



Quarterly Report
September 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 & Director*

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

Suleman Lalani
Member

Shahid Hussain Jatoi
Member

Executive Committee

Ali Raza Siddiqui
Member

Suleman Lalani
Member

Shahid Hussain Jatoi
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 as Director on September 13, 2019



Directors' Review

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the nine month period ended September 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 122 million for the nine month period ended September 30, 2019. The overall revenues for the period under review decreased by PKR 89 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 September 30, 2019 was PKR 24.10.

Further, the Company has recorded a provision for impairment of PKR 181 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 0.13 for the nine month period ended September 30, 2019.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net loss after tax of PKR 617 million for the nine month period ended September 30, 2019 as compared to a net profit of PKR 1,057 million for the corresponding period last year.

The overall revenues for the period under review increased by PKR 8,689 million from the corresponding period last year. However, the administrative and other expenses and finance cost also increased by PKR 10,832 million during the same period.

Further, 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 repurchased 18,397,562 shares and 7,450,000 shares at the rate of PKR 18/- per share and PKR 55/- per share respectively. Accordingly, the effective shareholdings of the Group in the above sub-subsidiaries have increased to 63.43% and 62.66% respectively.

The basic and diluted loss per share is PKR 0.34 for the nine month period ended September 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
Karachi: October 28, 2019

Suleman Lalani
Chief Executive Officer
& Director



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 (Double A) AA اور مختصر مدتی کریڈٹ ریٹنگ (A One Plus) A1+ کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے ۵۰۰ ملین روپے کے نوٹس، ۵۰۰ ملین روپے کے دسویں اور ۵۰۰ ملین روپے کے گیارہویں TFCs کی ریٹنگ کو بھی (Double A Plus) AA+ 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 جسکے قیام کیلئے ضروری ہے کہ نجی شعبوں کو خاص طور پر معاشی سرگرمیوں اور برآمدات کو فروغ دینے کے لیے مراعات فراہم کی جائیں۔

کمپنی ہمیشہ کی طرح موجودہ مشکل حالات میں بھی شیئر ہولڈرز ویلیو میں اضافے کے لیے کوشاں ہے۔ اپنے کاروباری شعبوں یعنی کہ بینکاری، انشورنس، ٹیلی مواصلات، توانائی، ٹیکنالوجی، میڈیا اور انفراسٹرکچر 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 کمپیٹل 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

سلیمان لالانی

چیف ایگزیکٹو آفیسر اور ڈائریکٹر

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی۔ ۲۸ اکتوبر ۲۰۱۹ء

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ، (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی نو ماہی 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 ستمبر ۲۰۱۹ء کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی کا خالص منافع ۱۲۲ ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے ۸۹ ملین روپے کم رہی جس کی بنیادی وجہ سرمایہ کاری سے حاصل ہونے والی ڈیویڈنڈ آمدنی میں کمی ہے۔ ۳۰ ستمبر ۲۰۱۹ء کو فی حصص بریک اپ ویلیو ۲۳.۱ روپے رہی۔

علاوہ ازیں جائزہ کی مدت کے دوران کمپنی نے اپنی (un-quoted) ذیلی کمپنی کے خالص اثاثوں میں کمی کے باعث ۱۸۱ ملین روپے کا امپیئر منٹ کا پروویژن (provision for impairment) ریکارڈ کیا ہے۔

۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی نو ماہی میں کمپنی کا basic اور diluted منافع فی حصص ۱۳ پیسے رہا۔

مجموعی مالیاتی گوشوارے:

۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی نو ماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۶۱ ملین روپے کا خالص نقصان ریکارڈ کیا جب کہ پچھلے سال کی تقابلی مدت میں خالص منافع ۰.۵۷ ملین روپے تھا۔

مجموعی آمدنی میں پچھلے سال تقابلی مدت سے ۸،۶۸۹ ملین روپے کا اضافہ ہوا۔ تاہم اسی مدت کے دوران انتظامی اور دیگر اخراجات اور مالیاتی لاگت میں بھی ۸۳۲،۱۰۰ روپے کا اضافہ ہوا۔

مزید یہ کہ 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 ۱۸ روپے فی حصص اور ۵۵ روپے فی حصص بالترتیب ۸۴،۹۳۴،۹۳۴،۹۳۴ حصص تک اور ۴۵۰،۰۰۰ حصص تک واپس خرید لئے ہیں۔ اس کے مطابق مذکورہ ذیلی اداروں میں گروپ کی موثر حصص داری بالترتیب ۶۳.۴۳ اور ۶۲.۶۶ فیصد ہو گئی۔

۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی نو ماہی میں کمپنی کا basic اور diluted نقصان فی حصص ۳۴ پیسے رہا۔



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property and equipment	6	263,731	88,192
Investment property		1,570	1,660
Long term investments	7	23,316,996	25,077,952
Long term loans and advances		28,654	25,620
Long term security deposits		2,959	3,027
		<u>23,613,910</u>	<u>25,196,451</u>
Current Assets			
Short term loans and advances	8	3,714	65,995
Short term prepayments and other receivables		21,431	8,020
Interest accrued		3,843	11,023
Other financial assets - short term investments	9	2,425,629	3,050,820
Taxation - net		90,683	87,037
Cash and bank balances		410,391	296,059
		<u>2,955,691</u>	<u>3,518,954</u>
		<u>26,569,601</u>	<u>28,715,405</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		65,000,000	65,000,000
Issued, subscribed and paid-up capital		9,159,424	9,159,424
Reserves		12,905,100	14,635,087
		<u>22,064,524</u>	<u>23,794,511</u>
Non-Current Liabilities			
Long term financing	10	2,922,930	3,352,745
Liability against assets subject to finance lease		128,329	-
Current Liabilities			
Trade and other payables	11	264,941	440,206
Unclaimed dividend		10,543	10,543
Accrued interest on borrowings		105,386	126,531
Current maturity of liability against assets subject to finance lease		23,370	-
Current portion of long term financing	10	1,049,578	990,869
		<u>1,453,818</u>	<u>1,568,149</u>
		<u>26,569,601</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 Nine Month Period Ended September 30, 2019 (Un-audited)

