



Quarterly Report  
September 30, 2017 (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 & Director

**Khalid Imran**  
Director - Non-Executive

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

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

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

**Stephen Smith**  
Director - Non-Executive

## Chief Financial Officer & Company Secretary

**Hasan Shahid**

## Audit Committee

**Saud Ahmed Mirza**  
Chairman

**Munawar Alam Siddiqui**  
Member

**Stephen Smith**  
Member

## Human Resource & Remuneration Committee

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

**Munawar Alam Siddiqui**  
Member

**Suleman Lalani**  
Member

## Executive Committee

**Munawar Alam Siddiqui**  
Chairman

**Suleman Lalani**  
Member

## External Auditors

**EY Ford Rhodes**  
Chartered Accountants

## Internal Auditors

**Grant Thornton Anjum Rahman**  
Chartered Accountants

## Legal Advisor

**Bawaney & Partners**

## Share Registrar

**Technology Trade (Private) Limited**  
241-C, Block-2,  
P.E.C.H.S.,  
Karachi, Pakistan.  
Tel: +92-21 3439 1316-7 & 19  
E-mail: mail@ttpl.com.pk

## 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)

\*Appointed as Director on October 28, 2017 in place of Mr. Ali Jehangir Siddiqui.



# 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, 2017. 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 617 million for the nine month period ended September 30, 2017. The overall revenues for the period under review has increased to PKR 1,363 million from the corresponding period last year mainly due to an increase in dividend income and higher capital gains on disposal of investments. The breakup value per share of the company as on September 30, 2017 was PKR 32.36.

Further, the Company has recorded provisions for impairment of PKR 163 million on investments due to a decrease in net assets of unquoted subsidiary companies during the period under review.

As explained in notes to the unconsolidated condensed interim financial statements for the nine month period ended September 30, 2017, pursuant to enactment of Finance Act 2017, the Company has recorded super tax liability and tax on undistributed profits of PKR 25 million and PKR 65 million respectively in respect of tax year 2017 i.e. for the year ended December 31, 2016.

Moreover, during the period under review the Company has obtained term loan of PKR 500 million from a scheduled bank. Further, in July 2017, the Company has issued 10th TFC (privately placed) of principal amount of PKR 1,500 million.

The basic and diluted earnings per share is PKR 0.67 for the nine month period ended September 30, 2017.

## Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 1,248 million for the nine month period ended September 30, 2017 as compared to a net profit of PKR 1,384 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 1.15 for the nine month period ended September 30, 2017.

## 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 and ninth TFC issues of PKR 750 million and PKR 1,000 million are also maintained at "AA+" (Double A Plus) by PACRA. For the tenth TFC issue of PKR 1,500 million 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

The recent improvements in Pakistan's macroeconomic landscape on the back of advancements under the China-Pakistan Economic Corridor (CPEC) are likely to provide better investment opportunities going forward. However, political stability, consistency in policies with a manageable PKR/USD parity will be key for future projects. The Company believes that its investments, particularly in the banking and insurance sectors, coupled with investments in energy, telecommunications,

media and technology sectors through its wholly owned subsidiaries will continue to contribute positively towards enhancing shareholders' value.

### **Acknowledgements**

We wish to place on record our gratitude to the Securities and Exchange Commission of Pakistan for their continued support and guidance. The Board also thanks the employees of the Group for their dedication and hard work and the shareholders for their confidence in the management.

On behalf of the Board

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

Karachi: October 28, 2017

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:

پاک چین اقتصادی راہداری (CPEC) میں پیش رفت کی وجہ سے حال ہی میں ہونے والی پاکستان کے میکرو اکنامکس اشاریوں میں بہتری، مستقبل میں سرمایہ کاری کے بہتر مواقع فراہم کرے گی۔ تاہم سیاسی استحکام، پالیسیوں میں مستقل مزاجی اور پاکستانی روپے / امریکی ڈالر کی مناسب ذمہ داری کی شرح مستقبل کے منصوبوں کے لئے اہم ہے۔ کمپنی اس بات پر یقین رکھتی ہے کہ سرمایہ کاری بالخصوص بینکنگ اور انشورنس کے شعبوں کے علاوہ توانائی، ٹیلی مواصلات، میڈیا اور ٹیکنالوجی کے شعبوں میں اپنی مکمل ملکیتی ذیلی اداروں کے ذریعے حصص یافتگان کی مالیت میں اضافے کا باعث ہوگی۔

## قدر شناسی:

ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی کے مشکور ہیں۔ بورڈ گروپ کے ملازمین کی لگن اور سخت محنت پر اور حصص یافتگان کا منجمنٹ پر اعتماد پر داد و تحسین پیش کرتا ہے۔

منجانب بورڈ

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیئر مین

کراچی: ۲۸، اکتوبر ۲۰۱۷ء

# ڈائریکٹرز کا جائزہ

## معزز حصص یافتگان:

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ، (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی نو ماہی مدت پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور مجموعی ادواروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

## مالیاتی کارکردگی:

۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی کا خالص منافع بعد از ٹیکس ۶۱۷ ملین روپے رہا۔ نو ماہی مدت کے اختتام پر مجموعی آمدنی پچھلے سال تقابلی مدت سے بڑھ کر ۳۶۳ ملین روپے رہی جس کی بنیادی وجہ ڈیویڈنڈ انکم میں اضافہ اور حصص کی فروخت پر حاصل ہونے والے حاصلات سرمایہ میں اضافہ ہے۔ ۳۰ ستمبر ۲۰۱۷ء کو فی حصص بریک اپ ویلیو ۳۶.۳۶ روپے رہی۔

علاوہ ازیں اس نو ماہی مدت کے دوران کمپنی نے اپنی ذیلی کمپنیوں (un-Quoted) کے خالص اثاثوں میں کمی کے باعث ۱۶۳ ملین روپے سے provisions for impairment کو ریکارڈ کیا ہے۔

جیسا کہ ۳۰ ستمبر ۲۰۱۷ء کے انفرادی (Condensed Interim) مالیاتی گوشواروں کے نوٹس (Notes) میں بیان کیا گیا ہے کہ فنانس ایکٹ ۲۰۱۷ء کے نافذ ہونے کے بعد کمپنی نے برائے ٹیکس سال ۲۰۱۷ء یعنی ۳۱ دسمبر ۲۰۱۶ء کو ختم شدہ مالی سال کے لئے سپر ٹیکس اور غیر تقسیم شدہ منافع پر ٹیکس کے مد میں بالترتیب ۲۵ ملین روپے اور ۶۵ ملین روپے ریکارڈ کئے ہیں۔

علاوہ ازیں جائزہ کی مدت کے دوران کمپنی نے ایک شیڈولڈ بینک سے ۵۰۰ ملین روپے کا قرضہ لیا ہے۔ مزید یہ کہ جولائی ۲۰۱۷ء کو کمپنی نے ۱۵۰۰ ملین روپے کا دسواں ٹرم فنانس سرٹیفکیٹ جاری کیا ہے۔

۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی نو ماہی مدت میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۶۷ روپے رہا۔

## مجموعی مالیاتی گوشوارے:

۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی نو ماہی مدت کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۱۰۹۲ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۹۲۸ ملین روپے تھا۔ ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی نو ماہی مدت میں کمپنی کا Basic اور diluted منافع فی حصص ۱.۱۵ 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 TFC اور ۱۰۰۰ ملین روپے والے نویں TFC کی AA+ (Double A Plus) ریٹنگ کو بھی برقرار رکھا ہے۔ کمپنی کے حال میں ہی جاری کردہ ۱۵۰۰ ملین روپے والے دسویں TFC کو بھی PACRA نے AA+ (Double A +) کی ریٹنگ تفویض کی ہے۔



