



Half Yearly Report
June 30, 2017 (Un-audited)



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Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali J. 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

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

Ali J. 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

Technology Trade (Private) Limited
241-C, Block-2,
P.E.C.H.S.,
Karachi, Pakistan.
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Website

www.js.com



Directors' Review

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the half year ended June 30, 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 656 million for the half year ended June 30, 2017. The overall revenues for the period under review has increased to PKR 1,193 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 as on June 30, 2017 was PKR 33.18.

Further, the Company has recorded provisions for impairment on investments of PKR 96 million 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 half year ended June 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.

The basic and diluted earnings per share is PKR 0.72 for the half year ended June 30, 2017.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 1,092 million for the half year ended June 30, 2017 as compared to a net profit of PKR 928 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 1.01 for the half year ended June 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 eight and ninth TFC issues of PKR 750 million and PKR 1,000 million are also maintained at "AA+" (Double A Plus) by PACRA.

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

Future Outlook

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, 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.

Acknowledgement

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: August 28, 2017



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 کو AA+ (Double A Plus) ریٹنگ تجویز کی ہے۔ یہ ریٹنگ Credit Risk میں انتہائی کم خطرہ کے امکانات، مالیاتی وعدوں کی بروقت ادائیگی اور زیادہ خطرات کو جذب کرنے کی صلاحیت کو ظاہر کرتی ہے۔

مستقبل کے امکانات:

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 پالیسیوں میں مستقل مزاجی اور پاکستانی روپے / امریکی ڈالر کی مناسب ذمہ داری کی شرح مستقبل کے منصوبوں کے لئے اہم ہے۔ ہمیں امید ہے کہ کمپنی کی 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 سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی کے مشکور ہیں۔ بورڈ گروپ کے ملازمین کی لگن اور سخت محنت پر اور حصص یافتگان کے مینجمنٹ پر اعتماد پر داد و تحسین پیش کرتا ہے۔

منجانب بورڈ

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی: ۲۸، اگست ۲۰۱۷ء

ڈائریکٹرز کی جائزہ رپورٹ:

معزز حصص یافتگان:

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

مالیاتی کارکردگی:

۳۰ جون ۲۰۱۷ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع ۶۵۶ ملین روپے رہا۔ ششماہی کے اختتام پر مجموعی آمدنی پچھلے سال تقابلی مدت سے بڑھ کر ۱۹۳ 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 جون ۲۰۱۷ء کو فی حصص بریک اپ ویلیو ۱۸.۳۳ روپے رہی۔

علاوہ ازیں اس ششماہی کے دوران کمپنی نے اپنی ذیلی کمپنیوں (un-Quoted) کی کچھ لیس اثاثوں میں کمی کے باعث ۹۶ ملین روپے سے provisions for impairment کو ریکارڈ کیا ہے۔

جیسا کہ ۳۰ جون 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 کے 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۔

۳۰ جون ۲۰۱۷ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور diluted منافع فی حصص ۲.۰۷ روپے رہا۔

مجموعی مالیاتی گوشوارے:

۳۰ جون ۲۰۱۷ء کو ختم ہونے والی ششماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۱،۰۹۲ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۹۲۸ ملین روپے تھا۔

۳۰ جون ۲۰۱۷ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۰۱ روپے رہا۔

Auditors' Report to the Members on Review of Unconsolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **Jahangir Siddiqui & Co. Ltd.** (the Company) as at 30 June 2017 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity together with the explanatory notes (here-in-after referred to as the "interim financial information") for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Shabbir Yunus
Karachi

Date: August 28, 2017

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**UNCONSOLIDATED
CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

Unconsolidated Condensed Interim Balance Sheet

As at June 30, 2017

		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property and equipment	6	4,392	5,346
Investment property		1,840	1,900
Long term investments	7	27,623,277	27,320,985
Long term loans and advances		737	1,119
Long term security deposits		2,827	804
		27,633,073	27,330,154
Current Assets			
Short term loans and advances	8	61,694	1,033
Short term prepayments and other receivables		460,468	27,345
Interest accrued		5,837	9,165
Other financial assets - short term investments	9	3,609,351	4,179,836
Taxation - net		190,160	285,627
Cash and bank balances		1,215,636	730,182
		5,543,146	5,233,188
		33,176,219	32,563,342
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		65,000,000	65,000,000
Issued, subscribed and paid-up capital		9,159,424	9,159,424
Reserves		21,236,261	20,895,106
		30,395,685	30,054,530
Non-Current Liabilities			
Long term financing	10	1,748,570	1,654,323
Deferred tax liability		153,304	162,122
Current Liabilities			
Trade and other payables	11	298,818	374,579
Accrued interest on borrowings		25,867	26,847
Current portion of long term financing	10	553,975	290,941
		878,660	692,367
		33,176,219	32,563,342
Contingencies and commitment	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 Half Year Ended June 30, 2017 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(Rupees in '000)					
INCOME					
Return on investments		890,675	561,363	658,548	366,915
Gain on sale of investments - net	13	258,946	30,628	147,718	31,827
Income from long term loans and fund placements		19,347	55,178	13,609	25,864
Other income		24,519	27,735	13,232	22,393
Loss on remeasurement of investments through profit and loss - held for trading - net		(335)	(5,107)	(335)	(10,522)
		<u>1,193,152</u>	<u>669,797</u>	<u>832,772</u>	<u>436,477</u>
EXPENDITURE					
Operating and administrative expenses		121,679	163,912	66,100	103,349
Finance cost		78,787	62,493	40,387	32,031
Provision for Workers' Welfare Fund	11	17,936	14,868	8,857	6,022
Provision for / (reversal of) impairment - net		95,868	(300,000)	283,412	-
		<u>314,270</u>	<u>(58,727)</u>	<u>398,756</u>	<u>141,402</u>
PROFIT BEFORE TAXATION		878,882	728,524	434,016	295,075
Taxation					
Current		132,599	130,551	97,795	101,876
Prior	14	90,056	89,461	90,056	89,461
		<u>222,655</u>	<u>220,012</u>	<u>187,851</u>	<u>191,337</u>
PROFIT FOR THE PERIOD		656,227	508,512	246,165	103,738
EARNINGS PER SHARE					
(Rupees)					
Basic and diluted	15	<u>0.72</u>	<u>0.56</u>	<u>0.27</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 Half Year Ended June 30, 2017 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----				
PROFIT FOR THE PERIOD	656,227	508,512	246,165	103,738
Items that will not be reclassified to profit or loss account	-	-	-	-
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items that may be reclassified subsequently to profit or loss account				
Fair value (loss) / gain on available for sale investments during the period - net of deferred tax	(57,801)	290,796	(2,458,869)	1,291,764
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(257,271)	(34,173)	(150,764)	(33,769)
Total items that may be reclassified subsequently to profit or loss account	(315,072)	256,623	(2,609,633)	1,257,995
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	341,155	765,135	(2,363,468)	1,361,733