		Nine Months Ended		Quarter Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
INCOME	Note	(Rupees in '000)			
Return on investments	13	827,875	896,851	139,913	100,799
Gain on sale of investments - net	14	62,317	56,325	16	19,497
Income from long term loans and fund placements	15	33,415	92,766	10,767	26,354
Other income		22,064	43,673	5,269	13,990
Gain / (loss) on remeasurement of investments through profit or loss - net		54,844	(557)	(5,386)	(557)
		1,000,515	1,089,058	150,579	160,083
EXPENDITURE					
Operating and administrative expenses		156,099	174,962	42,435	56,895
Finance cost		418,714	284,096	149,071	105,817
Provision / (reversal of provision) for workers' welfare fund	11	4,898	11,326	(2,161)	(962)
Provision for impairment - net		180,786	63,703	67,114	45,485
		760,497	534,087	256,459	207,235
PROFIT BEFORE TAXATION		240,018	554,971	(105,880)	(47,152)
Taxation					
Current		118,218	147,368	18,427	15,095
Prior		-	22,036	-	-
		118,218	169,404	18,427	15,095
PROFIT / (LOSS) FOR THE PERIOD		121,800	385,567	(124,307)	(62,247)
EARNINGS / (LOSS) PER SHARE		(Rupees)			
Basic and diluted	16	0.13	0.42	(0.14)	(0.07)

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 Nine Month Period Ended September 30, 2019 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
PROFIT / (LOSS) FOR THE PERIOD	121,800	385,567	(124,307)	(62,247)
OTHER COMPREHENSIVE LOSS:				
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	(1,851,787)	-	(1,076,772)	-
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	(269,915)	-	68	-
	(2,121,702)	-	(1,076,704)	-
Items that may be reclassified subsequently to profit or loss account				
Fair value loss on available for sale investments during the period - net of deferred tax	-	(2,848,864)	-	(3,621,889)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	-	(60,334)	-	(21,734)
	-	(2,909,198)	-	(3,643,623)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,999,902)	(2,523,631)	(1,201,011)	(3,705,870)

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 Nine Month Period Ended September 30, 2019 (Un-audited)

	Reserves					
	Issued, subscribed and paid-up capital	Ordinary share premium	Unrealised gain / (loss) on revaluation of available for sale investments - net	Revenue Reserve	Sub-total	Total
				Unappropriated profit		
Balance as at	(Rupees in '000)					
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	-	-	-	385,567	385,567	385,567
Other comprehensive loss	-	-	(2,909,198)	-	(2,909,198)	(2,909,198)
Total comprehensive (loss) / income	-	-	(2,909,198)	385,567	(2,523,631)	(2,523,631)
Balance as at						
September 30, 2018 (un-audited)	9,159,424	4,497,894	8,827,023	2,512,436	15,837,353	24,996,777
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	-	-	-	121,800	121,800	121,800
Other comprehensive loss	-	-	(2,286,477)	-	(2,286,477)	(2,286,477)
Total comprehensive (loss) / income	-	-	(2,286,477)	121,800	(2,164,677)	(2,164,677)
Tranfer of revaluation reserve on account of sale of securities classified as fair value through OCI	-	-	-	269,915	269,915	269,915
Balance as at						
September 30, 2019 (un-audited)	9,159,424	4,497,894	5,728,303	2,678,903	12,905,100	22,064,524

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 Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES	Note	(Rupees in '000)
Profit before taxation for the period		240,018
Adjustment for non cash charges and other items:		
Depreciation		21,851
Gain on sale of property and equipment		(1,156)
(Gain) / Loss on remeasurement of investments at fair value through profit or loss - net		(54,844)
Provision for impairment - net		180,786
Provision for Workers' Welfare Fund		4,899
Dividend income		(761,944)
Interest income		(99,346)
Finance cost		418,714
		(291,040)
Operating loss before working capital changes		(51,022)
Decrease / (increase) in current assets:		
Loans and advances		62,281
Short term prepayments and other receivables		(18,427)
Long term loans, advances and security deposits		(2,966)
		40,888
Decrease in trade and other payables		(180,164)
Net cash used in operations		(190,298)
Investments - net		899,879
Dividend received		748,750
Finance cost paid		(428,194)
Taxes paid		(121,864)
Interest income received		106,526
Net cash generated from / (used in) operating activities		1,014,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred		(27,345)
Proceeds from sale of property and equipment		1,160
Net cash used in investing activities		(26,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates - net of proceeds from issuance		(633,340)
Long term loan obtained from / (repaid to) bank - net		250,519
Net cash (used in) / generated from financing activities		(382,821)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		605,793
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		296,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17	901,852

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 Nine Month Period Ended September 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.

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.

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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 and IFRS 9 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.

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	-



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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.

• 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:

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019		
	RoU asset	Lease liability (Rupees in '000)	Interest liability
As at January 01, 2019	169,959	169,909	50
Additions	-	-	-
Depreciation expense	(14,159)	-	-
Interest expense	-	-	14,362
Payments	-	(18,210)	-
As at September 30, 2019	155,800	151,699	14,412

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.

(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	IFRS 9 Measurement
			(Rupees in '000)	
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



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

January 01, 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
			(Rupees in '000)	
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.

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 1 January 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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).

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.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

(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 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. 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.

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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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 except change in the rate of depreciation on leasehold improvements from 33% to 10%.