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**UNCONSOLIDATED  
CONDENSED  
INTERIM  
FINANCIAL  
STATEMENTS**



# Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2017

		September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	3,946	5,346
Investment property		1,810	1,900
Long term investments	7	27,121,230	27,320,985
Long term loans and advances		1,586	1,119
Long term security deposits		2,927	804
		<u>27,131,499</u>	<u>27,330,154</u>
<b>Current Assets</b>			
Short term loans and advances	8	56,762	1,033
Short term prepayments and other receivables		43,329	27,345
Interest accrued		15,527	9,165
Other financial assets - short term investments	9	3,438,853	4,179,836
Taxation - net		185,753	285,627
Cash and bank balances		3,017,701	730,182
		<u>6,757,925</u>	<u>5,233,188</u>
		<u>33,889,424</u>	<u>32,563,342</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>
Issued, subscribed and paid-up capital		9,159,424	9,159,424
Reserves		<u>20,480,517</u>	<u>20,895,106</u>
		<u>29,639,941</u>	<u>30,054,530</u>
<b>Non-Current Liabilities</b>			
Long term financing	10	3,175,609	1,654,323
Deferred tax liability		107,344	162,122
<b>Current Liabilities</b>			
Trade and other payables	11	339,832	374,579
Accrued interest on borrowings		78,434	26,847
Current portion of long term financing	10	548,264	290,941
		<u>966,530</u>	<u>692,367</u>
		<u>33,889,424</u>	<u>32,563,342</u>
<b>Contingencies and commitment</b>	12		

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

Hasan Shahid  
Chief Financial Officer



# Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2017 (Un-Audited)

	Note	Nine months ended		Quarter ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
(Rupees in '000)					
<b>INCOME</b>					
Return on investments		980,377	637,977	89,702	76,614
Gain on sale of investments - net	13	282,520	42,287	23,574	11,659
Income from long term loans and fund placements		63,659	83,573	44,312	28,395
Other income		32,600	36,552	8,081	8,817
Gain / (loss) on remeasurement of investments through profit or loss - held for trading - net		3,660	(4,045)	3,995	1,062
		<u>1,362,816</u>	<u>796,344</u>	<u>169,664</u>	<u>126,547</u>
<b>EXPENDITURE</b>					
Operating and administrative expenses		172,061	211,718	50,382	47,806
Finance cost		148,670	104,616	69,883	42,123
Provision for Workers' Welfare Fund	11	17,588	17,158	(348)	2,290
Provision for / (reversal of) impairment - net		162,667	(377,892)	66,799	(77,892)
		<u>500,986</u>	<u>(44,400)</u>	<u>186,716</u>	<u>14,327</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>861,830</b>	<b>840,744</b>	<b>(17,052)</b>	<b>112,220</b>
<b>Taxation</b>					
Current		154,724	143,706	22,125	13,155
Prior	14	90,056	89,461	-	-
		<u>244,780</u>	<u>233,167</u>	<u>22,125</u>	<u>13,155</u>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b><u>617,050</u></b>	<b><u>607,577</u></b>	<b><u>(39,177)</u></b>	<b><u>99,065</u></b>
<b>EARNINGS / (LOSS) PER SHARE</b>					
(Rupees)					
Basic and diluted	15	<u>0.67</u>	<u>0.66</u>	<u>(0.05)</u>	<u>0.11</u>

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

Hasan Shahid  
Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Nine months ended		Quarter ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	----- (Rupees in '000) -----			
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	617,050	607,577	(39,177)	99,065
<b>OTHER COMPREHENSIVE INCOME / (LOSS):</b>				
<b>Items that will not be reclassified     to profit or loss account</b>	-	-	-	-
<b>Items that may be reclassified     subsequently to profit or loss account</b>				
Fair value (loss) / gain on available for sale investments during the period - net of deferred tax	(750,052)	2,087,495	(692,251)	1,796,699
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(281,587)	(39,907)	(24,316)	(5,734)
<b>Total items that may be reclassified     subsequently to profit or loss account</b>	(1,031,639)	2,047,588	(716,567)	1,790,965
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<u>(414,589)</u>	<u>2,655,165</u>	<u>(755,744)</u>	<u>1,890,030</u>

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

Hasan Shahid  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Reserves					Total
	Issued, subscribed and paid- up capital	Ordinary share premium	Unrealised gain/ (loss) on revaluation of available for sale investments - net	Revenue Reserve Unappropriated profit	Sub-total	
(Rupees in '000)						
<b>Balance as at December 31, 2015 (audited)</b>	9,159,424	4,497,894	10,505,256	1,139,274	16,142,424	25,301,848
Profit for the period	-	-	-	607,577	607,577	607,577
Other comprehensive income	-	-	2,047,588	-	2,047,588	2,047,588
Total comprehensive income	-	-	2,047,588	607,577	2,655,165	2,655,165
<b>Balance as at September 30, 2016 (un-audited)</b>	<u>9,159,424</u>	<u>4,497,894</u>	<u>12,552,844</u>	<u>1,746,851</u>	<u>18,797,589</u>	<u>27,957,013</u>
<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>	<u>9,159,424</u>	<u>4,497,894</u>	<u>13,604,258</u>	<u>2,378,365</u>	<u>20,480,517</u>	<u>29,639,941</u>

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

Hasan Shahid  
Chief Financial Officer

# Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	861,830	840,744
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	1,491	2,238
Gain on sale of property and equipment	(650)	-
(Gain) / loss on remeasurement of investments at fair value through profit or loss - net	(3,660)	4,045
Provision for / (reversal of) impairment - net	162,667	(377,892)
Dividend income	(940,585)	(636,551)
Interest income	(63,659)	(84,999)
Finance cost	148,670	104,616
	<u>(695,726)</u>	<u>(988,543)</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>166,104</b>	<b>(147,799)</b>
<b>(Increase) / decrease in current assets:</b>		
Loans and advances	(54,033)	166
Short term prepayments and other receivables	(10,506)	(13,346)
Long term loans, advances and security deposits	(2,590)	(999,481)
	<u>(67,129)</u>	<u>(1,012,661)</u>
<b>(Decrease) / increase in trade and other payables</b>		
	<u>(34,747)</u>	<u>70,974</u>
<b>Net cash generated from / (used in) operations</b>	<b>64,228</b>	<b>(1,089,486)</b>
Investments - net	(304,686)	(994,043)
Dividend received	935,107	628,816
Finance cost paid	(90,059)	(85,181)
Taxes paid	(144,906)	(143,137)
Interest income received	57,297	87,842
Dividend paid	-	(37)
<b>Net cash generated from / (used in) operating activities</b>	<b>516,981</b>	<b>(1,595,226)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(1,697)	(275)
Proceeds from sale of property and equipment	650	-
<b>Net cash used in investing activities</b>	<b>(1,047)</b>	<b>(275)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance - net of redemption of term finance certificates	1,404,574	689,138
Long term loan obtained - net of repayment to bank	367,011	(62,500)
<b>Net cash generated from financing activities</b>	<b>1,771,585</b>	<b>626,638</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,287,519</b>	<b>(968,863)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>730,182</b>	<b>2,000,658</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,017,701</b>	<b>1,031,795</b>

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

Hasan Shahid  
Chief Financial Officer



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

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## 1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the 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 is un-audited and has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the provisions of the Companies Ordinance and directives issued by the SECP shall prevail.

