



Quarterly Report  
September 30, 2018 (Un-audited)



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# Company Information

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## Board of Directors\*

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

**Suleman Lalani**  
Chief Executive Officer

**Ali Raza Siddiqui**  
Director - Non-Executive

**Khalid Imran**  
Director - Non-Executive

**Kalim-ur-Rahman**  
Director - Non-Executive

**Munawar Alam Siddiqui**  
Director - Non-Executive

**Saud Ahmed Mirza**  
Director - Independent, Non-Executive

## Chief Financial Officer & Company Secretary

Hasan Shahid

## Audit Committee

**Saud Ahmed Mirza**  
Chairman

**Munawar Alam Siddiqui**  
Member

## Human Resource & Remuneration Committee

**Saud Ahmed Mirza**  
Chairman

**Chief Justice (R) Mahboob Ahmed**  
Member

**Munawar Alam Siddiqui**  
Member

**Suleman Lalani**  
Member

## Executive Committee

**Munawar Alam Siddiqui**  
Chairman

**Ali Raza Siddiqui**  
Member

**Suleman Lalani**  
Member

## External Auditors

**EY Ford Rhodes**  
Chartered Accountants

## Internal Auditors

**Grant Thornton Anjum Rahman**  
Chartered Accountants

## Legal Advisor

Bawaney & Partners

## Share Registrar

**Central Depository Company of Pakistan Limited**  
CDC House, 99-B, Block-B, S.M.C.H.S  
Main Shahra-e-Faisal, Karachi-74400  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326031

## Registered Office

6th Floor, Faysal House  
Shahra-e-Faisal  
Karachi - 75530  
Pakistan  
UAN: (+92-21) 111 574 111  
Fax: (+92-21) 32800090

## Website

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

\* Mr. Stephen Smith resigned from the Board of Directors with effect from September 26, 2018.



# Directors' Review

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## 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, 2018. 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 386 million for the nine month period ended September 30, 2018. The overall revenues for the period under review decreased to PKR 1,089 million from the corresponding period last year mainly due to decline in capital gains on disposal of investments. The breakup value per share of the Company as on September 30, 2018 was PKR 27.29.

Further, the Company has recorded a provision for impairment of PKR 64 million on investments due to decline in net assets of unquoted subsidiary company during the period under review.

During the period, the Company has invested PKR 1,100 million in the right shares of PKR 10/- each issued by Energy Infrastructure Holding (Private) Limited, a wholly owned subsidiary.

Moreover, during the period under review the Company has issued 11th TFC of principal amount of PKR 1,500 million. The TFC is listed on the Pakistan Stock Exchange Limited.

The basic and diluted earnings per share is PKR 0.42 for the nine month period ended September 30, 2018.

## Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 1,057 million for the nine month period ended September 30, 2018 as compared to a net profit of PKR 1,248 million for the corresponding period last year.

Further, on February 28, 2018, the shareholding of the Holding Company in JS Bank Limited, a subsidiary, has increased to 75.02% on account of conversion of preference shares of JS Bank into its ordinary shares as per the terms and conditions of the issue.

The basic and diluted earnings per share is PKR 0.93 for the nine month period ended September 30, 2018.

## 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 eighth, ninth and tenth TFC issues of PKR 750 million, PKR 1,000 million and PKR 1,500 million respectively are also maintained at "AA+" (Double A Plus) by PACRA. For the eleventh TFC issue of PKR 1,500 million issued during the period, PACRA has also assigned a credit rating of "AA+" (Double A Plus).

These ratings denote a very low expectation of credit risk, a strong capacity for timely payment of financial commitments and strong risk absorption capacity.

## Future Outlook

Local businesses continue to operate in adverse economic circumstances, such as rising inflation, high oil prices, higher interest rates and a weakening rupee. On the other hand, recent decisions to provide incentives via reduced gas prices to major export sectors and increase in regulatory duties on imports should provide some relief to exporters and help in narrowing the current account deficit. Moreover, the recent financial assistance from Saudi Arabia, plus ongoing discussions with friendly countries could provide breathing space on the external front, and also place the government in a favorable bargaining position in potential talks with the IMF. Although, bridging the external financing gap can provide respite in the short term, key challenges for the government and the economy remain those of a long term nature. These include institutional reforms, improvement in governance and easing business conditions for local and international investors.

The Company believes that its investments, particularly in the banking and insurance sectors, coupled with investments in energy, telecommunication, media and technology and infrastructural sectors through its subsidiaries will continue to contribute positively towards enhancing shareholders' value.

## Acknowledgement

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

For and on behalf of the  
Board of Directors

**Chief Justice (R) Mahboob Ahmed**  
Chairman

**Suleman Lalani**  
Chief Executive Officer

Karachi: October 29, 2018



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:

مقامی کاروباری اداروں کو بگڑتی ہوئی معاشی صورتحال جیسا کہ بڑھتی ہوئی افراطِ زر، بڑھتی ہوئی تیل کی قیمتوں اور شرح سود میں اضافہ اور روپے کی گرتی ہوئی قدر کی وجہ سے مشکلات کا سامنا رہا۔ دوسری طرف اہم برآمدی شعبوں میں گیس کی قیمتوں میں کمی اور درآمدات پر ریگولیٹری ڈیوٹی میں اضافے کے حال ہی میں لئے گئے فیصلوں سے برآمد کنندگان کو سہولت اور موجودہ اکاؤنٹ کے خسارے کو کم کرنے میں مدد ملنی چاہیے۔ علاوہ ازیں، سعودی عرب سے حال ہی میں ملنے والی مالی امداد اور دوست ممالک سے جاری بات چیت سے بیرونی محاز پر کچھ بہتری آئیگی اور حکومت کے آئی ایم ایف سے ممکنہ مزاکرات پر مثبت اثرات مرتب ہونگے۔ اگرچہ بیرونی قرضے مختصر مدت کے لئے مہلت فراہم کریں گے، حکومت اور معیشت کیلئے اہم مسائل طویل مدت والے ہی رہیں گے۔ ان عوامل میں اداروں میں اصلاحات، گورننس میں بہتری اور مقامی اور بین الاقوامی سرمایہ کاروں کیلئے کاروباری حالات میں سہولت فراہم کرنا شامل ہیں۔

کمپنی اس بات پر یقین رکھتی ہے کہ سرمایہ کاری بالخصوص بینکنگ اور انشورنس کے شعبوں کے علاوہ توانائی، ٹیلی مواصلات، میڈیا، ٹیکنالوجی اور انفراسٹرکچر کے شعبوں میں اپنی ذیلی اداروں کے ذریعے سرمایہ کاری حصص یافتگان کی ملکیت میں اضافے کا باعث ہوگی۔

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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو کیپٹل مارکیٹ 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

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی - ۲۹ اکتوبر ۲۰۱۸ء

# ڈائریکٹرز کا جائزہ

## معزز حصص یافتگان:

جہانگیر صدیق اینڈ کمپنی لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی نو ماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور مجموعی مالی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

## مالیاتی کارکردگی:

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی کا خالص منافع ۳۸۶ ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے کم ہو کر ۱۰۸۹ ملین روپے رہی جس کی بنیادی وجہ حصص کی فروخت پر حاصل ہونے والے حاصلات سرمایہ میں کمی ہے۔ ۳۰ ستمبر ۲۰۱۸ء کو فی حصص بریک اپ ویلیو ۲۷.۲۹ روپے رہی۔