6. PROPERTY AND EQUIPMENT	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		----- (Rupees in '000) -----	
Operating assets - owned	6.1	107,504	5,696
Capital work-in-progress		427	82,496
Right-of-use asset	6.2	155,800	-
		<u>263,731</u>	<u>88,192</u>



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
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	109,414	3,085
Book value of deletions during the period		(4)	(433)
Depreciation charge for the period		(7,602)	(2,176)
Book value at end of the period		<u>107,504</u>	<u>5,696</u>

6.1.1 Details of additions during the period:

Capital work-in-progress - net transfers

Office equipment

Leasehold improvements

Office furniture

Motor vehicle

	7,855	188
6.1.1.1	89,111	-
	11,008	-
	1,440	2,897
	<u>109,414</u>	<u>3,085</u>

6.1.1.1 This represents leasehold improvements capitalized by the Company upon transfer to new office location. These are to be depreciated at the rate of 10% per annum on straight line basis.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6.2 Right-of-use asset			
Head office	4.2	<u>155,800</u>	<u>-</u>

7. LONG TERM INVESTMENTS

Investments in related parties

Investment in subsidiaries

Other related parties - 'at fair value through OCI'

Other related parties - Available for sale

7.1	10,238,501	10,419,287
7.2	8,311,659	-
7.2	-	8,795,889
	<u>18,550,160</u>	<u>19,215,176</u>

Other investments

7.3	4,766,836	5,862,776
	<u>23,316,996</u>	<u>25,077,952</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

7.1 Investment in subsidiaries - at cost

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

Number of shares					Holding			
September 30, 2019 (Un-audited)	December 31, 2018 (Audited)		<u>Note</u>	Activity	September 30, 2019 (Un-audited) %	December 31, 2018 (Audited) %	September 30, 2019 (Un-audited) ----- (Rupees in '000) -----	December 31, 2018 (Audited) ----- (Rupees in '000) -----
<u>Quoted</u>								
973,307,324 *	973,307,324	JS Bank Limited		Commercial Banking	75.02	75.02	6,127,149	6,127,149
		Market value Rs. 3,971.09 (December 31, 2018: Rs. 7,173.28) million						
<u>Un-quoted</u>								
173,736,297	173,736,297	JS Infocom Limited	7.1.1	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490
		Net assets value Rs. 388.02 (December 31, 2018: Rs. 569.97) million based on un-audited financial statements for the nine month period ended September 30, 2019 Less: Impairment					(1,320,466)	(1,138,517)
							388,024	569,973
10,000	10,000	JS International Limited		Investment services	100.00	100.00	294,882	294,882
		Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.79 (September 30, 2018: Rs. 1.40) million based on un-audited financial statements for the nine month period ended June 30, 2019 Less: Impairment					(294,882)	(294,882)
							-	-
370,000,000	370,000,000	Energy Infrastructure Holding (Private) Limited		Energy, Petroleum & Infrastructure	100.00	100.00	3,700,000	3,700,000
		Net assets value Rs. 3,755.44 (December 31, 2018: Rs. 3,827.80) million based on un-audited financial statements for the nine month period ended September 30, 2019						
3,000,000	3,000,000	Quality Energy Solutions (Private) Limited	7.1.2	Power Generation & Distribution	100.00	100.00	30,000	30,000
		Net assets value Rs. 23.33 (December 31, 2018: Rs. 22.17) million based on un-audited financial statements for the half year ended September 30, 2019 Less: Impairment					(6,672)	(7,835)
							23,328	22,165
							10,238,501	10,419,287

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

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. 181.95 million.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

- 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. 1.16 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			
September 30, 2019	December 31, 2018		Note	Activity	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
(Un-audited)	(Audited)				(Un-audited)	(Audited)	(Un-audited)	(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	-	3,809,017	-
20,047,708	-	EFU Life Assurance Limited		Life Assurance	20.05	-	4,492,090	-
<u>Un-quoted - at fair value (note 7.2.1)</u>								
750,000	-	EFU Services (Private) Limited		Investment company	37.50	-	10,552	-
							8,311,659	-

Available-for-sale

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

Number of shares		Note	Activity	Holding		September 30, 2019 (Un-audited) %	December 31, 2018 (Audited) %	September 30, 2019 (Un-audited) ----- (Rupees in '000) -----	December 31, 2018 (Audited) ----- (Rupees in '000) -----
September 30, 2019	December 31, 2018			September 30, 2019	December 31, 2018				
(Un-audited)	(Audited)			(Un-audited)	(Audited)				
<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.
- 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

7.3 Other investments

At fair value through OCI

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

Number of shares								
September 30, 2019 (Un-audited)	December 31, 2018 (Audited)					September 30, 2019 (Un-audited)	December 31, 2018 (Audited)	
				Note		(Rupees in '000)		
<u>Quoted - at fair value</u>								
214,258,460 *	-	BankIslami Pakistan Limited	7.3.1		2,354,701		-	
89,690,363	-	Azgard Nine Limited			758,780		-	
153,406,638	-	Pakistan International Bulk Terminal Limited			1,196,572		-	
11,622,000	-	Hum Network Limited			31,960		-	
		(Ordinary shares of Re.1 each)						
<u>Un-quoted - at fair value</u>								
2,399,454	-	Security General Insurance Company Limited			424,823		-	



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

7.3.1 Subsequent to period end, the Company has opted to subscribe 10% right shares announced by BankIslami Pakistan Limited.

7.3.2 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 markup was repaid by JS Infocom Limited, during the period.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
Available for sale			
Listed equity securities		-	2,664,507
Assets at fair value through OCI			
Listed equity securities		1,715,338	-
Assets at fair value through profit or loss			
Listed equity securities		68,830	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	491,461	-
		<u>2,425,629</u>	<u>3,050,820</u>

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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

9.2 Government securities - Amortized Cost

Face value					Balances as at September 30, 2019	
Name of security	Issue Date	As at Jan 01, 2019	Purchased during the period	Sold / matured during the period	As at September 30, 2019	Carrying Value
(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	100,000	-	-
Market Treasury Bills - 3 months	23-May-19	-	100,000	100,000	-	-
Market Treasury Bills - 3 months	20-Jun-19	-	500,000	500,000	-	-
Market Treasury Bills - 3 months	01-Aug-19	-	150,000	-	148,741	148,741
Market Treasury Bills - 3 months	16-Aug-19	-	100,000	-	98,649	98,649
Market Treasury Bills - 3 months	12-Sep-19	-	250,000	-	244,071	244,071
Total as at September 30, 2019					491,461	
Total as at December 31, 2018					-	

9.2.1 These treasury bills carry effective interest rate 13.75% per annum approximately and will be matured by December 05, 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.