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 23 of 2017 dated October 4, 2017 communicated that the Commission has decided that the companies whose financial year / interim period closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

## 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 245 of the Companies Ordinance, 1984 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 information; therefore should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2016.
- 3.3 The comparative balance sheet presented in this unconsolidated condensed interim financial information has been extracted from the annual unconsolidated financial statements of the Company for the year ended December 31, 2016 whereas the comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been taken from unconsolidated condensed interim financial information for the nine month period ended September 30, 2016.
- 3.4 This unconsolidated condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates are stated at cost less impairment, if any, and have not been accounted for on the basis of reported results and net assets of the investee companies.
- 3.5 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, 2016 other than described below:

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

## 4.1 New / Revised Standards, Interpretations and Amendments

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

### Standard or Interpretation

IFRS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on these 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, 2016.

		September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6. PROPERTY AND EQUIPMENT</b>			
The details of additions and deletions during the period are as follows:			
<b>Additions - cost</b>			
Office equipment		-	453
		<u>-</u>	<u>453</u>
<b>Disposal - cost</b>			
Motor vehicles		1,474	-
		<u>1,474</u>	<u>-</u>
<b>7. LONG TERM INVESTMENTS</b>			
Investment in subsidiaries	7.1	7,759,703	7,892,381
Available for sale - related parties	7.2	14,010,237	13,409,537
		<u>21,769,940</u>	<u>21,301,918</u>
Other investments	7.3	5,351,290	6,019,067
		<u>27,121,230</u>	<u>27,320,985</u>

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (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, 2017 (Un-audited)	December 31, 2016 (Audited)	
September 30, 2017 (Un-audited)	December 31, 2016 (Audited)			September 30, 2017 (Un-audited) %	December 31, 2016 (Audited) %			
<b>Quoted</b>								
755,245,007 *	755,245,007	<b>JS Bank Limited</b> Market value Rs. 6,480 (December 31, 2016: Rs. 8,164.20) million		Commercial Banking	70.42	70.42	4,673,400	4,673,400
<b>Un-quoted</b>								
145,374,878 *	145,374,878	<b>JS Bank Limited</b> Convertible Preference Shares		Commercial Banking	96.92	96.92	1,453,749	1,453,749
173,736,297	173,736,297	<b>JS Infocom Limited</b> Net assets value Rs. 981.45 (December 31, 2016: Rs. 1,135.22) million based on un-audited financial statements for the nine months ended September 30, 2017 Less: Impairment	7.1.1	Telecom Media & Technology	100.00	100.00	1,708,490 (727,038) 981,452	1,708,490 (573,258) 1,135,232
10,000	10,000	<b>JS International Limited</b> Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.2 (December 31, 2016: Rs. 1.2) million based on un-audited financial statements for the quarter period ended June 30, 2017 Less: Impairment		Investment services	100.00	100.00	294,882 (294,882)	294,882 (294,882)
63,000,000	63,000,000	<b>Energy Infrastructure Holding (Private) Limited</b> Net assets value Rs. 1,164.86 (December 31, 2016: Rs. 1,143.99) million based on un-audited financial statements for the nine months ended September 30, 2017	7.1.2	Power Generation & Distribution	100.00	100.00	630,000	630,000
3,000,000	1,000	<b>Quality Energy Solutions (Private) Limited</b> Net assets value Rs. 21.149 (December 31, 2016: negative equity balance of Rs. 4.58) million based on un-audited financial statements for the nine months ended September 30, 2017 Less: Impairment	7.1.1 & 7.1.3	Power Generation & Distribution	100.00	100.00	30,000 (8,898) 21,102	10 (10) -
							<b>7,759,703</b>	<b>7,892,381</b>

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



# Notes to the Unconsolidated Condensed Interim Financial Statements

## For the Nine Month Period Ended September 30, 2017 (Un-audited)

7.1.1 The Company recognises impairment charge on its wholly owned unlisted subsidiaries based on the change in net assets at each reporting date.

7.1.1.1 The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to market conditions at the reporting date, the net assets have decreased resulting in an impairment charge of Rs.153.78 million.

7.1.1.2 The net assets of Quality Energy Solutions (Private) Limited decreased as the incorporation expenses were expensed out during the period after the issue of right shares resulting in an impairment charge of Rs.8.88 million.

7.1.2 Subsequent to the period end, the Board of Directors of the Company in its meeting held on October 28, 2017 has approved long term investment of upto Rs. 2,000 million in Energy Infrastructure Holding (Private) Limited by subscription of right shares of Rs. 10/- each that will be offered by Energy Infrastructure Holding (Private) Limited.

7.1.3 During the period, the Company invested Rs. 29.99 million in 2,999,000 right shares of Rs. 10 each issued by Quality Energy Solutions (Private) Limited.

### 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, 2017 (Un-audited)	December 31, 2016 (Audited)
September 30, 2017 (Un-audited)	December 31, 2016 (Audited)			September 30, 2017 (Un-audited) %	December 31, 2016 (Audited) %		
<b>Quoted - at fair value</b>		7.2.1					
214,258,460 *	214,258,460		BankIslami Pakistan Limited	21.26	21.26	2,671,803	2,862,493
41,191,152	41,191,152		EFU General Insurance Limited	20.60	20.60	6,178,673	6,219,864
20,047,708	20,047,708		EFU Life Assurance Limited	20.05	20.05	5,152,261	4,319,680
<b>Un-quoted - at cost</b>		7.2.1	EFU Services (Private) Limited	37.50	37.50	7,500	7,500
750,000	750,000					<b>14,010,237</b>	<b>13,409,537</b>

\* 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.

### 7.3 Other investments

#### Available for sale

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

Number of shares		Note	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
September 30, 2017 (Un-audited)	December 31, 2016 (Audited)			
<b>Quoted - at fair value</b>				
160,520,138	147,319,799	7.3.1	3,465,630	4,860,080
1,602,953	2,404,430	7.3.2	36,531	60,592
112,157,863	112,157,863	7.3.3	1,470,390	924,181
11,622,000	11,622,000	7.3.4	115,639	174,214
<b>Un-quoted - at cost</b>				
2,399,454	-		263,100	-
			<b>5,351,290</b>	<b>6,019,067</b>

7.3.1 During the period, Pakistan International Bulk Terminal Limited has made a 16.945% right issue of ordinary shares at Rs. 10/- each. The Company subscribed 24.96 million ordinary shares of the right issue as per its entitlement.

7.3.2 In March 2017, the Company disposed off 1,602,953 shares (i.e. 40% stake), under the Share Purchase Agreement (SPA)

# Notes to the Unconsolidated Condensed Interim Financial Statements

## For the Nine Month Period Ended September 30, 2017 (Un-audited)

between the divestment committee of the PSX and Anchor investor, at a price of Rs. 25.20 per share. The original price was Rs. 28 per share from which there was a retention of 10% (i.e. Rs. 2.8 per share).

Furthermore, in June, PSX offered Initial Public Offering (IPO) in which the Company disposed-off additional 801,477 shares (i.e. 20% stake) at a price of Rs. 28 per share.

On June 23, 2017 SECP approved PSX's application for listing and thereafter, the shares were successfully listed on June 29, 2017. Accordingly, the remaining 1,602,953 shares (i.e. 40% stake) are valued at the closing market rate of Rs. 22.79 per share as of the period end.