علاوہ ازیں جائزہ کی مدت کے دوران کمپنی نے اپنی ذیلی کمپنی (Un-Quoted) کے خالص اثاثوں میں کمی کے باعث ۶۴ ملین روپے کا امپیئرمنٹ کا پروویژن (provision for impairment) ریکارڈ کیا ہے۔

مدت کے دوران کمپنی نے انرجی انفراسٹرکچر ہولڈنگ (پرائیوٹ) لمیٹڈ (EIHPL) جو کہ مکمل ملکیت ذیلی ادارہ ہے کے رائٹ حصص میں ۱،۱۰۰ ملین روپے فی حصص -/۰ روپے کے احساب سے سرمایہ کاری کی ہے۔

مزید برآں، جائزہ کی مدت کے دوران، کمپنی نے ۵۰۰ ملین روپے مالیت والا گیارہواں مدتی مالیاتی سرٹیفکیٹ جاری کیا ہے جو کہ پاکستان اسٹاک ایکسچینج لمیٹڈ پر لسٹڈ ہے۔

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی نو ماہی مدت میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۴۲ روپے رہا۔

## مجموعی مالیاتی گوشوارے:

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی نو ماہی مدت کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۱۰۵ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۱۲۴۸ ملین روپے تھا۔

علاوہ ازیں ۲۸ فروری ۲۰۱۸ء کو جے ایس بینک لمیٹڈ جو کہ کمپنی کا ایک ذیلی ادارہ ہے نے اپنے ترجیحی حصص کو شرائط و ضوابط کے مطابق عام حصص میں تبدیل کر دیا جس کی بنیاد پر کمپنی کی بینک میں شیئر ہولڈنگ بڑھ کر ۵۰.۰۲ فیصد ہو گئی۔

۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی نو ماہی مدت میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۹۳ روپے رہا۔

## کریڈٹ ریٹنگ:

ڈائریکٹرز اس بات کی اطلاع دینے پر مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (Double A) اور مختصر مدتی کریڈٹ ریٹنگ A1+(A One Plus) کو برقرار رکھا ہے۔

مزید یہ کہ PACRA نے کمپنی کے ۵۰ ملین روپے کے آٹھویں، ۱۰۰۰، ۱۵۰۰ ملین روپے کے دسویں TFCs کی ریٹنگ کو بھی AA+(Double A Plus) پر برقرار رکھا ہے۔ ۱۰۵۰۰ ملین روپے کے جاری ہونے والے گیارہویں TFC کو بھی PACRA نے AA+(Double A Plus) کی ریٹنگ تجویز کی ہے۔



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**UNCONSOLIDATED  
CONDENSED  
INTERIM  
FINANCIAL  
INFORMATION**

# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2018

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	67,653	6,284
Investment property		1,690	1,780
Long term investments	7	25,672,420	26,688,789
Long term loans and advances		1,627	828
Long term security deposits		3,027	2,927
		<u>25,746,417</u>	<u>26,700,608</u>
<b>Current Assets</b>			
Short term loans and advances	8	46,684	56,024
Short term prepayments and other receivables		152,649	35,431
Interest accrued		8,621	9,934
Other financial assets - short term investments	9	2,822,866	3,032,542
Taxation - net		130,319	152,630
Cash and bank balances		1,089,746	1,427,482
		<u>4,250,885</u>	<u>4,714,043</u>
		<u>29,997,302</u>	<u>31,414,651</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Share Capital</b>			
Authorised capital		<u>65,000,000</u>	<u>65,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
Reserves		<u>9,159,424</u>	<u>9,159,424</u>
		<u>15,837,353</u>	<u>18,360,984</u>
		<u>24,996,777</u>	<u>27,520,408</u>
<b>Non-Current Liabilities</b>			
Long term financing	10	3,536,788	2,859,934
Deferred tax liability		9,481	22,387
<b>Current Liabilities</b>			
Trade and other payables	11	249,713	289,498
Accrued interest on borrowings		83,407	73,755
Current portion of long term financing	10	1,121,136	648,669
		1,454,256	1,011,922
		<u>29,997,302</u>	<u>31,414,651</u>
<b>Contingencies and commitment</b>			
	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

Hasan Shahid  
Chief Financial Officer



# Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
(Rupees in '000)					
<b>INCOME</b>					
Return on investments	13	896,851	980,377	100,799	89,702
Gain on sale of investments - net	14	56,325	282,520	19,497	23,574
Income from long term loans and fund placements	15	92,766	63,659	26,354	44,312
Other income		43,673	32,600	13,990	8,081
(Loss) / gain on remeasurement of investments through profit or loss - held for trading - net		(557)	3,660	(557)	3,995
		<u>1,089,058</u>	<u>1,362,816</u>	<u>160,083</u>	<u>169,664</u>
<b>EXPENDITURE</b>					
Operating and administrative expenses		174,962	172,061	56,895	50,382
Finance cost		284,096	148,670	105,817	69,883
Provision / (reversal of provision) for workers' welfare fund	11	11,326	17,588	(962)	(348)
Provision for impairment - net		63,703	162,667	45,485	66,799
		<u>534,087</u>	<u>500,986</u>	<u>207,235</u>	<u>186,716</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<u>554,971</u>	<u>861,830</u>	<u>(47,152)</u>	<u>(17,052)</u>
<b>Taxation</b>					
Current		147,368	154,724	15,095	22,125
Prior	16	22,036	90,056	-	-
		<u>169,404</u>	<u>244,780</u>	<u>15,095</u>	<u>22,125</u>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<u>385,567</u>	<u>617,050</u>	<u>(62,247)</u>	<u>(39,177)</u>
<b>EARNINGS / (LOSS) PER SHARE</b>					
(Rupees)					
Basic and diluted	17	<u>0.42</u>	<u>0.67</u>	<u>(0.07)</u>	<u>(0.05)</u>

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

**Hasan Shahid**  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- (Rupees in '000) -----				
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	385,567	617,050	(62,247)	(39,177)
<b>OTHER COMPREHENSIVE LOSS:</b>				
<b>Items that may not be reclassified     to profit and loss account</b>	-	-	-	-
<b>Items that may be reclassified     subsequently to profit and loss account</b>				
Fair value loss on available for sale investments during the period - net of deferred tax	(2,848,864)	(750,052)	(3,621,889)	(692,251)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(60,334)	(281,587)	(21,734)	(24,316)
<b>Total items that may be reclassified     subsequently to profit and loss account</b>	(2,909,198)	(1,031,639)	(3,643,623)	(716,567)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(2,523,631)</u>	<u>(414,589)</u>	<u>(3,705,870)</u>	<u>(755,744)</u>

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

**Hasan Shahid**  
Chief Financial Officer



# Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Issued, subscribed and paid-up capital	Ordinary share premium	Reserves		Sub-total	Total
			Unrealised gain / (loss) on revaluation of available for sale investments - net	Revenue Reserve  Unappropriated profit		
(Rupees in '000)						
<b>Balance as at December 31, 2016 (audited)</b>	9,159,424	4,497,894	14,635,897	1,761,315	20,895,106	30,054,530
Profit for the period	-	-	-	617,050	617,050	617,050
Other comprehensive loss	-	-	(1,031,639)	-	(1,031,639)	(1,031,639)
Total comprehensive (loss) / income	-	-	(1,031,639)	617,050	(414,589)	(414,589)
<b>Balance as at September 30, 2017 (un-audited)</b>	9,159,424	4,497,894	13,604,258	2,378,365	20,480,517	29,639,941
<b>Balance as at December 31, 2017 (audited)</b>	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)
<b>Balance as at September 30, 2018 (un-audited)</b>	9,159,424	4,497,894	8,827,023	2,512,436	15,837,353	24,996,777

