870,267	201,919	150,266	8,163	17,585,588
Inter-segment revenues	(267,524)	(79,629)	(2,579)	(20,953)	(1,114)	(371,799)
Total revenue	1,087,449	15,790,638	199,340	129,313	7,049	17,213,789
Results						
Net profit for the period	199,245	616,104	12,789	14,732	3,267	846,137

The following tables present assets and liabilities information for the Group's operating segments for the half year ended June 30, 2019 and year ended December 31, 2018 respectively.

Half year ended June 30, 2019						
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, infrastructure and petroleum	Others	TOTAL SEGMENTS
Rupees in '000						
					ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
Assets						
June 30, 2019	33,113,272	454,992,134	2,364,866	4,723,310	560,137	495,753,719
December 31, 2018	33,555,452	456,128,494	2,261,835	4,756,220	714,323	497,416,324
Liabilities						
June 30, 2019	7,237,706	440,276,690	545,435	26,729	4,668	448,091,228
December 31, 2018	7,152,540	441,649,318	285,050	28,281	52,901	449,168,090

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- **Level 1** Quoted prices in active markets for identical assets or liabilities;
- **Level 2** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- **Level 3** Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at June 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
At fair value through profit or loss				
Open end Mutual Funds	2,047,361	-	-	2,047,361
Sukuk and term finance certificates	-	4,005	-	4,005
Listed equity securities	390,711	-	-	390,711
Government Securities	-	26,149,093	-	26,149,093
	2,438,072	26,153,098	-	28,591,170
Available for sale investments				
Listed equity securities	2,730,200	-	-	2,730,200
Sukuk and term finance certificates	-	630,067	-	630,067
Foreign currency bond (US\$)	-	2,377,713	-	2,377,713
Government Securities	65,205,535	-	-	65,205,535
	67,935,735	3,007,780	-	70,943,515
At fair value through OCI				
Listed equity securities	17,460,240	-	-	17,460,240
Unquoted equity securities *	-	-	435,375	435,375
Sukuk and term finance certificates	-	108,633	-	108,633
	17,460,240	108,633	435,375	18,004,248
	87,834,047	29,269,511	435,375	117,538,933



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

	As at June 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	23,303,828	-	23,303,828
Sale	-	9,311,960	-	9,311,960
Forward government securities				
Purchase	-	1,575,756	-	1,575,756
Sale	-	9,628,783	-	9,628,783
Cross currency swaps (notional principal)	-	7,512,775	-	7,512,775
Options (notional principal)	-	2,102,227	-	2,102,227

* As at June 30, 2019, the Holding Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited (see note 3.3.1) are carried at fair value. The fair values of these investment are determined by the management after applying appropriate haircut to the carrying values of the net assets of investee companies as the net assets of investee companies mainly comprise of marketable securities and other assets having carrying value approximately equal to their fair value.

	As at December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
At fair value through profit or loss				
Open end Mutual Funds	-	378,944	-	378,944
Term Finance Certificates	-	128,106	-	128,106
Listed equity securities	1,194,085	-	-	1,194,085
Government Securities	-	41,368,514	-	41,368,514
	1,194,085	41,875,564	-	43,069,649

Available for sale investments

Open end Mutual Funds	-	1,157,455	-	1,157,455
Listed equity securities	21,832,121	-	-	21,832,121
Sukuk and term finance certificates (quoted)	-	679,621	-	679,621
Government Securities	-	52,541,122	-	52,541,122
Foreign currency bond (US\$)	-	5,868,382	-	5,868,382
	21,832,121	60,246,580	-	82,078,701
	23,026,206	102,122,144	-	125,148,350

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2019 (Un-audited)

	As at December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	21,946,624	-	21,946,624
Sale	-	13,319,774	-	13,319,774
Forward government securities				
Purchase	-	209,530	-	209,530
Sale	-	1,494,554	-	1,494,554
Cross currency swaps (notional principal)	-	5,254,792	-	5,254,792
Options (notional principal)	-	2,627,781	-	2,627,781

17.1 During the period ended June 30, 2019, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

18. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

18.1 Subsequent to period ended June 30, 2019, JSIL (a sub-subsidiary company), with the approval of its shareholders in extraordinary general meeting held on July 24, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back upto a maximum of 27,973,840 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs. 18 per share.

18.2 Subsequent to period ended June 30, 2019, JSGCL (a sub-subsidiary company), with the approval of its shareholders in extraordinary general meeting held on August 20, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back upto a maximum of 7,450,000 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs. 55 per share.

18.3 Pursuant to the completion of buy back of shares by JSIL and JSGCL, shareholding of the Holding Company in these sub-subsidiaries shall increase accordingly.

19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Holding Company in its meeting held on August 28, 2019.

20. GENERAL

20.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

20.2 Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Half Yearly Report June 30, 2019 (Un-audited)



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