7.3.3 Based on the reassessment of relationship, Azgard Nine Limited is no more a related party of the Company.

7.3.4 During the period, the related party / associated relationship has ceased due to cessation of common directorship.

### 8. SHORT TERM LOANS AND ADVANCES

During the period, the Company had provided short term loan of Rs. 100 million to JS Infocom Limited, a wholly owned subsidiary of the Company, carrying mark-up rate of 6 months KIBOR plus 100 basis points per annum. As on September 30, 2017, the outstanding balance of the loan amounts to Rs. 55 million which 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.

9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS	Note	September 30,	December 31,
		2017 (Un-audited)	2016 (Audited)
----- (Rupees in '000) -----			
<b>Available for sale</b>			
<b>At fair value</b>			
- Equity securities - quoted		3,238,176	3,455,859
- Equity securities - unquoted		-	40,394
<b>At cost</b>			
- Privately Placed Term Finance Certificate	9.1	-	400,000
		<b>3,238,176</b>	<b>3,896,253</b>
<b>Financial assets at fair value through profit or loss - held for trading</b>			
- Listed equity securities		<b>200,677</b>	<b>283,583</b>
		<b>3,438,853</b>	<b>4,179,836</b>

9.1 Privately Placed TFCs amounting to Rs. 400 million were matured during the period.

### 10. LONG TERM FINANCING

Term Finance Certificates - 8	10.1	449,179	523,471
Term Finance Certificates - 9	10.1	991,188	988,054
Term Finance Certificates - 10	10.2	1,480,577	-
		<b>2,920,944</b>	<b>1,511,525</b>
Term loan 1	10.3	310,258	433,739
Term loan 2	10.4	492,671	-
		<b>802,929</b>	<b>433,739</b>
		<b>3,723,873</b>	<b>1,945,264</b>
Less: Current portion of shown under current liability		<b>548,264</b>	<b>290,941</b>
		<b>3,175,609</b>	<b>1,654,323</b>

10.1 These TFCs are 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. 2,618.89 (December 31, 2016: Rs. 2,985.12) million to secure the outstanding principal with 35% margin.

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

- 10.2** During the period, the Company issued privately placed 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 a tenor of five years i.e. 2017-2022 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 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. 2,424.98 million to secure the outstanding principal with 35% margin.
- 10.3** This loan is secured by pledge of marketable securities having market value of Rs. 627.64 (December 31, 2016: 1,005.13) million with margin ranging from 30% to 40%.
- 10.4** 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 100 basis points per annum. This loan has a tenor of five years i.e. 2017-2022 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. 783.634 million with margin ranging from 30% to 40%.

### 11. TRADE AND OTHER PAYABLES

There is no change in the status of Federal WWF and Sindh WWF as reported in note 23 to the annual unconsolidated financial statements of the Company for the year ended December 31, 2016.

### 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, 2016.

#### 12.2 Commitment

Future sale transactions of listed equity securities

September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
----- (Rupees in '000) -----	

185,415	280,072
---------	---------

	Nine Months Ended		Quarter Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
----- (Un-audited) -----				
----- (Rupees in '000) -----				
<b>13. GAIN ON SALE OF INVESTMENTS - net</b>				
Financial assets at fair value				
through profit or loss	933	2,380	(742)	5,925
Available for sale	281,587	39,907	24,316	5,734
	282,520	42,287	23,574	11,659

- 14.** This includes Rs. 24.83 million as charge for super tax in respect of tax year 2017 levied through enactment of Finance Act, 2017 ("Act") which became applicable from July 01, 2017. 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, 2016 (tax year 2017) is recognised during the period.

Also included herein is provision of Rs. 65.23 million as tax on undistributed profits for the tax year 2017 (year ended December 31, 2016) levied through enactment of the Act. The substituted Section 5A of the Ordinance requires that tax at the rate of 7.5% of the accounting profit before tax shall be imposed on every public company, other than scheduled bank and modaraba, that derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Since the Company follows special

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

tax year, therefore, tax on undistributed profits for the year ended December 31, 2016 (tax year 2017) is recognized during the period on a prudent basis. 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.

15. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE	Nine Months Ended		Quarter Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	(Un-audited)			
	(Rupees in '000)			
Profit after taxation attributable to ordinary shareholders	617,050	607,577	(39,177)	99,065
	(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	0.67	0.66	(0.05)	0.11

16. CASH AND CASH EQUIVALENTS	September 30, 2017	September 30, 2016
		(Un-audited)
	(Rupees in '000)	
Cash and bank balances	3,017,701	1,031,795

## 17. RELATED PARTY TRANSACTIONS

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

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.

TRANSACTIONS	September 30, 2017	September 30, 2016
		(Un-audited)
	(Rupees in '000)	
<b>Subsidiary and Sub-subsidiary Companies</b>		
Dividend received	174,450	174,450
Brokerage expense paid	2,499	3,889
Sale of government securities	-	26,300
Mark-up paid on TFCs issued by the Company	816	4,957
Principal redemption made against TFCs issued by the Company	3,000	13,500
Investment in term deposit receipts	-	4,400,000
Maturity of term deposit receipts	-	4,900,000
Capital gain tax paid for onward submission to NCCPL	16,939	3,582
Capital gain tax refund	746	1,596
Capital gain tax tariff paid for onward submission to NCCPL	50	-
Rent income received	34,282	32,451

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
<b>TRANSACTIONS</b>		
<b>Subsidiary and Sub-subsidiary Companies</b>		
Market maker fee paid	-	472
Profit received on fund placements and deposit accounts	50,562	59,380
Profit received on term deposit receipts	-	25,498
Bank charges paid	8	7
Reimbursement of expenses by the Company	283	261
Reimbursement of expenses to the Company	19,434	14,850
Loan disbursement by the Company	100,000	-
Loan repaid by subsidiary including interest	47,621	-
Advisory and arrangement fee paid	17,150	11,600
Advance for investment in right shares	-	1,000,000
Investment in right shares of a subsidiary	29,990	-
	----- (Number) -----	
Right shares received	2,999,000	-
Letter of right	-	100,000,044
	----- (Rupees in '000) -----	
<b>Common directorship</b>		
Reimbursement of expenses to the Company	152	-
Donation paid	-	30,000
<b>Other Related Parties</b>		
Dividend income received	691,383	414,539
Contributions paid to Staff Provident Fund	3,331	3,006
Interest / mark-up paid	1,550	3,200
Principal redemptions made against TFCs	5,700	28,563
Insurance premium paid	2,051	1,672
Proceeds against insurance claim / cancellation	84	1
Royalty paid	9,900	6,600
Tax on bonus shares	-	53,649
Advisory fee paid	3,963	4,000
	----- (Number) -----	
Purchase of shares	-	2,063,500
Sale of shares	-	2,145,500
Bonus shares received	-	8,016,930
	----- (Rupees in '000) -----	
<b>Key Management Personnel</b>		
Remuneration paid to Chief Executive Officer	18,990	17,425
Advisory fee paid to Directors	4,500	4,500
Fee paid to directors for attending directors / committee meetings	4,067	1,506
Remuneration paid to executives	12,683	11,732
Interest received on long term loans to executives	16	57
Loan and advances disbursed during the period	800	200
Loan and advances repayments from executives	1,099	776
Reimbursement of expenses to directors	1,839	-