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

Hasan Shahid  
Chief Financial Officer

# Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018	September 30, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	554,971	861,830
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	1,647	1,491
Gain on sale of property and equipment	(517)	(650)
Loss / (gain) on remeasurement of investments at fair value through profit or loss - net	557	(3,660)
Provision for impairment - net	63,703	162,667
Provision for workers' welfare fund	11,326	17,588
Dividend income	(896,851)	(940,585)
Interest income	(92,766)	(63,659)
Finance cost	284,096	148,670
	<u>(628,805)</u>	<u>(678,138)</u>
<b>Operating (loss) / profit before working capital changes</b>	<b>(73,834)</b>	<b>183,692</b>
<b>Decrease / (increase) in current assets:</b>		
Loans and advances	9,340	(54,033)
Short term prepayments and other receivables	(111,922)	(10,506)
Long term loans, advances and security deposits	(899)	(2,590)
	<u>(103,481)</u>	<u>(67,129)</u>
<b>Decrease in trade and other payables</b>	<b>(51,111)</b>	<b>(52,335)</b>
<b>Net cash (used in) / generated from operations</b>	<b>(228,426)</b>	<b>64,228</b>
Investments - net	(1,760,321)	(304,686)
Dividend received	891,555	935,107
Finance cost paid	(261,409)	(90,059)
Taxes paid	(147,093)	(144,906)
Interest income received	94,079	57,297
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,411,615)</b>	<b>516,981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(63,359)	(1,697)
Proceeds from sale of property and equipment	950	650
<b>Net cash used in investing activities</b>	<b>(62,409)</b>	<b>(1,047)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of term finance certificates - net of redemption	1,261,288	1,404,574
Long term loan (repaid to) / obtained from bank - net	(125,000)	367,011
<b>Net cash generated from financing activities</b>	<b>1,136,288</b>	<b>1,771,585</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(337,736)</b>	<b>2,287,519</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,427,482</b>	<b>730,182</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,089,746</b>	<b>3,017,701</b>

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

**Hasan Shahid**  
Chief Financial Officer



# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

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## 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 of the Company is situated at 6th Floor, Faysal House, main Shahra-e-Faisal, 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 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).

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, 2017.

## 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, 2017.
- 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, 2017 other than described below:

### 4.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice (Amendment)

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendment to accounting standards did not have any effect on the unconsolidated condensed interim financial information.

## 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, 2017.

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6. PROPERTY AND EQUIPMENT</b>			
Opening written down value		5,220	5,346
Addition during the period		43	1,759
Disposal during the period		(433)	-
Depreciation for the period		(1,557)	(1,885)
		3,273	5,220
Capital work-in-progress		64,380	1,064
		67,653	6,284
<b>7. LONG TERM INVESTMENTS</b>			
<b>Investments in related parties</b>			
Investment in subsidiaries	7.1	10,530,655	8,894,359
Other related parties - Available for sale	7.2	13,112,748	15,022,216
		23,643,403	23,916,575
<b>Other investments</b>	7.3	2,029,017	2,772,214
		25,672,420	26,688,789



# Notes to the Unconsolidated Condensed Interim Financial Information

## For the Nine Month Period Ended September 30, 2018 (Un-audited)

### 7.1 Investment in subsidiaries - at cost

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

Number of shares		Note	Activity	Holding		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
September 30, 2018 (Un-audited)	December 31, 2017 (Audited)			September 30, 2018 (Un-audited)	December 31, 2017 (Audited)		
<b>Quoted</b>							
973,307,324 *	755,245,007	7.1.1	Commercial Banking	75.02	70.42	6,127,149	4,673,400
JS Bank Limited Market value Rs. 7,212.21 (December 31, 2017: Rs. 5,679.44) million							
<b>Un-quoted</b>							
-	145,374,878	7.1.1	Commercial Banking	-	96.92	-	1,453,749
JS Bank Limited Convertible Preference Shares							
173,736,297	173,736,297	7.1.2	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490
JS Infocom Limited Net assets value Rs. 681.60 (December 31, 2017: Rs. 746.11) million based on un-audited financial statements for the nine month period ended September 30, 2018 Less: Impairment							
10,000	10,000		Investment services	100.00	100.00	294,882	294,882
JS International Limited Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.42 (September 30, 2017: Rs. 1.26) million based on un-audited financial statements for the nine month period ended June 30, 2018 Less: Impairment							
370,000,000	200,000,000	7.1.3	Energy, Petroleum & Infrastructure	100.00	100.00	3,700,000	2,000,000
Energy Infrastructure Holding (Private) Limited Net assets value Rs. 3,928.67 (December 31, 2017: Rs. 2,627.73) million based on un-audited financial statements for the nine month period ended September 30, 2018							
3,000,000	3,000,000		Power Generation & Distribution	100.00	100.00	30,000	30,000
Quality Energy Solutions (Private) Limited Net assets value Rs. 21.91 (December 31, 2017: Rs. 21.37) million based on un-audited financial statements for the nine month period ended September 30, 2018 Less: Impairment							
						21,906	21,102
						10,530,655	8,894,359

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

**7.1.1** Preference shares issued by JS Bank Limited were converted into ordinary shares on February 28, 2018 in the ratio of 1.5 ordinary shares for every one preference share. Consequently, shareholding of the Company in JS Bank Limited increased to 75.02%.

**7.1.2** The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to deterioration in market conditions at the reporting date, the net assets of JS Infocom Limited have decreased resulting in charge of impairment amounting to Rs. 64.51 million.

**7.1.3** During the period, the Company has invested Rs. 1,700 million in Energy Infrastructure Holding (Private) Limited (EIHPL) by subscription of right shares of Rs. 10/- each. This investment was approved by the Board of Directors of the Company.

# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 7.2 Other related parties

### Available-for-sale

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

Number of shares		Note	Activity	Holding		September 30, 2018 (Un-audited) %	December 31, 2017 (Audited) %	September 30, 2018 (Un-audited) (Rupees in '000)	December 31, 2017 (Audited) (Rupees in '000)
September 30, 2018 (Un-audited)	December 31, 2017 (Audited)			September 30, 2018 (Un-audited) %	December 31, 2017 (Audited) %				
<b>Quoted - at fair value (note 7.2.1)</b>									
214,258,460 *	214,258,460		BankIslami Pakistan Limite	Islamic Banking	21.26	21.26	2,761,792	1,990,461	
42,191,152	41,191,152	7.2.2	EFU General Insurance Limite	General Insurance	21.10	20.60	4,598,836	6,298,127	
20,047,708	20,047,708		EFU Life Assurance Limite	Life Assurance	20.05	20.05	4,211,422	5,081,894	
112,157,863	112,157,863		Azgard Nine Limited	Textile Composite	24.96	24.96	1,533,198	1,644,234	
<b>Un-quoted - at cost (note 7.2.1)</b>									
750,000	750,000		EFU Services (Private) Limite Net assets value Rs. 51.56 (June 30, 2016: Rs. 47.28) million based on audite financial statements for the year ended June 30, 2017	Investment company	37.50	37.50	7,500	7,500	
							<u>13,112,748</u>	<u>15,022,216</u>	

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

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.