10. LONG TERM FINANCING

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
LONG TERM FINANCING	Note	----- (Rupees in '000) -----	
Term Finance Certificates (TFCs)			
Eighth issue - listed on Pakistan Stock Exchange Limited		-	131,167
Nineth issue - Privately Placed		497,694	620,712
Tenth issue - Privately Placed		1,117,134	1,487,805
Eleventh issue - listed on Pakistan Stock Exchange Limited		1,487,086	1,483,873
	10.1	<u>3,101,914</u>	<u>3,723,557</u>
Term Loan			
Term loan 1	10.2	-	186,899
Term loan 2	10.2	372,153	433,158
Term loan 3	10.3	498,441	-
		<u>870,594</u>	<u>620,057</u>
		3,972,508	4,343,614
Less: Current portion shown under current liability		1,049,578	990,869
		<u>2,922,930</u>	<u>3,352,745</u>



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

- 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. 5,707.84 (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. 625.34 (December 31, 2018: Rs. 1,011.17) million with margin ranging from 30% to 40%. Term Loan 1 has been repaid in full by the Company 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 tenure 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. 791.28 million with margin ranging from 30% to 40%.

11. TRADE AND OTHER PAYABLES

This includes payable against Workers' Welfare Fund (WWF) amounting to Rs. 174.47 (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.

	September 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. 699.37 (September 30, 2018: Rs. 817.4) million.

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
14. GAIN ON SALE OF INVESTMENTS - net				
Financial assets at fair value				
through profit or loss	62,317	(4,009)	16	(2,237)
Available for sale	-	60,334	-	21,734
	<u>62,317</u>	<u>56,325</u>	<u>16</u>	<u>19,497</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

15. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 28.06 (September 30, 2018: Rs. 89.05) million on bank balances maintained with a related party (JS Bank Limited).

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Un-audited)			
	(Rupees in '000)			
16. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE				
Profit / (loss) after taxation attributable to ordinary shareholders	121,800	385,567	(124,307)	(62,247)
	(Numbers in '000)			
Weighted average number of ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
	(Rupees)			
Earnings / (loss) per share:				
- Basic and diluted	0.13	0.42	(0.14)	(0.07)

September 30, 2019 September 30, 2018
 -----(Un-audited)-----
 -----(Rupees in '000)-----

17. CASH AND CASH EQUIVALENTS

Cash and bank balances	410,391	1,089,746
Market treasury bills	491,461	-
	<u>901,852</u>	<u>1,089,746</u>

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.

	September 30, 2019	September 30, 2018
	(Un-audited)	
	(Rupees in '000)	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Dividend received	23,419	174,450
Brokerage expense paid	803	735



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Purchase of government securities	1,411,913	-
Proceeds on maturity of government securities	950,000	-
Mark-up paid on TFCs issued by the Company	2,890	1,158
Principal redemption made against TFCs issued by the Company	5,250	3,750
Investment in term deposit receipts	-	500,000
Maturity of term deposit receipts	-	500,000
Capital gain tax paid for onward submission to National Clearing Company of Pakistan Limited (NCCPL)	113	1,676
Capital gain tax refund through NCCPL	113	262
Capital gain tax tariff paid for onward submission to NCCPL	40	30
Rent income received	14,749	38,049
Market maker fee paid	565	552
Profit received on fund placements and deposit accounts	32,590	91,846
Bank charges paid	14	1,529
Reimbursement of expenses by the Company	133	4,743
Reimbursement of expenses to the Company	2,807	14,256
Loan repaid by subsidiary including interest	49,907	11,153
Advisory and arrangement fee paid	-	12,343
Investment in right shares of a subsidiary	-	1,700,000
Refund on cancellation of guarantee issued	-	810
Investment in TFCs issued by the Company	-	15,000
	----- (Number) -----	----- (Number) -----
Right shares received	-	170,000,000
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	675,948	642,954
Contributions paid to Staff Provident Fund	5,210	4,364
Interest / mark-up paid	535	1,431
Principal redemptions made against TFCs	9,975	7,125
Insurance premium paid	2,830	2,478
Royalty paid	11,250	11,225
Security deposit received	1,471	-
Rent paid	22,257	-
Rent received	12,881	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
	(Un-audited)	
	(Rupees in '000)	
Reimbursement of expenses to the Company	1,411	-
Reimbursement of expenses by the Company	3,034	-
Investment in TFCs issued by the Company	-	9,000
Advisory fee paid	4,500	4,500

Key Management Personnel

Remuneration paid to Chief Executive Officer	23,643	19,887
Fee paid to directors for attending directors / committee meetings	3,750	3,150
Remuneration paid to executives	21,116	17,237
Interest received on long term loans to executives	1,632	16
Loan and advances repayments from executives	627	446
Reimbursement from CEO & Executives	14	26
Reimbursement of expenses to directors	5,460	1,032

	September 30, 2019	December 31, 2018
	(Un-audited)	(Audited)
	(Rupees in '000)	

BALANCES

Subsidiary and Sub-subsidiary Companies

Receivable against expenses incurred on their behalf	72	177
Cash at bank accounts	400,911	295,124
Profit receivable on deposit accounts	3,000	7,534
Outstanding principal of TFCs issued by the Company	24,000	29,250
Mark-up payable on TFCs issued by the Company	254	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 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	-	-
Security deposit	1,471	-
Donation payable	4,927	4,000
Rent payable	-	4,047



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
Key Management Personnel		
Loans and advances	24,306	24,933

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)

	September 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	----- (Rupees in '000) -----			
Investments at fair value through OCI				
Listed equity securities	14,358,458	-	-	14,358,458
Unquoted equity securities*	-	-	435,375	435,375
Investments at fair value through profit or loss				
Listed equity securities	68,830	-	-	68,830
	<u>14,427,288</u>	<u>-</u>	<u>435,375</u>	<u>14,862,663</u>

* As at September 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 Nine Month Period Ended September 30, 2019 (Un-audited)

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(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 September 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 October 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



CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2019

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	12,187,870	6,369,826
Intangible assets	7	844,504	742,938
Investment property		1,570	1,660
Long term investments	8	48,560,367	68,397,461
Long term loans, advances, prepayments and other receivables		99,724,184	102,998,993
Assets repossessed		870,851	91,421
Long term deposits		21,608	22,242
Deferred taxation		1,580,223	1,303,083
		163,791,177	179,927,624
Current Assets			
Short term investments	9	110,392,138	101,853,479
Trade debts		662,209	1,184,680
Loans and advances		139,099,234	149,341,063
Accrued markup		7,769,633	5,746,955
Short-term prepayments, deposits, and other receivables		3,866,393	5,886,291
Other financial assets - fund placements		1,229,104	1,937,347
Taxation - net		1,064,791	1,253,057
Cash and bank balances		22,252,655	33,124,776
		286,336,157	300,327,648
		450,127,334	480,255,272
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		9,159,424	9,159,424
Reserves		17,077,612	18,946,154
Equity attributable to equity holders' of the parent		26,237,036	28,105,578
Non-controlling interests		5,563,476	6,009,183
Total equity		31,800,512	34,114,761
Non-Current Liabilities			
Long term financing	10	10,392,732	10,823,545
Liabilities against assets subject to finance lease		5,315,066	34,635
Long term deposits and other accounts		9,177,481	1,663,233
Deferred liability - employee benefit		115,816	102,494
		25,001,095	12,623,907
Current Liabilities			
Trade and other payables		13,491,358	15,536,365
Unclaimed Dividend		21,072	21,072
Accrued interest / mark-up on borrowings		3,726,805	2,860,545
Short term borrowings		59,923,106	96,558,663
Current deposits and current portion of long term liabilities	11	316,163,386	318,539,959
		393,325,727	433,516,604
		450,127,334	480,255,272
Contingencies and Commitments			
	12		

The annexed notes 1 to 19 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 Nine Month Period Ended September 30, 2019 (Un-audited)

		Nine Months Ended		Quarter Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Income	Note	(Rupees in '000)			
Return on investments		7,963,691	8,762,109	2,933,059	2,565,168
Loss on sale of investments - net		(472,626)	(296,639)	(178,763)	(401,104)
Income from long term loans and fund placements		23,414,316	13,807,042	8,453,500	5,167,693
Fee, commission and brokerage		2,364,316	2,362,785	775,008	666,910
Other income		894,730	832,819	289,646	300,053
Loss on remeasurement of investments through profit and loss - net		(54,782)	(46,972)	(10,836)	(87,179)
		34,109,645	25,421,144	12,261,614	8,211,541
Expenditure					
Administrative and other expenses		9,322,856	8,689,388	2,979,084	2,905,865
Finance cost		25,279,804	15,081,547	9,713,987	5,381,525
Provision for workers' welfare fund		5,504	38,234	(2,118)	1,655
Provision / (reversal of) impairment on investments - net		123,672	(191,117)	(95,325)	(159,464)
		34,731,836	23,618,052	12,595,628	8,129,581
Share of profit / (loss) from associates		13,969	4,982	(1,051)	796
(Loss) / Profit before taxation		(608,222)	1,808,074	(335,065)	82,756
Taxation					
- Current		727,040	787,229	217,495	134,340
- Prior		4,942	36,919	-	-
- Deferred		(723,594)	(73,354)	(170,469)	(50,806)
		8,388	750,794	47,026	83,534
(LOSS) / PROFIT FOR THE PERIOD		(616,610)	1,057,280	(382,091)	(778)
Attributable to:					
Equity holders' of the parent		(310,466)	848,290	(267,645)	(20,665)
Non-controlling interests		(306,144)	208,990	(114,446)	19,887
		(616,610)	1,057,280	(382,091)	(778)
(LOSS) / EARNINGS PER SHARE	13	(Rupees)			
Basic and diluted		(0.34)	0.93	(0.29)	(0.02)

The annexed notes 1 to 19 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 Nine Month Period Ended September 30, 2019 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Rupees in '000)			
(LOSS)/ PROFIT FOR THE PERIOD	(616,610)	1,057,280	(382,091)	(778)
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	(2,233,059)	-	(1,298,089)	-
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	(270,751)	-	68	-
	(2,503,810)	-	(1,298,021)	-
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	1,400,968	(4,343,431)	1,155,369	(4,196,745)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(572,475)	(684,970)	(949,083)	(589,286)
	828,493	(5,028,401)	206,286	(4,786,031)
Exchange difference of translation of net assets in foreign branches of a subsidiary	38,935	31,878	(13,279)	580
	867,428	(4,996,523)	193,007	(4,785,451)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(2,252,992)	(3,939,243)	(1,487,105)	(4,786,229)
Attributable to:				
Equity holders' of the parent	(2,033,192)	(3,739,675)	(1,419,301)	(4,625,612)
Non-controlling interests	(219,800)	(199,568)	(67,804)	(160,617)
	(2,252,992)	(3,939,243)	(1,487,105)	(4,786,229)

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 Nine Month Period Ended September 30, 2019 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT							Non-controlling interests	TOTAL
	Reserves					Revenue reserve			
	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	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	-	-	-	-	-	848,290	848,290	208,990	1,057,280
Other comprehensive income / (loss)	-	-	31,878	(4,619,843)	-	-	(4,587,965)	(408,558)	(4,996,523)
Total comprehensive income / (loss) for the period	-	-	31,878	(4,619,843)	-	848,290	(3,739,675)	(199,568)	(3,939,243)
Transfer to statutory reserves	-	-	-	-	113,456	(113,456)	-	-	-
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 September 30, 2018 (un-audited)	9,159,424	4,497,894	43,557	7,409,308	1,190,014	7,797,785	30,097,982	6,111,089	36,209,071
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 3.3.4)	-	-	-	(13,728)	-	49,313	35,585	113,893	149,478
Loss for the period	-	-	-	-	-	(310,466)	(310,466)	(306,144)	(616,610)
Other comprehensive income / (loss)	-	-	38,935	(1,926,436)	-	-	(1,887,501)	86,344	(1,801,157)
Total comprehensive income / (loss) for the period	-	-	38,935	(1,926,436)	-	(310,466)	(2,197,967)	(219,800)	(2,417,767)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(745)	(745)
Buy-back of shares by sub-subsidiary (note 1.2.1)	-	-	-	-	-	-	-	(354,245)	(354,245)
Surplus arised on buy back of shares by sub-subsidiary	-	-	-	-	-	23,089	23,089	-	23,089
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	-	-	-	-	-	270,751	270,751	-	270,751
Balance as at September 30, 2019 (un-audited)	9,159,424	4,497,894	109,329	3,644,288	1,160,931	7,665,170	26,237,036	5,563,476	31,800,512