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

<b>BALANCES</b>	<b>September 30, 2017 (Un-audited)</b>	<b>December 31, 2016 (Audited)</b>
<b>Subsidiary and Sub-subsidiary Companies</b>	----- (Rupees in '000) -----	
Receivable against expenses incurred on their behalf	4,137	11,591
Cash at bank accounts	3,016,928	1,030,999
Profit receivable on deposit accounts	15,495	9,147
Payable against purchase of equity securities - net	10,889	54,579
Outstanding principal of TFCs issued by the Company	18,000	24,000
Mark-up payable on TFCs issued by the Company	684	936
Outstanding principal of loan issued by the Company	55,000	-
Mark-up receivable on loan issued by the Company	32	-
<b>Common Directorship</b>		
Donation payable	62,341	62,152
<b>Other Related Parties</b>		
Outstanding principal of TFCs issued by the Company	34,200	5,600
Mark-up payable on TFCs issued by the Company	1,299	218
<b>Key Management Personnel</b>		
Loans and advances receivable	469	1,040

## 18. 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 balance sheet 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)

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	September 30, 2017			Total
	Level 1	Level 2	Level 3	
	(Un-audited)			
	(Rupees in '000)			
<b>Available for sale investments</b>				
Equity Securities	22,329,103	-	-	22,329,103
<b>Fair value through profit and loss - held for trading</b>				
Listed Equity Securities	200,677	-	-	200,677
Derivative asset	(3,698)	-	-	(3,698)
	<u>22,526,082</u>	<u>-</u>	<u>-</u>	<u>22,526,082</u>
	December 31, 2016			Total
	Level 1	Level 2	Level 3	
	(Audited)			
	(Rupees in '000)			
<b>Available for sale investments</b>				
Equity securities	22,816,371	-	-	22,816,371
<b>Fair value through profit and loss - held for trading</b>				
Listed equity securities	283,583	-	-	283,583
Derivative liability	(5,825)	-	-	(5,825)
	<u>23,094,129</u>	<u>-</u>	<u>-</u>	<u>23,094,129</u>

### 19. DATE OF AUTHORISATION

This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors in their meeting held on October 28, 2017.

### 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

Hasan Shahid  
Chief Financial Officer



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# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS



# Consolidated Condensed Interim Balance Sheet

As at September 30, 2017

	Note	September 30, 2017 (Un-Audited)	December 31, 2016 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	4,747,604	4,313,201
Intangible assets		399,201	318,084
Investment property		1,810	1,900
Long term investments	7	162,893,879	68,958,456
Long term loans, advances, prepayments and other receivables		38,089,420	7,911,929
Assets repossessed		93,506	93,940
Long term deposits		21,782	14,199
		206,247,202	81,611,709
<b>Current Assets</b>			
Short term investments	8	57,201,639	92,091,735
Trade debts		772,221	1,720,157
Loans and advances		112,502,755	85,914,500
Accrued markup		4,947,485	2,414,896
Short-term prepayments, deposits, and other receivables		1,417,186	1,477,999
Other financial assets - fund placements		6,278,346	11,334,414
Taxation - net		844,104	780,016
Cash and bank balances		19,485,713	16,330,999
		203,449,449	212,064,716
		409,696,651	293,676,425
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		9,159,424	9,159,424
Reserves		26,442,217	27,517,861
Equity attributable to equity holders' of the parent		35,601,641	36,677,285
Non-controlling interests		6,413,410	6,681,610
<b>Total equity</b>		42,015,051	43,358,895
<b>Non-Current Liabilities</b>			
Long term financing	9	6,155,809	4,635,123
Long term deposits and other accounts		1,623,261	1,037,190
Deferred liability - employee benefit		114,365	118,308
Deferred taxation		149,174	818,719
		8,042,609	6,609,340
<b>Current Liabilities</b>			
Trade and other payables		10,274,600	8,616,159
Accrued interest / mark-up on borrowings		1,981,204	1,430,498
Short term borrowings		80,297,123	10,320,047
Current deposits and current portion of long term liabilities	10	267,086,064	223,341,486
		359,638,991	243,708,190
		409,696,651	293,676,425
<b>Contingencies and Commitments</b>			
	11		

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

**Hasan Shahid**  
Chief Financial Officer

# Consolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
----- (Rupees in '000) -----					
<b>Income</b>					
Return on investments		8,333,784	7,390,653	3,062,566	2,532,147
Gain on sale of investments - net		1,044,298	1,482,027	322,547	137,742
Income from long term loans and fund placements		6,956,455	4,598,707	2,808,321	1,580,507
Fee, commission and brokerage		2,168,547	1,475,564	609,962	483,150
Other income		460,246	385,868	172,572	62,870
Gain / (loss) on remeasurement of investments through profit and loss - held for trading - net		30,174	(2,176)	(9,982)	5,488
		<u>18,993,504</u>	<u>15,330,643</u>	<u>6,965,986</u>	<u>4,801,904</u>
<b>Expenditure</b>					
Administrative and other expenses		7,015,385	5,524,333	2,617,034	1,623,084
Finance cost		9,908,047	6,942,428	4,077,066	2,484,921
Workers' Welfare Fund		34,924	58,192	(403)	14,889
Provision for / (reversal of) impairment on investments - net		-	383,374	(4,543)	-
		<u>16,958,356</u>	<u>12,908,327</u>	<u>6,689,154</u>	<u>4,122,894</u>
<b>Profit before taxation</b>		<u>2,035,148</u>	<u>2,422,316</u>	<u>276,832</u>	<u>679,010</u>
<b>Taxation</b>					
- Current		534,484	731,092	106,616	206,148
- Prior	12	239,660	169,299	-	-
- Deferred		12,694	138,099	14,013	16,659
		<u>786,838</u>	<u>1,038,490</u>	<u>120,629</u>	<u>222,807</u>
<b>PROFIT FOR THE PERIOD</b>		<u>1,248,310</u>	<u>1,383,826</u>	<u>156,203</u>	<u>456,203</u>
<b>Attributable to:</b>					
Equity holders' of the parent		1,053,478	969,714	124,389	319,622
Non-controlling interests		194,832	414,112	31,814	136,581
		<u>1,248,310</u>	<u>1,383,826</u>	<u>156,203</u>	<u>456,203</u>
<b>EARNINGS PER SHARE</b>					
	13	----- (Rupees) -----			
Basic and diluted		<u>1.15</u>	<u>1.06</u>	<u>0.14</u>	<u>0.35</u>

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

Hasan Shahid  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
----- (Rupees in '000) -----				
<b>PROFIT FOR THE PERIOD</b>	1,248,310	1,383,826	156,203	456,203
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account:				
Fair value (loss) / gain on revaluation of available for sale investments during the period - net	(2,814,233)	2,614,405	(2,149,529)	2,245,592
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(369,663)	(107,107)	(24,318)	(26,006)
Related deferred tax	610,523	35,265	398,083	(57,011)
Exchange difference of translation of net assets of foreign subsidiaries	(2,573,373)	2,542,563	(1,775,764)	2,162,575
	737	(4,640)	716	(240)
<b>Total items that may be reclassified subsequently to profit and loss account - net of tax</b>	<b>(2,572,636)</b>	<b>2,537,923</b>	<b>(1,775,048)</b>	<b>2,162,335</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(1,324,326)</b>	<b>3,921,749</b>	<b>(1,618,845)</b>	<b>2,618,538</b>
<b>Attributable to:</b>				
Equity holders' of the parent	(1,075,644)	3,446,765	(1,337,186)	2,391,765
Non-controlling interests	(248,682)	474,984	(281,659)	226,773
	<b>(1,324,326)</b>	<b>3,921,749</b>	<b>(1,618,845)</b>	<b>2,618,538</b>