## 7.3 Other investments

### Available for sale

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

Number of shares		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)	September 30, 2018 (Un-audited) (Rupees in '000)	December 31, 2017 (Audited) (Rupees in '000)
September 30, 2018 (Un-audited)	December 31, 2017 (Audited)				
<b>Quoted - at fair value</b>					
153,730,638	159,080,638		Pakistan International Bulk Terminal Limite	1,669,515	2,378,256
1,289,953 *	1,602,953		Pakistan Stock Exchange Limited	20,859	35,906
11,622,000	11,622,000		Hum Network Limited (Ordinary shares of Re.1 each)	75,543	94,952
<b>Un-quoted - at cost</b>					
2,399,454	2,399,454		Security General Insurance Company Limited Net assets value Rs. 354.19 (December 31, 2016: Rs. 337.14) million based on audited financial statements for the year ended December 31, 2017	263,100	263,100
				<u>2,029,017</u>	<u>2,772,214</u>

\* Out of these, 1,081,194 shares are blocked for trading as per the requirements of Pakistan Stock Exchange Limited.



# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 8. SHORT TERM LOANS AND ADVANCES

Included herein is a loan amounting to Rs. 46 million to JS Infocom Limited, a wholly owned subsidiary of the Company, carrying mark-up rate of 6 months KIBOR plus 175 basis points per annum. This loan has been renewed / extended for a further period of one year in the month of April 2018. The outstanding balance of the loan is repayable within a year (extendable for a further period of one year at the option of borrower) as per the terms of the agreement.

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		(Rupees in '000)	
<b>9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS</b>	<b>Note</b>		
<b>Available for sale</b>			
Listed equity securities		2,819,613	3,029,464
<b>Assets at fair value through profit or loss</b>			
Listed equity securities		3,253	3,078
		<u>2,822,866</u>	<u>3,032,542</u>
<b>10. LONG TERM FINANCING</b>			
<b>Term Finance Certificates (TFCs)</b>			
Eighth issue - listed on Pakistan Stock Exchange Limited	10.1	262,335	355,632
Ninth issue - Privately Placed	10.1	744,931	867,198
Tenth issue - Privately Placed	10.1	1,486,528	1,481,788
Eleventh issue - listed on Pakistan Stock Exchange Limited	10.2	1,482,352	-
		<u>3,976,146</u>	<u>2,704,618</u>
<b>Term Loan</b>			
Term loan 1	10.3	186,664	310,646
Term loan 2	10.3	495,114	493,339
		<u>681,778</u>	<u>803,985</u>
		<u>4,657,924</u>	<u>3,508,603</u>
Less: Current portion shown under current liability		<u>1,121,136</u>	<u>648,669</u>
		<u>3,536,788</u>	<u>2,859,934</u>

**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. 4,205.58 (December 31, 2017: Rs. 4,889.71) million to secure the outstanding principal with 35% margin.

**10.2** During the period, the Company issued Term Finance Certificate (TFC) of Rs. 1,500 million. The mark-up on this TFC is payable semi-annually, based on the six months KIBOR average rate plus 140 basis points per annum. This TFC has tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months. The principal is payable in six (06) equal semi-annual installments starting from 30th month of the drawdown date. This TFC is secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,460.40 million to secure the outstanding principal with 35% margin.

**10.3** These loans are secured by pledge of marketable securities having market value of Rs. 1,218.20 (December 31, 2017: Rs. 1,316.22) million with margin ranging from 30% to 40%. Term Loan 1 is repayable by January 2020 and Term Loan 2 is repayable by June 2022.

## Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

### 11. TRADE AND OTHER PAYABLES

This includes payable against Workers' Welfare Fund (WWF) amounting to Rs. 171.96 (December 31, 2017: Rs. 160.57) 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, 2017.

### 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, 2017, except for the following:

**12.1.1** Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014 and raised the demand for Rs. 50.77 million. Against the said order, the Company has filed rectification application on various grounds including the adjustment of brought forward losses and credit of taxes amounting to Rs. 16.015 million. After the rectification is given the due effect, refund of Rs. 16.015 million will arise. The Company has also filed appeal before the CIR-Appeals. The Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Company.

**12.1.2** Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs. 12.744 million. Against the said order, the Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals. The Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Company.

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
12.2 Commitment		
Future sale transactions of listed equity securities	3,792	-

### 13. RETURN ON INVESTMENTS

This includes dividend income on investments in related parties aggregating to Rs. 817.4 million.

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
14. GAIN ON SALE OF INVESTMENTS - net				
Financial assets at fair value				
through profit or loss	(4,009)	933	(2,237)	(742)
Available for sale	60,334	281,587	21,734	24,316
	<u>56,325</u>	<u>282,520</u>	<u>19,497</u>	<u>23,574</u>



# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 15. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 89.05 million on bank balances maintained with a related party (JS Bank Limited).

16. This includes Rs. 38.71 million as charge for super tax in respect of tax year 2018 levied through enactment of Finance Act, 2018 ("Act") which became applicable from July 01, 2018. Since the Company follows special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001 (Ordinance), for the year ended December 31, 2017 (tax year 2018) is recognised during the period.

Also included herein is a prior period adjustment of Rs. 16.67 million due to the decrease in tax rate on undistributed profits for the tax year 2018 brought through enactment of the Finance Act 2018. Since the Company follows special tax year, therefore, tax on undistributed profits for the year ended December 31, 2017 (tax year 2018) is adjusted during the period. The Company has filed a constitutional petition against applicability of section 5A of the Ordinance and stay has been granted by the Honorable High Court of Sindh.

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
<b>17. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE</b>				
Profit / (loss) after taxation attributable to ordinary shareholders	385,567	617,050	(62,247)	(39,177)
	----- (Numbers in '000) -----			
Weighted average number of ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
	----- (Rupees) -----			
<b>Earnings / (loss) per share:</b>				
- Basic and diluted	0.42	0.67	(0.07)	(0.05)

## 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, 2018	September 30, 2017
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
<b>TRANSACTIONS</b>		
<b>Subsidiary and Sub-subsidiary Companies</b>		
Dividend received	174,450	174,450
Brokerage expense paid	735	2,499
Mark-up paid on TFCs issued by the Company	1,158	816
Principal redemption made against TFCs issued by the Company	3,750	3,000
Investment in term deposit receipts	500,000	-
Maturity of term deposit receipts	500,000	-

# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018	September 30, 2017
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>TRANSACTIONS</b>		
<b>Subsidiary and Sub-subsidiary Companies</b>		
Capital gain tax paid for onward submission to National Clearing Company of Pakistan Limited (NCCPL)	1,676	16,939
Capital gain tax refund through NCCPL	262	746
Capital gain tax tariff paid for onward submission to NCCPL	30	50
Rent income received	38,049	34,282
Market maker fee paid	552	-
Profit received on fund placements and deposit accounts	91,846	50,562
Bank charges paid	1,529	8
Reimbursement of expenses by the Company	4,743	283
Reimbursement of expenses to the Company	14,256	19,434
Loan disbursement by the Company	-	100,000
Loan repaid by subsidiary including mark-up	11,153	47,621
Advisory and arrangement fee paid	12,343	17,150
Investment in right shares of a subsidiary	1,700,000	29,990
Refund on cancellation of guarantee issued	810	-
Investment in TFCs issued by the Company	15,000	-
	----- (Number) -----	----- (Number) -----
Right shares received	170,000,000	2,999,000
Ordinary shares received against conversion of preference shares	218,062,317	-
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>Other Related Parties</b>		
Donation paid	7,000	-
Dividend income received	642,954	691,383
Contributions paid to Staff Provident Fund	4,364	3,331
Interest / mark-up paid	1,431	1,550
Principal redemptions made against TFCs	7,125	5,700
Insurance premium paid	2,478	2,051
Proceeds against insurance claim / cancellation	-	84
Royalty paid	11,225	9,900
Investment in TFCs issued by the Company	9,000	-
Advisory fee paid	4,500	3,963
<b>Key Management Personnel</b>		
Remuneration paid to Chief Executive Officer	19,887	18,990
Advisory fee paid to a Director	-	4,500
Fee paid to directors for attending directors / committee meetings	3,150	4,067
Remuneration paid to executives	17,237	12,683
Interest received on long term loans to executives	16	16
Loan and advances disbursed during the period	-	800
Loan and advances repayments from executives	446	1,099
Reimbursement of expenses to directors	1,032	1,839



# Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
<b>BALANCES</b>		
<b>Subsidiary and Sub-subsidiary Companies</b>		
Receivable against expenses incurred on their behalf	1,496	89
Cash at bank accounts	1,088,988	1,426,826
Profit receivable on deposit accounts including Term Deposit Receipt	6,785	8,910
Payable against purchase of equity securities - net	-	44,968
Receivable against sale of equity securities - net	132,345	-
Outstanding principal of TFCs issued by the Company	25,500	14,250
Mark-up payable on TFCs issued by the Company	515	263
Outstanding principal of loan issued by the Company	46,000	55,000
Mark-up receivable on loan issued by the Company	1,831	1,025
<b>Other Related Parties</b>		
Donation payable	7,718	7,000
Outstanding principal of TFCs issued by the Company	28,950	27,075
Mark-up payable on TFCs issued by the Company	606	499
Prepaid rent	-	14,164
<b>Key Management Personnel</b>		
Loans and advances	276	840

## 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 tradeable 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); or

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

## Notes to the Unconsolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
<b>Available for sale investments</b>				
Equity securities	17,690,778	-	-	17,690,778
<b>Investments at fair value through profit or loss - held for trading</b>				
Equity securities	3,253	-	-	3,253
	<u>17,694,031</u>	<u>-</u>	<u>-</u>	<u>17,694,031</u>
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	(Audited)			
	(Rupees in '000)			
<b>Available for sale investments</b>				
Equity securities	20,553,294	-	-	20,553,294
<b>Investments at fair value through profit or loss - held for trading</b>				
Equity securities	3,078	-	-	3,078
	<u>20,556,372</u>	<u>-</u>	<u>-</u>	<u>20,556,372</u>

### 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 29, 2018.

### 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

Hasan Shahid  
Chief Financial Officer



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**CONSOLIDATED  
CONDENSED  
INTERIM  
FINANCIAL  
INFORMATION**

# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2018

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	(Rupees in '000)	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	6,256,355	5,295,290
Intangible assets	7	558,163	413,633
Investment property		1,690	1,780
Long term investments	8	120,968,245	158,713,491
Long term loans, advances, prepayments and other receivables		33,579,010	63,828,073
Assets repossessed		107,800	108,289
Long term deposits		22,242	21,782
Deferred taxation		933,845	35,203
		<b>162,427,350</b>	<b>228,417,541</b>
<b>Current Assets</b>			
Short term investments	9	30,337,744	35,181,773
Trade debts		1,039,452	889,766
Loans and advances		199,144,109	120,349,848
Accrued markup		6,006,393	4,136,443
Short-term prepayments, deposits, and other receivables		2,409,936	1,738,171
Other financial assets - fund placements		1,828,843	3,116,199
Taxation - net		1,155,471	612,284
Cash and bank balances		17,482,955	18,384,336
		<b>259,404,903</b>	<b>184,408,820</b>
		<b>421,832,253</b>	<b>412,826,361</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		9,159,424	9,159,424
Reserves		20,938,558	24,531,192
Equity attributable to equity holders' of the parent		<b>30,097,982</b>	<b>33,690,616</b>
Non-controlling interests		6,111,089	6,393,248
<b>Total equity</b>		<b>36,209,071</b>	<b>40,083,864</b>
<b>Non-Current Liabilities</b>			
Long term financing	10	8,507,088	7,849,234
Liabilities against assets subject to finance lease		38,733	3,508
Long term deposits and other accounts		2,949,054	2,870,044
Deferred liability - employee benefit		128,244	175,118
		<b>11,623,119</b>	<b>10,897,904</b>
<b>Current Liabilities</b>			
Trade and other payables		12,140,528	11,437,098
Accrued interest / mark-up on borrowings		2,418,359	2,202,331
Short term borrowings		53,477,529	64,557,043
Current deposits and current portion of long term liabilities	11	305,963,647	283,648,121
		<b>374,000,063</b>	<b>361,844,593</b>
		<b>421,832,253</b>	<b>412,826,361</b>
<b>Contingencies and Commitments</b>			
	12		

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

**Chief Justice (R) Mahboob Ahmed**  
Chairman

**Suleman Lalani**  
Chief Executive Officer

**Hasan Shahid**  
Chief Financial Officer

# Consolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
<b>Note</b>	----- (Rupees in '000) -----			
<b>Income</b>				
Return on investments	8,762,109	8,333,784	2,565,168	3,062,566
Gain on sale of investments - net	(296,639)	1,044,298	(401,104)	322,547
Income from long term loans and fund placements	13,807,042	6,956,455	5,167,693	2,808,321
Fee, commission and brokerage	2,362,785	2,168,547	666,910	609,962
Other income	832,819	460,246	300,053	172,572
(Loss) / gain on remeasurement of investments through profit and loss - held for trading - net	(46,972)	30,174	(87,179)	(9,982)
	<u>25,421,144</u>	<u>18,993,504</u>	<u>8,211,541</u>	<u>6,965,986</u>
<b>Expenditure</b>				
Administrative and other expenses	8,689,388	7,015,385	2,905,865	2,617,034
Finance cost	15,081,547	9,908,047	5,381,525	4,077,066
Provision / (reversal of provision) for workers' welfare fund	38,234	34,924	1,655	(403)
Reversal of impairment on investments - net	(191,117)	-	(159,464)	(4,543)
	<u>23,618,052</u>	<u>16,958,356</u>	<u>8,129,581</u>	<u>6,689,154</u>
<b>Share of profit from associate</b>	<u>4,982</u>	<u>-</u>	<u>796</u>	<u>-</u>
<b>Profit before taxation</b>	<u>1,808,074</u>	<u>2,035,148</u>	<u>82,756</u>	<u>276,832</u>
<b>Taxation</b>				
- Current	787,229	534,484	134,340	106,616
- Prior	36,919	239,660	-	-
- Deferred	(73,354)	12,694	(50,806)	14,013
	<u>750,794</u>	<u>786,838</u>	<u>83,534</u>	<u>120,629</u>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<u>1,057,280</u>	<u>1,248,310</u>	<u>(778)</u>	<u>156,203</u>
<b>Attributable to:</b>				
Equity holders' of the parent	848,290	1,053,478	(20,665)	124,389
Non-controlling interests	208,990	194,832	19,887	31,814
	<u>1,057,280</u>	<u>1,248,310</u>	<u>(778)</u>	<u>156,203</u>
<b>EARNINGS / (LOSS) PER SHARE</b>	----- (Rupees) -----			
Basic and diluted	<u>0.93</u>	<u>1.15</u>	<u>(0.02)</u>	<u>0.14</u>