The annexed notes 1 to 19 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 Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(608,222)	1,808,074
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	1,229,437	536,762
Amortisation on intangible assets	72,457	53,450
Gain on sale of property and equipment	(99,286)	(58,180)
Provision for doubtful debts, loans and advances	441,872	173,703
Charge for defined benefit plan	65,939	-
Provision for / (reversal of) impairment on investments - net	123,672	(191,117)
Effect of translation of net investment in foreign branches	38,935	31,878
Loss on remeasurement of investments through profit or loss - net	54,782	46,972
Finance cost	25,279,804	15,081,547
	27,207,612	15,675,015
Operating profit before working capital changes	26,599,390	17,483,089
Decrease / (Increase) in operating assets :		
Trade debts	521,319	(149,686)
Loans and advances	9,799,957	(78,967,964)
Long term loans, advances, prepayments, deposits and other receivables	3,275,443	30,248,603
Other financial assets - fund placements	708,243	1,287,356
Prepayments, deposits, accrued mark-up and other receivables	(2,780)	(2,541,715)
	14,302,182	(50,123,406)
(Decrease) / Increase in operating liabilities:		
Trade and other payables	(2,045,007)	703,430
Deposits and other accounts	5,026,299	21,904,572
Net cash generated from / (used in) operations	43,882,864	(10,032,315)
Interest / mark-up paid	(24,674,651)	(14,852,484)
Gratuity paid	(52,617)	(46,874)
Taxes paid	(543,716)	(1,367,335)
Dividend paid (including non-controlling interests)	(745)	(5,550)
Net cash generated from / (used in) operating activities	18,611,135	(26,304,558)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,501,892)	(1,497,276)
Intangible assets acquired	(174,023)	(197,980)
Proceeds from sale of property and equipment	151,158	103,691
Paid to Non-Controlling Interests against buy back of shares by a subsidiary	(331,156)	-
(Acquisition of) / proceeds from disposal of assets repossessed	(779,430)	489
Proceeds from issuance of right shares by subsidiary company	15,190	70,000
Investments sold - net	10,147,724	36,879,731
Net cash generated from investing activities	7,527,571	35,358,655
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates - net of proceeds from issuance	(624,406)	1,249,036
Long term loan obtained from bank - net of repayments	249,136	(125,000)
Securities sold under repurchase agreements - net	(32,821,326)	(10,355,923)
Net cash used in financing activities	(33,196,596)	(9,231,887)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,057,890)	(177,790)
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 (653,811)	(1,548,466)

The annexed notes 1 to 19 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 Nine Month Period Ended September 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	
			September 30, 2019	December 31, 2018
JS Bank Limited (JSBL)	Commercial Banking	December 30, 2006	75.02%	75.02%
JS Investments Limited (JSIL) (Sub-subsidiary) - Note 1.2.1	Investment Advisor and Asset Manager	November 1, 2012	63.43%	48.88%
JS Global Capital Limited (Sub-subsidiary) - Note 1.2.2	Brokerage, advisory and consultancy services	December 21, 2011	50.38%	50.38%
JS ABAMCO Commodities Limited (Sub-subsidiary) - Note 1.2.1	Commodity brokerage	November 1, 2012	63.43%	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 1.2.3	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%

- 1.2.1 During the period, JS Investments Limited, a sub-subsidiary of the Holding Company, bought back 18,397,562 shares from its shareholders which resulted in an increase in effective shareholding of the Holding Company to 63.43% from 48.88%. Pursuant to this, effective shareholding of the Holding Company in JS ABAMCO Commodities Limited has also increased in the same proportion.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

- 1.2.2** During the period, JSGCL, a sub-subsidiary company of the Holding 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 up to a maximum of 7,450,000 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs.55 per share. As at period end, JSGCL has received 10,707,471 shares in CDC investor account opened for the purpose of buy back against public announcement of 7,450,000 shares. The payment for accepted shares was made on October 01, 2019. The unaccepted shares were subsequently returned to shareholders and accepted shares were subsequently cancelled on October 02, 2019. Therefore, no effect of this transaction was taken in these consolidated accounts.

Persuant to the completion of buy back of shares by JSGCL, shareholding of the Holding Company in this sub-subsidiary shall increase accordingly.

- 1.2.3** 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 nine month period ended September 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.

IFRS 10 "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



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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.

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 and IFRS 9 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.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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.

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	4,875,306
Decrease in prepayments	(281,423)
Increase in total assets	4,593,883
Increase in lease liability against asset subject to finance lease	(4,593,629)
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.



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

- **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 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:

	September 30, 2019		
	RoU asset	Lease liability	Interest liability
	(Rupees in '000)		
As at January 01, 2019	4,872,863	4,603,016	254
Additions	1,011,978	1,011,978	-
Depreciation expense	(591,802)	-	-
Interest expense	-	327,771	61,437
Payments	-	(604,740)	(4,536)
As at September 30, 2019	5,293,039	5,338,025	57,155

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.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 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 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.

- 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.
- 3.3.4 The cumulative effect of these adjustments on unappropriated profit as at January 01, 2019 is Rs. 13.73 million.

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.



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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.

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 and 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 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. 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.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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 bases.

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.



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

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.