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

Hasan Shahid  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2017 (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/ (loss) on revaluation of available for sale investments - net	Statutory	Revenue reserve			
						Unappropriated profit			
(Rupees in '000)									
<b>Balance as at December 31, 2015 (audited)</b>	9,159,424	4,497,894	4,102	12,523,931	647,030	3,741,907	30,574,288	6,746,408	37,320,696
Profit for the period	-	-	-	-	-	969,714	969,714	414,112	1,383,826
Other comprehensive (loss) / income	-	-	(4,640)	2,481,691	-	-	2,477,051	60,872	2,537,923
Total comprehensive (loss) / income for the period	-	-	(4,640)	2,481,691	-	969,714	3,446,765	474,984	3,921,749
Transfer to statutory reserves	-	-	-	-	157,514	(157,514)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,379)	(5,379)
Buy-back of shares by sub-subsidiary	-	-	-	-	-	-	-	(781,454)	(781,454)
Surplus arised on buy back of shares by sub-subsidiary	-	-	-	-	-	108,661	108,661	121,115	229,776
<b>Transfer from surplus on revaluation of non banking assets on account of:</b>									
Surplus on revaluation of non banking assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	359	359	151	510
<b>Balance as at September 30, 2016 (un-audited)</b>	<u>9,159,424</u>	<u>4,497,894</u>	<u>(538)</u>	<u>15,005,622</u>	<u>804,544</u>	<u>4,663,127</u>	<u>34,130,073</u>	<u>6,555,825</u>	<u>40,685,898</u>
<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 reserve	-	-	-	-	58,730	(58,730)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,518)	(19,518)
<b>Balance as at September 30, 2017 (un-audited)</b>	<u>9,159,424</u>	<u>4,497,894</u>	<u>180</u>	<u>14,257,139</u>	<u>998,230</u>	<u>6,688,774</u>	<u>35,601,641</u>	<u>6,413,410</u>	<u>42,015,051</u>

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

**Hasan Shahid**  
Chief Financial Officer

# Consolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Note	September 30, 2017	September 30, 2016
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,035,148	2,422,316
<b>Adjustments for non cash charges and other items:</b>			
Depreciation		483,849	409,347
Amortisation on intangible assets		46,718	39,905
Gain on sale of property and equipment		(57,398)	(29,542)
Provision for doubtful debts, loans and advances		220,666	(58,500)
Charge for defined benefit plan		41,771	47,121
Provision for impairment of investment - net		-	383,374
(Gain) / loss on remeasurement of investments through profit or loss - held for trading - net		(30,174)	2,176
Finance cost		9,908,047	6,942,428
		<b>10,613,479</b>	<b>7,736,309</b>
<b>Operating profit before working capital changes</b>		<b>12,648,627</b>	<b>10,158,625</b>
<b>(Increase) / decrease in operating assets :</b>			
Trade debts		947,936	(854,126)
Loans and advances		(26,808,921)	8,539,208
Long term loans, advances, prepayments, deposits and other receivables		(30,185,074)	(11,469,378)
Fund placements		5,056,068	3,081,329
Deposits, prepayments, accrued mark-up and other receivables		(2,471,776)	891,845
		<b>(53,461,767)</b>	<b>188,878</b>
<b>Increase in operating liabilities:</b>			
Trade and other payables		1,658,441	2,881,315
Deposits and other accounts		44,070,326	47,236,113
<b>Net cash generated from operations</b>		<b>4,915,627</b>	<b>60,464,931</b>
Interest / mark-up paid		(9,355,436)	(6,640,125)
Gratuity paid		(45,714)	(38,886)
Taxes paid		(838,232)	(932,006)
Dividend paid (including non-controlling interests)		(19,517)	(5,415)
<b>Net cash (used in) / generated from operating activities</b>		<b>(5,343,272)</b>	<b>52,848,499</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(943,098)	(1,640,377)
Intangible assets acquired		(127,835)	(41,600)
Proceeds from sale of property and equipment		82,334	48,782
Paid to Non-Controlling Interests against buy back of shares by a subsidiary		-	(551,678)
Proceeds from assets repossessed		434	120,391
Investments acquired - net of sale		(62,270,765)	(17,018,140)
<b>Net cash used in from investing activities</b>		<b>(63,258,930)</b>	<b>(19,082,622)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of term finance certificates - net		1,410,466	780,179
Long term loan obtained - net of repayment to bank		368,637	(61,949)
Effect of translation of net investment in foreign branches of bank		737	-
Securities sold / (purchased) under repurchase agreements		67,966,276	(27,793,377)
<b>Net cash generated from / (used in) financing activities</b>		<b>69,746,116</b>	<b>(27,075,147)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,143,914</b>	<b>6,690,730</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		7,423,626	4,085,662
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14	<b>8,567,540</b>	<b>10,776,392</b>

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

Hasan Shahid  
Chief Financial Officer

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

## 1. THE GROUP AND ITS OPERATIONS

1.1 Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies (together the Group) are involved in trading of securities, managing strategic investments, investment advisory, asset management, agency telecommunication, commercial banking and other businesses. The Group is mainly operating in Pakistan but also provides services in Cayman Islands.

The Holding Company was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 6th Floor, Faysal House, Main Shakra-e-Faisal, Karachi. The principal activities of the Holding Company are maintaining 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, 2017	December 31, 2016
JS Bank Limited (JSBL)	Commercial Banking		December 30, 2006	70.42%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager		November 1, 2012	45.88%	45.88%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services		December 21, 2011	47.29%	47.29%
JS Infocom Limited	Telecom, Media and Technology		August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services		July 14, 2005	100.00%	100.00%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		November 1, 2012	45.88%	45.88%
Energy Infrastructure Holding (Private) Limited	Power generation		July 07, 2008	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	1.2.1	May 18, 2017	100.00%	-

1.2.1 During the period, a wholly owned subsidiary of the Holding Company acquired 100% shares in the Company.

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

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## 2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 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, 2016.

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 23 of 2017 dated October 04, 2017 communicated that the Commission has decided that the companies whose financial year / interim period closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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

The comparative balance sheet 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, 2016, 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, 2016.

### 2.1 Statement of compliance

This consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

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 237 of the Companies Ordinance 1984 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, 2016 other than described below:

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

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

#### Standard or Interpretation

IFRS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

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

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

## 4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2016.

## 5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2016.

## 6. PROPERTY AND EQUIPMENT

The detail of additions in and disposals of operating assets during the periods are as follows:

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	----- (Rupees in '000) -----	
<b>Additions - cost</b>		
<b>Owned:</b>		
- Office premises - freehold	-	818,819
- Leasehold improvements	108,416	273,478
- Office equipment	399,805	453,526
- Office furniture and fixtures	73,364	103,320
- Motor vehicles	277,918	231,552
	<u>859,503</u>	<u>1,880,695</u>
 <b>Disposals - cost</b>		
- Leasehold improvements	1,060	14,262
- Office equipment	15,957	76,603
- Office furniture and fixtures	832	18,685
- Motor vehicles	97,343	85,647
	<u>115,192</u>	<u>195,197</u>



## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

		September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
		----- (Rupees in '000) -----	
<b>7.</b>	<b>LONG TERM INVESTMENTS</b>	<b>Note</b>	
	<b>Related parties:</b>		
	- Others - Available for sale	15,480,627	14,507,932
	<b>Other investments</b>	<b>147,413,252</b>	<b>54,450,524</b>
		<u><b>162,893,879</b></u>	<u><b>68,958,456</b></u>
<b>8.</b>	<b>SHORT TERM INVESTMENTS</b>		
	Assets at fair value through profit or loss	2,241,939	67,479,564
	Available for sale	54,959,700	24,612,171
	Held to maturity	-	-
		<u><b>57,201,639</b></u>	<u><b>92,091,735</b></u>
<b>8.1</b>	Included herein are the investments in related parties amounting to Rs. 5,423 million (December 31, 2016: Rs.1,814.56 million) having market value of Rs. 6,602 million (December 31, 2016: Rs. 3,324.40 million).		
<b>9.</b>	<b>LONG TERM FINANCING</b>		
<b>9.1</b>	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 month KIBOR average rate plus 100 basis points per annum. This loan has a tenor of five years i.e. 2017-2022 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. 783.634 million with margin ranging from 30% to 40%.		
<b>9.2</b>	During the period, the Holding Company issued privately placed 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 a tenor of five years i.e. 2017-2022 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 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. 2,424.98 million to secure the outstanding principal with 35% margin.		
<b>10.</b>	<b>CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES</b>	<b>September 30, 2017 (Un-audited)</b>	<b>December 31, 2016 (Audited)</b>
		----- (Rupees in '000) -----	
	Long term financing - Term finance certificates	428,228	166,039
	Long term loans	121,236	123,102
	Deposits and other accounts	204,926,409	174,119,903
	Current accounts - Non-remunerative	61,610,191	48,932,442
		<u><b>267,086,064</b></u>	<u><b>223,341,486</b></u>



# Notes to the Consolidated Condensed Interim Financial Statements

For The Nine Month Period Ended September 30, 2017 (Un-audited)

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## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 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, 2016, except for the following:

#### In respect of JS Investments Limited

- a) In respect of the appeals filed by the Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and Rs. 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses, which is currently pending for adjudication.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 was deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs. 77.33 million and Rs. 59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The Company has filed second appeal for tax year 2006 in the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenditure made by tax authorities in appeal effect order earlier confirmed by CIR (Appeals). The ATIR deleted the addition on proration of expenses.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs. 29 million. The tax authorities have filed an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Management is confident, based on views of its legal counsel, of favourable outcome in respect of the above matters.

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

### In respect of JS Bank Limited

- b) During the period, the Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the revised assessment order issued giving findings, based on reconsideration of matters, which were earlier contested in appeal and then remanded back for re-examination. In the revised order, significant matter of disallowance of accrued mark-up has been allowed which was earlier disallowed under section 21(c) for the alleged non-tax withholding of tax source under section 151 of the Income Tax Ordinance, 2001. However matters concerning disallowance of expenses and double additions to income like taxing of reversal of provisions made on bad debts and investments have not been allowed. The Bank is confident that such matters are verifiable and should be decided in its favor.

### In respect of JS Global Capital Limited

- c) For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue - IV [DCIR]. Through said order, an income of Rs. 810,583,651 was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24,317,509 was raised. An appeal has been filed against the above order before CIR-A on December 1, 2016 identifying various errors / details not considered by CIR-A and the said appeal has been decided by CIR-A against the Company vide an order dated May 30, 2017. In pursuance of the order of CIR-A, the Company filed an appeal before Appellant Tribunal Inland Revenue (ATIR) and also filed application for stay against recovery of demand. The said stay application was decided in favor of the Company and ATIR granted stay of 60 days on July 18, 2017 and subsequently the said stay were further extended vide various orders by the ATIR. As of now, further extended stay is valid until October 15, 2017.

Tax department has issued show cause notice dated June 08, 2015 confronting (alleged) non-payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005 for tax year 2010 to tax year 2013. In response thereto, an extension request was filed. The department however issued order without rejecting the application and raised FED demand of Rs. 78.003 million. The said demand comprises of certain errors aggregating to Rs. 55.3 million and demand of Rs. 22.526 million representing duplicate levy on services for the period from July 2011 to December 2012 on which sales tax has already been paid by the Company under the Sindh Sales Tax on Services Act, 2011. The Company filed a rectification application before Deputy Commissioner Inland Revenue and Appeal before Commissioner Inland Revenue Appeal (CIR-A) amounting to Rs. 55.3 million against the said order on account of certain computational errors and the remaining demand of Rs. 22.526 million respectively on grounds of duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act on such services. The Appeal before CIR-A has been decided against the Company vide order dated January 31, 2017. The Company has filed an Appeal and stay application against the said order in Appellate Tribunal and has been granted stay order for the recovery of demand. The Company has also filed an appeal in the SHC, through Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently, disposed of the order in Company's favor. However, the relevant tax authorities have filed the petition in Honorable Supreme Court of Pakistan which is pending adjudication.

### 11.2 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, 2017 (Un-audited)	December 31, 2016 (Audited)
	----- (Rupees in '000) -----	
- Government	26,821,933	18,055,350
- Banking companies and other financial institutions	3,904,211	2,777,027
- Others	9,873,825	6,673,175
	<u>40,599,969</u>	<u>27,505,552</u>

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	September 30, 2017	December 31, 2016
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>11.3 Other Contingencies</b>		
Trade related contingent liabilities documentary credits	<u>17,064,135</u>	<u>20,505,270</u>
<b>11.4 Commitments</b>		
Commitments in respect of:		
Forward exchange contracts:		
- Purchase	<u>11,051,716</u>	<u>9,872,524</u>
- Sale	<u>8,645,161</u>	<u>10,004,614</u>
Forward commitments to extend credit	<u>418,422</u>	<u>234,062</u>
<b>Other Commitments</b>		
Forward commitments in respect of purchase of securities	<u>-</u>	<u>3,989,680</u>
Forward commitments in respect of sale of securities	<u>1,008,498</u>	<u>6,029,401</u>
Commitments in respect of capital expenditure	<u>71,935</u>	<u>59,876</u>
Bank Guarantee from a commercial bank in favor NCCPL expiring on May 31, 2018	<u>400,000</u>	<u>-</u>
Cross currency swaps	<u>3,393,076</u>	<u>1,753,050</u>

12. This includes charge for super tax of Rs. 140.77 million in respect of tax year 2017 levied through enactment of Finance Act, 2017 (Act) which became applicable from July 01, 2017. Since the Group follows special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001 (Ordinance), for the year ended December 31, 2016 (tax year 2017) is recognised during the period.

Also included herein is provision for tax on undistributed profits of Rs. 98.89 million for the tax year 2017 (year ended December 31, 2016) levied through enactment of the Act. The substituted Section 5A of the Ordinance requires that tax at the rate of 7.5% of the accounting profit before tax shall be imposed on every public company, other than banks, that derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Since the Group follows special tax year, therefore, tax on undistributed profits for the year ended December 31, 2016 (tax year 2017) is recognized during the period on a prudent basis. The Holding Company, JS Investments Limited and JS Global Capital Limited have filed constitutional petitions against applicability of section 5A of the Ordinance and stay has been granted by the Honorable High Court of Sindh.