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

Hasan Shahid  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Rupees in '000) -----			
PROFIT / (LOSS) FOR THE PERIOD	1,057,280	1,248,310	(778)	156,203
OTHER COMPREHENSIVE LOSS				
Items that may not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account:				
Fair value loss on revaluation of available for sale investments during the period - net of deferred tax	(4,343,431)	(2,203,710)	(4,196,745)	(1,751,446)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(684,970)	(369,663)	(589,286)	(24,318)
	(5,028,401)	(2,573,373)	(4,786,031)	(1,775,764)
Exchange difference of translation of net assets of foreign subsidiaries	31,878	737	580	716
Total items that may be reclassified subsequently to profit and loss account	(4,996,523)	(2,572,636)	(4,785,451)	(1,775,048)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(3,939,243)</b>	<b>(1,324,326)</b>	<b>(4,786,229)</b>	<b>(1,618,845)</b>
Attributable to:				
Equity holders' of the parent	(3,739,675)	(1,075,644)	(4,625,612)	(1,337,186)
Non-controlling interests	(199,568)	(248,682)	(160,617)	(281,659)
	<b>(3,939,243)</b>	<b>(1,324,326)</b>	<b>(4,786,229)</b>	<b>(1,618,845)</b>

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

Hasan Shahid  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT

	Reserves						Sub-total	Non-controlling interests	Total
	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 reserves	Revenue reserve Unappropriated profit			
	(Rupees in '000)								
<b>Balance as at December 31, 2016 (audited)</b>	9,159,424	4,497,894	(557)	16,386,998	939,500	5,694,026	36,677,285	6,681,610	43,358,895
Profit for the period	-	-	-	-	-	1,053,478	1,053,478	194,832	1,248,310
Other comprehensive income / (loss)	-	-	737	(2,129,859)	-	-	(2,129,122)	(443,514)	(2,572,636)
Total comprehensive income / (loss) for the period	-	-	737	(2,129,859)	-	1,053,478	(1,075,644)	(248,682)	(1,324,326)
Transfer to statutory reserves	-	-	-	-	58,730	(58,730)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,518)	(19,518)
<b>Balance as at September 30, 2017 (un-audited)</b>	<b>9,159,424</b>	<b>4,497,894</b>	<b>180</b>	<b>14,257,139</b>	<b>998,230</b>	<b>6,688,774</b>	<b>35,601,641</b>	<b>6,413,410</b>	<b>42,015,051</b>
<b>Balance as at December 31, 2017 (audited)</b>	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 reserve	-	-	-	-	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)	-
<b>Balance as at September 30, 2018 (un-audited)</b>	<b>9,159,424</b>	<b>4,497,894</b>	<b>43,557</b>	<b>7,409,308</b>	<b>1,190,014</b>	<b>7,797,785</b>	<b>30,097,982</b>	<b>6,111,089</b>	<b>36,209,071</b>

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

**Hasan Shahid**  
Chief Financial Officer

# Consolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018	September 30, 2017
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,808,074	2,035,148
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	536,762	483,849
Amortisation on intangible assets	53,450	46,718
Gain on sale of property and equipment	(58,180)	(57,398)
Provision for doubtful debts, loans and advances	173,703	220,666
Charge for defined benefit plan	-	41,771
Reversal of impairment on investment - net	(191,117)	-
Effect of translation of net investment in foreign branches	31,878	737
Loss / (gain) on remeasurement of investments through profit or loss - held for trading - net	46,972	(30,174)
Finance cost	15,081,547	9,908,047
	<u>15,675,015</u>	<u>10,614,216</u>
<b>Operating profit before working capital changes</b>	<b>17,483,089</b>	<b>12,649,364</b>
<b>(Increase) / decrease in operating assets :</b>		
Trade debts	(149,686)	947,936
Loans and advances	(78,967,964)	(26,808,921)
Long term loans, advances, prepayments, deposits and other receivables	30,248,603	(30,185,074)
Fund placements	1,287,356	5,056,068
Deposits, prepayments, accrued mark-up and other receivables	(2,541,715)	(2,471,776)
	<u>(50,123,406)</u>	<u>(53,461,767)</u>
<b>Increase in operating liabilities:</b>		
Trade and other payables	703,430	1,658,441
Deposits and other accounts	21,904,572	44,070,326
<b>Net cash (used in) / generated from operations</b>	<b>(10,032,315)</b>	<b>4,916,364</b>
Interest / mark-up paid	(14,852,484)	(9,355,436)
Gratuity paid	(46,874)	(45,714)
Taxes paid	(1,367,335)	(838,232)
Dividend paid (including non-controlling interests)	(5,550)	(19,517)
<b>Net cash used in operating activities</b>	<b>(26,304,558)</b>	<b>(5,342,535)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(1,497,276)	(943,098)
Intangible assets acquired	(197,980)	(127,835)
Proceeds from sale of property and equipment	103,691	82,334
Proceeds from assets repossessed	489	434
Proceeds from issuance of right shares by subsidiary company	70,000	-
Investments disposed off / (acquired)	36,879,731	(62,270,765)
<b>Net cash generated from / (used in) investing activities</b>	<b>35,358,655</b>	<b>(63,258,930)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of term finance certificates - net of redemption	1,249,036	1,410,466
Long term loan (repaid to) / obtained from bank - net	(125,000)	368,637
Securities (purchased) / sold under repurchase agreements	(10,355,923)	67,966,276
<b>Net cash generated from financing activities</b>	<b>(9,231,887)</b>	<b>69,745,379</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(177,790)</b>	<b>1,143,914</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>(1,370,676)</b>	<b>7,423,626</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(1,548,466)</b>	<b>8,567,540</b>

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

**Hasan Shahid**  
Chief Financial Officer

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (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 of the Holding Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, 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	Note	Date of Acquisition	Effective Holding	
				September 30, 2018	December 31, 2017
JS Bank Limited (JSBL)	Commercial Banking	1.2.1	December 30, 2006	75.02%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager	1.2.1	November 1, 2012	48.88%	45.88%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services	1.2.1	December 21, 2011	50.38%	47.29%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage	1.2.1	November 1, 2012	48.88%	45.88%
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 (Private) Limited (Sub-subsidiary)	Oil and Gas Storage	1.2.2	October 9, 2017	78.47%	100.00%
JS Fuel (Private) Limited (Sub-subsidiary)	Oil Marketing		November 24, 2017	100.00%	100.00%
JS Engineering Investments 1 (Private) Limited (Sub-subsidiary)	Engineering Infrastructure		November 23, 2017	100.00%	100.00%

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

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- 1.2.1 Pursuant to the conversion of preference shares issued by JS Bank Limited (a subsidiary) into ordinary shares, shareholding of the Holding Company has increased in this subsidiary. Accordingly, the effective shareholding of the Holding Company in its sub-subsidiaries have also increased.
- 1.2.2 The shareholding in JS Petroleum (Private) Limited (JSPPL) has diluted due to introduction of other shareholders by way of subscription of unsubscribed right shares of JSPPL.

## 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 consolidated financial statements for the year December 31, 2017.

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

### 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; 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 consolidated condensed interim financial information does not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Company as at December 31, 2017.

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

## 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, 2017 other than described below:

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 3.1 New / Revised Standards, Interpretations and Amendments

The Holding Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

### Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice (Amendment)

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendment to accounting standards did not have any effect on these consolidated condensed interim financial information.