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.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
6. PROPERTY AND EQUIPMENT	Note	(Rupees in '000)	
Operating assets - owned	6.1	6,354,712	5,554,252
Capital work-in-progress		540,120	815,574
Right-of-use asset	6.2	5,293,039	-
		<u>12,187,871</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	1,489,876	1,340,775
Book value of deletions during the period	6.1.2	(51,872)	(32,083)
Depreciation charge for the period		(637,545)	(728,490)
Book value at end of the period		<u>6,354,712</u>	<u>5,554,252</u>
6.1.1 Details of additions during the period:			
Capital work-in-progress - net transfers			
Office premises - leasehold		33,401	63,510
Land - freehold		19,043	155,051
Land - leasehold		5,559	17,196
Office equipment		448,890	413,222
Leasehold improvements		368,712	186,211
Office furniture		292,710	74,646
Motor vehicle		321,561	430,939
		<u>1,489,876</u>	<u>1,340,775</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
6.1.2 Book value of deletions / (adjustments) during the period	Note	----- (Rupees in '000) -----	
Office premises - leasehold		-	(21,547)
Land - leasehold		81	2,415
Office equipment		6,849	5,045
Leasehold improvements		(410)	9,647
Office furniture		146	498
Motor vehicle		45,206	36,025
		<u>51,872</u>	<u>32,083</u>
6.2 Right-of-use asset			
Head office and branches		<u>5,293,039</u>	<u>-</u>
7. INTANGIBLE ASSETS			
Opening written down value		657,667	413,633
Addition during the period		163,885	319,671
Amortization for the period		<u>(72,457)</u>	<u>(75,637)</u>
		749,095	657,667
Capital work-in-progress		95,409	85,271
		<u>844,504</u>	<u>742,938</u>
8. LONG TERM INVESTMENTS			
Investment in associates	8.2	221,882	186,674
Related parties:			
- Available for sale		-	9,871,381
- at fair value through OCI		9,285,475	-
Other investments			
- Available for sale		12,417,091	34,802,225
- Held to maturity		21,216,735	22,982,181
- at fair value through OCI		4,864,184	-
Advance against investment		555,000	555,000
		<u>48,560,367</u>	<u>68,397,461</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 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.

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
8.2 Investment in associates	----- (Rupees in '000) -----	
Carrying value / cost of investment	207,913	180,000
Share of profit from associates	13,969	6,674
Share of other comprehensive gain of an associate - net of tax	-	-
	221,882	186,674

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.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
9. SHORT TERM INVESTMENTS	Note	----- (Rupees in '000) -----	
Assets at fair value through profit or loss	9.1	59,884,683	43,069,649
Available for sale	9.1	33,968,902	38,749,079
Assets at fair value through OCI	9.1	2,567,657	-
Held to maturity		13,304,645	20,034,751
At amortized cost		666,251	-
		110,392,138	101,853,479

9.1 These include investments in equity securities and mutual funds of related parties having aggregate market value of Rs. 2,477 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 tenure 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. 791.28 million with margin ranging from 30% to 40%.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 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	866,039	740,169
Long term loans	185,537	247,450
Deposits and other accounts	246,137,260	253,010,012
Current accounts - Non-remunerative	68,915,344	64,530,541
Liabilities against assets subject to finance lease	59,206	11,787
	316,163,386	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 period, the assessment for tax years 2016 and 2017 were amended by Additional Commissioner Inland Revenue (ADCIR) by issuing orders under section 122(5A) of the Income Tax Ordinance 2001. The assessment was amended by raising various factual and legal issues which the ADCIR considered erroneous and prejudicial to the interest of revenue, and on that basis proceeded to raise a tax demand of Rs. 433,889,875 and Rs. 508,802,914 for tax years 2016 and 2017 respectively.

The Subsidiary Bank not agreeing with the view of ADCIR preferred to file appeals before Commissioner Inland Revenue-Appeals (CIRA). The CIRA disposed off the appeals by considering the Subsidiary Bank's contention and deciding favorably in respect of majority issues. However, certain disallowances have been decided in favor of the Tax Department having tax impact of Rs. 280,090,809 and Rs. 144,266,655 for both years respectively. Currently, the matter is being contested by the Subsidiary Bank and the Department in appeals before the Appellate Tribunal Inland Revenue (ATIR), which are pending for hearing and adjudication and the Subsidiary Bank expects a favourable outcome.

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 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 Nine Month Period Ended September 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 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 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 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:

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
- Financial guarantees	2,702,581	3,552,003
- Performance guarantees	22,974,164	19,549,043
- Other guarantees	17,848,280	18,015,474
	<u>43,525,025</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.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
12.3	Commitments	Note	----- (Rupees in '000) -----
Documentary credits and short-term trade-related transactions			
-	letters of credit	12.3.1	<u>9,980,877</u> <u>14,957,752</u>
Commitments in respect of:			
Forward exchange contracts:			
-	Purchase	12.3.2	<u>31,209,048</u> <u>21,521,180</u>
-	Sale	12.3.2	<u>18,265,542</u> <u>13,106,262</u>
Undrawn formal standby facilities, credit lines and other commitments to lend		12.3.3	<u>157,945</u> <u>284,137</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----- (Rupees in '000) -----	
Other Commitments		
Forward commitments in respect of purchase of securities	3,646,259	300,182
Forward commitments in respect of sale of securities	383,184	2,497,568
Commitments in respect of capital expenditure	134,934	255,955
Bank Guarantee from a commercial bank in favor of NCCPL	400,000	400,000
Interest rate swaps	4,729,766	3,992,763
Options	2,064,023	2,631,433
Outstanding settlements against margin financing contracts - net	15,246	12,348

12.3.1 Included herein the outstanding letter of credits of Rs. 12.904 (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.