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	Nine months ended		Quarter Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
<b>13. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit after taxation attributable to equity holders' of the parent:	<u>1,053,478</u>	<u>969,714</u>	<u>124,389</u>	<u>319,622</u>
	----- (Number in '000) -----			
Weighted average number of Ordinary shares outstanding during the period	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
	----- (Rupees) -----			
Earnings per share:				
Basic and Diluted	<u>1.15</u>	<u>1.06</u>	<u>0.14</u>	<u>0.35</u>
			September 30, 2017	September 30, 2016
			----- (Un-audited) -----	
			----- (Rupees in '000) -----	
<b>14. CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances			19,485,713	14,805,541
Borrowings from banks / NBFCs			(10,918,173)	(4,029,149)
			<u>8,567,540</u>	<u>10,776,392</u>
<b>15. 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:				
			September 30, 2017	September 30, 2016
			----- (Un-audited) -----	
			----- (Rupees in '000) -----	
Dividend received			818,020	472,342
Brokerage / commission / service income			22,792	45,441
Purchase of money market instruments			1,125,843	1,596,753
Sale of money market instruments			47,563,682	27,457,947
Letter of credits			70,283	99,143
Foreign exchange purchases transaction			5,188,918	6,101,906
Foreign exchange sale transaction			7,502,930	10,593,395

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Rental income	7,767	12,582
Interest / markup earned from key management personnel	-	57
Interest / markup paid	1,550	3,200
Principal redemptions made against TFCs	5,700	28,563
Royalty paid	17,400	14,100
Advisory fee paid	38,963	34,000
Insurance premium paid	208,103	144,943
Insurance claim received	17,268	6,180
Tax on bonus shares	-	53,649
Investments disposed off in funds under management - at cost	429,708	404,202
Investments made in funds under management	352,512	328,731
Remuneration and commission income from funds	154,487	111,913
Commission income	44,122	-
Donation paid	-	33,557
Contribution to provident fund	117,242	38,647
Contribution to gratuity fund	118,308	64,005
Loan repayment from executives / others	1,705	112,672
Interest received on long term loans to executives	16	-
Loan disbursed to executives / others	1,150	204,999
Reimbursement of expenses to directors	1,839	-
Remuneration paid to Chief Executive Officer	18,990	-
Income from HR services	-	467
Advisory fee paid to Directors	4,500	-
Director fee	11,300	-
Fee paid to directors for attending directors / committee meetings	4,067	13,356
Sale of Sukuk/ Ijara Sukuk	-	295,977
Remuneration to key management personnel	328,094	299,008
	----- (Number) -----	
Purchase of shares	-	4,883,300
Sale of shares	-	1,838,000
Bonus shares received	-	8,835,580

## 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.



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

**Investment advisor / assets manager** Principally providing investment advisory and asset management services to different mutual funds and unit trusts.

**Others** Other operations of the Group comprise of telecommunication, media and information technology, underwriting and consultancy services, research and corporate finance and power generation.

The following tables present revenue and profit information for the Group's operating segments for the nine months period ended September 30, 2017 and 2016 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	Total Segments	Adjustments & Eliminations	Consolidated
(Rupees in '000)							
<b>Nine months 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	<b>424,766</b>	<b>379,643</b>	<b>11,284</b>	<b>115,919</b>	<b>931,612</b>	<b>316,698</b>	<b>1,248,310</b>
<b>Nine months ended September 30, 2016</b>							
<b>Revenue</b>							
Segment revenues	1,310,569	14,051,515	239,308	93,620	15,695,012	(364,369)	15,330,643
Inter-segment revenues	(358,625)	(2,801)	1,383	(4,326)	(364,369)	364,369	-
<b>Total revenue</b>	<b>951,944</b>	<b>14,048,714</b>	<b>240,691</b>	<b>89,294</b>	<b>15,330,643</b>	<b>-</b>	<b>15,330,643</b>
<b>Results</b>							
Net profit for the period	<b>364,343</b>	<b>1,115,591</b>	<b>33,208</b>	<b>9,633</b>	<b>1,522,775</b>	<b>(138,949)</b>	<b>1,383,826</b>

The following tables present assets and liabilities information for the Group's operating segments for the nine months period ended September 30, 2017 and year ended December 31, 2016 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	Total Segments	Adjustments & Eliminations	Consolidated
(Rupees in '000)							
<b>Assets</b>							
September 30, 2017	<b>38,525,362</b>	<b>383,192,796</b>	<b>2,504,951</b>	<b>2,397,788</b>	<b>426,620,897</b>	<b>(16,924,246)</b>	<b>409,696,651</b>
December 31, 2016	<b>36,918,064</b>	<b>264,700,493</b>	<b>2,799,531</b>	<b>2,690,387</b>	<b>307,108,475</b>	<b>(13,432,050)</b>	<b>293,676,425</b>
<b>Liabilities</b>							
September 30, 2017	<b>6,249,374</b>	<b>367,334,544</b>	<b>169,865</b>	<b>163,245</b>	<b>373,917,028</b>	<b>(6,235,428)</b>	<b>367,681,600</b>
December 31, 2016	<b>4,308,031</b>	<b>248,050,968</b>	<b>225,791</b>	<b>360,717</b>	<b>252,945,507</b>	<b>(2,627,977)</b>	<b>250,317,530</b>

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (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.

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

17.1 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, 2017			Total
	Level 1	Level 2	Level 3	
<b>Rupees in '000</b>				
<b>On balance sheet financial instruments</b>				
<b>At fair value through profit or loss</b>				
Open end Mutual Funds	280,668	-	-	280,668
Sukuk and term finance certificates	-	21,492	-	21,492
Listed equity securities	1,243,590	-	-	1,243,590
Government Securities	-	714,189	-	714,189
	<u>1,524,258</u>	<u>735,681</u>	<u>-</u>	<u>2,259,939</u>
<b>Available for sale investments</b>				
Open end Mutual Funds	1,862,603	-	-	1,862,603
Listed equity securities	28,452,275	-	-	28,452,275
Foreign currency bonds (US\$)	-	5,894,941	-	5,894,941
Government Securities	-	137,460,158	-	137,460,158
	<u>30,314,878</u>	<u>143,355,099</u>	<u>-</u>	<u>173,669,977</u>
<b>Held to maturity</b>				
	<u>31,839,136</u>	<u>185,593,307</u>	<u>-</u>	<u>217,432,443</u>
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	11,049,381	-	11,049,381
Sale	-	8,617,378	-	8,617,378
<b>Future transactions of listed equity securities</b>				
	<u>819,385</u>	<u>-</u>	<u>-</u>	<u>819,385</u>
<b>Cross currency swaps (notional principal)</b>				
	<u>-</u>	<u>3,512,532</u>	<u>-</u>	<u>3,512,532</u>



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2017 (Un-audited)

	As at December 31, 2016			Total
	Level 1	Level 2	Level 3	
Rupees in '000				
<b>On balance sheet financial instruments</b>				
<b>At fair value through profit or loss</b>				
Open end Mutual Funds	-	300,008	-	300,008
Term Finance Certificates	12,091	-	-	12,091
Listed equity securities	1,408,980	-	-	1,408,980
Government Securities	-	65,758,485	-	65,758,485
	1,421,071	66,058,493	-	67,479,564
<b>Available for sale investments</b>				
Open end Mutual Funds	-	2,233,963	-	2,233,963
Listed equity securities	29,061,203	-	201,972	29,263,175
Sukuk and term finance certificates	-	80,000	-	80,000
Government Securities	-	54,724,249	-	54,724,249
Foreign currency bond (US\$)	-	5,714,939	-	5,714,939
	29,061,203	62,753,151	201,972	92,016,326
	30,482,274	128,811,644	201,972	159,495,890
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
	1,029,817	-	-	1,029,817
<b>Future transactions of listed equity securities</b>				
<b>Forward government securities</b>				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,996,791	-	4,996,791
	-	1,758,882	-	1,758,882
<b>Cross currency swaps (notional principal)</b>				

## 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, 2017.

## 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

Hasan Shahid  
Chief Financial Officer

# Quarterly Report September 30, 2017 (Un-audited)



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