## 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, 2017.

## 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, 2017.

## 6. PROPERTY AND EQUIPMENT

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
Opening written down value	4,974,050	4,071,073
Addition during the period	880,385	1,580,187
Disposal during the period	(47,925)	(22,858)
Depreciation for the period	(536,672)	(654,352)
	<u>5,269,838</u>	<u>4,974,050</u>
Capital work-in-progress	986,517	321,240
	<u><u>6,256,355</u></u>	<u><u>5,295,290</u></u>

## Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7. INTANGIBLE ASSETS</b>			
Opening written down value		413,633	318,084
Addition during the period		197,980	160,022
Amortization for the period		<u>(53,450)</u>	<u>(64,473)</u>
		<u>558,163</u>	<u>413,633</u>
<b>8. LONG TERM INVESTMENTS</b>			
<b>Investment in associate</b>	8.1	184,982	-
<b>Related parties:</b>			
- Available for sale		14,285,034	16,663,585
<b>Other investments:</b>			
- Available for sale		73,332,059	100,626,421
- Held to maturity		33,166,170	41,398,485
<b>Advance against investment</b>		-	25,000
		<u>120,968,245</u>	<u>158,713,491</u>
<b>8.1 Investment in associate</b>			
Cost of investment		180,000	-
Share of profit from associate		4,982	-
		<u>184,982</u>	<u>-</u>

During the period, JS Bank Limited (a subsidiary) has invested in the shares of Omar Jibrán Engineering Industries Limited, a public unlisted company (9.6% shareholding). The Group has classified the investment as associate on account of significant influence exercised by the Bank over the investee company.

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
<b>9. SHORT TERM INVESTMENTS</b>			
Assets at fair value through profit or loss		10,566,495	9,351,066
Available for sale	9.1	11,949,479	25,778,707
Held to maturity		7,821,770	-
<b>Advance against investment</b>		-	52,000
		<u>30,337,744</u>	<u>35,181,773</u>
<b>9.1</b>	This includes investments in equity securities of related parties having market value of Rs. 4,343 million (December 31, 2017: Rs. 5,067) million.		

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 10. LONG TERM FINANCING

During the period, the Holding Company issued Term Finance Certificate (TFC) of Rs. 1,500 million, listed on PSX under Listing of Companies and Securities Regulations 2018. The mark-up on this TFC is payable semi-annually, based on the six months KIBOR average rate plus 140 basis points per annum. This TFC has tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months. The principal is payable in six (06) equal semi-annual installments starting from 30th month of the drawdown date. This TFC is secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,460.40 million to secure the outstanding principal with 35% margin.

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
<b>11. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES</b>		
Long term financing - Term finance certificates	875,987	460,037
Long term loans	247,149	183,882
Deposits and other accounts	240,297,699	212,805,572
Current accounts - Non-remunerative	64,530,541	70,197,106
Liabilities against assets subject to finance lease	12,271	1,524
	<u>305,963,647</u>	<u>283,648,121</u>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended December 31, 2017, except for the following:

#### In respect of Holding Company

- a) Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014 and raised the demand for Rs. 50.77 million. Against the said order, the Holding Company has filed rectification application on various grounds including the adjustment of brought forward losses and credit of taxes amounting to Rs. 16.015 million. After the rectification is given the due effect, refund of Rs. 16.015 million will arise. The Holding Company has also filed appeal before the CIR-Appeals. The Holding Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Holding Company.
- b) Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs. 12.744 million. Against the said order, the Holding Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals. The Holding Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Holding Company.

#### In respect of JS Bank Limited

- a) During the period, the Additional Commissioner Inland Revenue (ACIR) has allowed the appeal effects of tax years 2008-2014, in the light of appeal orders given by Commissioner Inland Revenue - Appeals (the CIRA), as a result thereof effect of certain significant issues have been allowed (i.e. accrued markup income, repair and maintenance expense, provision against advances under Rule 1(c) of seventh schedule of the Income Tax Ordinance, 2001, dividend income and partial reliefs given in reversal of provision against advances and contract wages). Appeal effect of certain issues (amortisation of Goodwill and withholding tax on contract wages) for which appeals of the tax department are pending at higher appellate forums are kept pending and will be decided on outcome of such department appeals. Appeal effect order is pending in respect of tax year 2015.

## Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

For tax year 2008, ACIR has allowed the appeal effect after consideration of the CIRA decision that assessment in the year had become barred by time limitation and hence additions or disallowances made through the first amendment order had no legal effect. As a result of passing of appeal effect order, the income and tax liability have been reverted to position as per the return filed.

For tax year 2010-2014, the Bank has not accepted the appeal effects in which benefits are not allowed on the direction of the CIRA and filed further appeals with CIRA where ACIR is directed to re-examine the issues in the light of directions of predecessor CIRA's decision and issue revised appeal effect orders after duly adjudicating as per law ensuring adequate opportunity of being heard to the Bank. Appeal is pending in respect of tax year 2015.

The management of Bank is confident that the appeals filed above and which are already pending at Appellate Tribunal on matters where relief has not been allowed at CIRA level will be decided in the Bank's favor and accordingly no demand for payment would arise.

### 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, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
- Government	27,302,385	31,008,823
- Banking companies and other financial institutions	5,868,051	5,532,988
- Others	8,491,588	8,477,789
	<u>41,662,024</u>	<u>45,019,600</u>

### 12.3 Other Contingencies

Trade related contingent liabilities documentary credits	<u>17,813,058</u>	<u>21,558,098</u>
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### 12.4 Commitments

Commitments in respect of:

Forward exchange contracts:

- Purchase	<u>14,876,919</u>	6,689,099
- Sale	<u>6,876,784</u>	<u>4,960,361</u>
Forward commitments to extend credit	<u>856,834</u>	<u>21,398,301</u>

#### Other Commitments

Forward commitments in respect of purchase of securities	<u>3,997,208</u>	<u>1,496,072</u>
Forward commitments in respect of sale of securities	<u>1,023,176</u>	<u>719,515</u>
Commitments in respect of capital expenditure	<u>107,349</u>	<u>94,975</u>
Bank Guarantee from a commercial bank in favor of NCCPL	<u>400,000</u>	<u>400,000</u>
Cross currency swaps	<u>4,732,880</u>	<u>4,223,400</u>
Options	<u>2,988,506</u>	<u>2,421,402</u>
Outstanding settlements against margin financing contracts - net	<u>39,253</u>	<u>4,529</u>

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

13. This includes Rs. 38.71 million as charge for super tax in respect of tax year 2018 levied through enactment of Finance Act, 2018 ("Act") which became applicable from July 01, 2018. Since the Company follows special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001 (Ordinance), for the year ended December 31, 2017 (tax year 2018) is recognised during the period.

Also included herein is a net reversal of Rs. 1.79 million due to the decrease in tax rate on undistributed profits for the tax year 2018 brought through enactment of the Finance Act 2018. Since the Group follows special tax year, therefore, tax on undistributed profits for the year ended December 31, 2017 (tax year 2018) is adjusted during the period. The Holding Company and its listed subsidiaries other than the Bank has filed a constitutional petition against applicability of section 5A of the Ordinance and stay has been granted by the Honorable High Court of Sindh.