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
13. BASIC AND DILUTED (LOSS)/ EARNINGS PER SHARE				
(Loss) / Profit after taxation attributable to equity holders' of the parent:	(310,466)	848,290	(267,645)	(20,665)
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	(0.34)	0.93	(0.29)	(0.02)

	September 30, 2019 (Un-audited)	December 31, 2018
	----- (Rupees in '000) -----	
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	22,252,655	17,482,955
Borrowings from banks / NBFCs	(22,906,466)	(19,031,421)
	(653,811)	(1,548,466)



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 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:

	September 30, 2019	September 30, 2018
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Long Term Deposits received	206,525,630	73,652,497
Interest paid on long term deposits	1,082,245	522,676
Long Term Deposits withdrawn	207,524,373	74,998,281
Loans and Advances repayment	6,058,833	4,248,744
Interest received on long term loans and advances	273,954	231,897
Loans and Advances disbursement	5,236,777	5,060,211
Dividend received	859,710	767,905
Brokerage and commission expense	455	-
Brokerage / commission / service income	13,810	16,261
Purchase of money market instruments	12,195,303	16,935,106
Sale / Maturity of money market instruments	213,024,545	158,519,758
Letter of credits (Contingencies and Commitments)	12,904	132,845
Letter of guarantees (Contingencies and Commitments)	15,401	24,000
Foreign exchange purchases transaction	10,611,508	4,208,284
Foreign exchange sale transaction	11,839,042	5,696,679
Rental income	15,916	11,860
Rent Expense	22,257	-
Interest / markup paid	535	1,431
Principal redemptions made against TFCs	9,975	7,125
Royalty paid	33,750	21,225
Advisory fee paid	19,500	43,500
Insurance premium paid	334,092	281,858
Insurance claim received	8,036	10,701
Investments matured / disposed off in funds under management - at cost	1,721,457	744,757
Investments made in funds under management	2,003,443	704,828
Remuneration and commission income from funds	146,823	145,283
Commission income	224,815	248,802
Donation paid	4,746	7,000
Contribution to provident fund	180,715	154,818
Contribution to gratuity fund	115,816	175,118
Preference dividend paid	199	1,479
Loan repayment from executives / others	80,659	326,200

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	September 30, 2019	September 30, 2018
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Interest received on long term loans to executives	10,901	26,932
Loan disbursed to executives / others	43,977	433,635
Security deposit paid	1,471	-
Reimbursement of expenses to company	33,255	30,718
Reimbursement of expenses by Company	35,073	-
Reimbursement of expenses to directors	6,082	1,032
Remuneration paid to Chief Executive Officer	117,969	104,943
Fee paid to directors for attending directors / committee meetings	11,425	14,350
Sale of Sukuk/ Ijara Sukuk	11,261,168	-
Remuneration to key management personnel	442,040	551,919

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 Nine Month Period Ended September 30, 2019 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the nine month ended September 30, 2019 and 2018 respectively.

Nine month ended September 30, 2019

	(Rupees in '000)					
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, infrastructure and petroleum	Others	TOTAL SEGMENTS
						ADJUSTMENTS AND ELIMINATIONS
						CONSOLIDATED
Revenue						
Segment revenues	1,478,525	32,593,862	94,297	171,985	27,028	34,365,697
Inter-segment revenues	(184,279)	(22,230)	(9,271)	(22,591)	(3,712)	(242,083)
Total revenue	1,294,246	32,571,632	85,026	149,394	23,316	34,123,614
						-
Results						
Net profit for the period	(56,445)	(559,993)	(329,976)	(72,721)	8,868	(1,010,267)
						393,657
						(616,610)

Nine month ended September 30, 2018

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, infrastructure and petroleum	Others	TOTAL SEGMENTS
						ADJUSTMENTS AND ELIMINATIONS
						CONSOLIDATED
Revenue						
Segment revenues	1,676,620	23,741,293	303,411	129,007	10,549	25,860,880
Inter-segment revenues	(367,273)	(28,673)	(6,511)	(30,208)	(2,089)	(434,754)
Total revenue	1,309,347	23,712,620	296,900	98,799	8,460	25,426,126
						-
Results						
Net profit for the period	39,010	744,532	8,481	(53,642)	348	738,729
						318,551
						1,057,280

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

	(Rupees in '000)					
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, infrastructure and petroleum	Others	TOTAL SEGMENTS
						ADJUSTMENTS AND ELIMINATIONS
						CONSOLIDATED
Assets						
September 30, 2019	30,984,645	429,069,594	1,872,194	4,675,661	500,094	467,102,188
December 31, 2018	33,555,452	456,128,494	2,261,835	4,756,220	714,323	497,416,324
						(16,974,854)
						(17,161,052)
						480,255,272
Liabilities						
September 30, 2019	6,319,427	414,284,522	547,269	51,033	7,515	421,209,766
December 31, 2018	7,152,540	441,649,318	285,050	28,281	52,901	449,168,090
						(2,882,944)
						(3,027,579)
						418,326,822
						446,140,511

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 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 September 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	1,651,610	-	-	1,651,610
Listed equity securities	568,805	-	-	568,805
Government Securities	-	57,664,268	-	57,664,268
	2,220,415	57,664,268	-	59,884,683
Available for sale investments				
Listed equity securities	2,267,803	-	-	2,267,803
Sukuk and term finance certificates	-	583,670	-	583,670
Foreign currency bond (US\$)	-	1,520,961	-	1,520,961
Government Securities	39,340,874	-	-	39,340,874
	41,608,677	2,104,631	-	43,713,308
At fair value through OCI				
Listed equity securities	16,180,097	-	-	16,180,097
Unquoted equity securities *	-	-	435,375	435,375
Sukuk and term finance certificates	-	101,844	-	101,844
	16,180,097	101,844	435,375	16,717,316
	60,009,189	59,870,743	435,375	120,315,307



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2019 (Un-audited)

	As at September 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	30,799,707	-	30,799,707
Sale	-	18,098,867	-	18,098,867
Forward government securities				
Purchase	-	3,647,792	-	3,647,792
Sale	-	-	-	-
Cross currency swaps (notional principal)	-	6,701,063	-	6,701,063
Options (notional principal)	-	2,077,547	-	2,077,547

* As at September 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 Nine Month Period Ended September 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 September 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. 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 October 28, 2019.

19. GENERAL

19.1 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.

19.2 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

Quarterly Report September 30, 2019 (Un-audited)



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