	Nine Months Ended		Quarter Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
<b>14. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE</b>				
Profit / (loss) after taxation attributable to equity holders' of the parent:	848,290	1,053,478	(20,665)	124,389
	----- (Number in '000) -----			
Weighted average number of Ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
	----- (Rupees) -----			
<b>Earnings / (Loss) per share:</b>				
Basic and Diluted	0.93	1.15	(0.02)	0.14
			September 30, 2018	September 30, 2017
			----- (Un-audited) -----	
			----- (Rupees in '000) -----	
<b>15. CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances			17,482,955	19,485,713
Borrowings from banks / NBFCs			(19,031,421)	(10,918,173)
			(1,548,466)	8,567,540
<b>16. RELATED PARTY TRANSACTIONS</b>				
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:				

## Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	September 30, 2018	September 30, 2017
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Dividend received	767,905	818,020
Brokerage / commission / service income	16,261	22,792
Purchase of money market instruments	16,935,106	1,125,843
Sale of money market instruments	158,519,758	47,563,682
Letter of credits	132,845	70,283
Letter of guarantees	24,000	-
Foreign exchange purchase transaction	4,208,284	5,188,918
Foreign exchange sale transaction	5,696,679	7,502,930
Rental income	11,860	7,767
Interest / markup paid	1,431	1,550
Principal redemptions made against TFCs	7,125	5,700
Royalty paid	21,225	17,400
Advisory fee paid	43,500	38,963
Insurance premium paid	281,858	208,103
Insurance claim received	10,701	17,268
Investments matured / disposed off in funds under management - at cost	744,757	429,708
Investments made in funds under management	704,828	352,512
Remuneration and commission income from funds	145,283	154,487
Commission income	248,802	44,122
Donation paid	7,000	-
Contribution to provident fund	154,818	117,242
Contribution to gratuity fund	175,118	118,308
Preference dividend paid	1,479	1,479
Loan repayment from executives / others	326,200	1,705
Interest received on long term loans to executives	26,932	25,678
Loan disbursed to executives / others	433,635	1,150
Reimbursement of expenses	30,718	-
Reimbursement of expenses to directors	1,032	1,839
Remuneration paid to Chief Executive Officer	63,308	47,180
Advisory fee paid to Directors	-	4,500
Fee paid to directors for attending directors / committee meetings	14,350	15,367
Remuneration to key management personnel	593,554	328,094

### 17. SEGMENT INFORMATION

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

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

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
(Rupees in '000)							
<b>Nine month period ended September 30, 2018</b>							
<b>Revenue</b>							
Segment revenues	1,676,620	23,741,293	303,411	139,556	25,860,880	(434,754)	25,426,126
Inter-segment revenues	(367,273)	(28,673)	(6,511)	(32,297)	(434,754)	434,754	-
<b>Total revenue</b>	<b>1,309,347</b>	<b>23,712,620</b>	<b>296,900</b>	<b>107,259</b>	<b>25,426,126</b>	<b>-</b>	<b>25,426,126</b>
<b>Results</b>							
Net profit for the period	39,010	744,532	8,481	(53,294)	738,729	318,551	1,057,280

<b>Nine month period ended September 30, 2017</b>							
<b>Revenue</b>							
Segment revenues	2,089,658	16,833,871	273,764	151,457	19,348,750	(355,246)	18,993,504
Inter-segment revenues	(311,620)	(37,356)	(3,035)	(3,235)	(355,246)	355,246	-
<b>Total revenue</b>	<b>1,778,038</b>	<b>16,796,515</b>	<b>270,729</b>	<b>148,222</b>	<b>18,993,504</b>	<b>-</b>	<b>18,993,504</b>
<b>Results</b>							
Net profit for the period	424,766	379,643	11,284	115,919	931,612	316,698	1,248,310

The following tables present assets and liabilities information for the Group's operating segments for the nine month period ended September 30, 2018 and year ended December 31, 2017 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
(Rupees in '000)							
<b>Assets</b>							
September 30, 2018	33,801,650	396,626,751	2,333,271	5,729,711	438,491,383	(17,592,975)	420,898,408
December 31, 2017	35,051,644	387,645,128	2,336,549	4,751,703	429,785,024	(16,993,866)	412,791,158
<b>Liabilities</b>							
September 30, 2018	6,195,905	381,307,576	203,233	233,033	387,939,747	(3,250,410)	384,689,337
December 31, 2017	4,929,819	371,451,686	171,730	969,679	377,522,914	(4,815,620)	372,707,294

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

## 18. 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.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

### Fair value hierarchy

IFRS 13 requires the Holding Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

**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); or

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

18.1 The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	As at September 30, 2018			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>At fair value through profit or loss</b>				
Open end Mutual Funds	327,199	-	-	327,199
Sukuk and term finance certificates	-	117,298	-	117,298
Listed equity securities	1,131,652	-	-	1,131,652
Government Securities	-	8,990,346	-	8,990,346
	<b>1,458,851</b>	<b>9,107,644</b>	<b>-</b>	<b>10,566,495</b>
<b>Available for sale investments</b>				
Open end Mutual Funds	1,729,098	-	-	1,729,098
Listed equity securities	22,936,360	-	-	22,936,360
Sukuk and term finance certificates	-	528,736	654,286	1,183,022
Foreign currency bond (US\$)	-	6,107,907	-	6,107,907
Government Securities	-	67,234,279	-	67,234,279
	<b>24,665,458</b>	<b>73,870,922</b>	<b>654,286</b>	<b>99,190,666</b>
<b>Held to maturity</b>				
Government Securities	-	41,079,275	-	41,079,275
	<b>26,124,309</b>	<b>124,057,841</b>	<b>654,286</b>	<b>150,836,436</b>

# Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)



	As at September 30, 2018			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	14,824,976	-	14,824,976
Sale	-	6,863,230	-	6,863,230
<b>Forward government securities - Purchase</b>	-	3,998,339	-	3,998,339
<b>Cross currency swaps (notional principal)</b>	-	5,607,461	-	5,607,461
<b>Options (notional principal)</b>	-	3,002,639	-	3,002,639

	As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			

<b>On balance sheet financial instruments</b>				
<b>At fair value through profit or loss</b>				
Open end Mutual Funds	-	426,250	-	426,250
Term Finance Certificates	-	3,428	-	3,428
Listed equity securities	452,237	-	-	452,237
Government Securities	-	8,469,151	-	8,469,151
	452,237	8,898,829	-	9,351,066

<b>Available for sale investments</b>				
Open end Mutual Funds	-	1,728,711	-	1,728,711
Listed equity securities	26,791,173	-	-	26,791,173
Unlisted equity investments	-	-	309,006	309,006
Sukuk and term finance certificates	-	-	1,991,715	1,991,715
Government Securities	-	107,922,470	-	107,922,470
Foreign currency bond (US\$)	-	4,350,638	-	4,350,638
	26,791,173	114,001,819	2,300,721	143,093,713

<b>Held to maturity</b>				
Government securities	-	41,398,485	-	41,398,485
	27,243,410	164,299,133	2,300,721	193,843,264

<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	6,851,332	-	6,851,332
Sale	-	5,061,071	-	5,061,071
<b>Forward government securities</b>				
Purchase	-	1,495,823	-	1,495,823
Sale	-	116,000	-	116,000
<b>Cross currency swaps (notional principal)</b>	-	4,489,958	-	4,489,958
<b>Options (notional principal)</b>	-	2,426,276	-	2,426,276

## Notes to the Consolidated Condensed Interim Financial Information

For the Nine Month Period Ended September 30, 2018 (Un-audited)

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### 19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Holding Company in its meeting held on October 29, 2018.

### 20. GENERAL

- 20.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.
- 20.2 Figures have been rounded off to the nearest thousand rupees.

**Chief Justice (R) Mahboob Ahmed**  
Chairman

**Suleman Lalani**  
Chief Executive Officer

**Hasan Shahid**  
Chief Financial Officer

# Quarterly Report September 30, 2018 (Un-audited)



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