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 Half Year Ended June 30, 2017 (Un-audited)

	Reserves					Total
	Issued, subscribed and paid-up capital	Ordinary share premium	Unrealised gain on revaluation of available for sale investments - net	Revenue Reserve Unappropriated profit	Sub-total	
----- (Rupees in '000) -----						
Balance as at December 31, 2015 (audited)	9,159,424	4,497,894	10,505,256	1,139,274	16,142,424	25,301,848
Profit for the period	-	-	-	508,512	508,512	508,512
Other comprehensive income	-	-	256,623	-	256,623	256,623
Total comprehensive income	-	-	256,623	508,512	765,135	765,135
Balance as at June 30, 2016 (un-audited)	<u>9,159,424</u>	<u>4,497,894</u>	<u>10,761,879</u>	<u>1,647,786</u>	<u>16,907,559</u>	<u>26,066,983</u>
Balance as at December 31, 2016 (audited)	9,159,424	4,497,894	14,635,897	1,761,315	20,895,106	30,054,530
Profit for the period	-	-	-	656,227	656,227	656,227
Other comprehensive loss	-	-	(315,072)	-	(315,072)	(315,072)
Total comprehensive (loss) / income	-	-	(315,072)	656,227	341,155	341,155
Balance as at June 30, 2017 (un-audited)	<u>9,159,424</u>	<u>4,497,894</u>	<u>14,320,825</u>	<u>2,417,542</u>	<u>21,236,261</u>	<u>30,395,685</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 Half Year Ended June 30, 2017 (Un-audited)

	June 30, 2017	June 30, 2016
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	878,882	728,524
Adjustment for non cash charges and other items:		
Depreciation	1,014	1,630
Gain on sale of property and equipment	(650)	-
Loss on remeasurement of investments		
through profit and loss - held for trading - net	335	5,107
Provision for / (reversal of) impairment - net	95,868	(300,000)
Dividend income	(850,883)	(559,937)
Interest income	(19,347)	(56,604)
Finance cost	78,787	62,493
	<u>(694,876)</u>	<u>(847,311)</u>
Operating profit / (loss) before working capital changes	184,006	(118,787)
(Increase) / decrease in operating assets:		
Loans and advances	(59,393)	148
Short term prepayments and other receivables	(416,882)	(24,908)
Long term loans, advances and security deposits	(1,641)	292
	<u>(477,916)</u>	<u>(24,468)</u>
(Decrease) / increase in trade and other payables	(75,761)	20,678
Net cash used in operations	(369,671)	(122,577)
Investments - net	(151,900)	(1,129,642)
Dividend received	834,642	562,396
Finance cost paid	(75,866)	(65,390)
Taxes paid	(127,188)	(130,711)
Interest income received	22,675	60,326
Dividend paid	-	(37)
Net cash generated from / (used in) operating activities	132,692	(825,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,268)	(275)
Proceeds from sale of property and equipment	650	-
Net cash used in investing activities	(618)	(275)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance / (redemption) of term finance certificates - net	(76,130)	689,138
Long term loan obtained - net of repayment to bank	429,510	-
Net cash generated from financing activities	353,380	689,138
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	485,454	(136,772)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	730,182	2,000,658
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,215,636	1,863,886

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 Half Year Ended June 30, 2017 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the Companies Ordinance, 1984 (the Ordinance) on May 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 Shakra-e-Faisal, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services, etc.

2. STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information is un-audited and have 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.
- 2.2 During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 read with its press release of the same date, communicated that the Commission has decided that the companies whose financial year / interim period closes on or before June 30, 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 statement of profit and loss, 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 half year ended June 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 are consistent with those followed in the preparation of the Company's annual financial information for the year ended December 31, 2016 other than described below:

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 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 information for the year ended December 31, 2016.

		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
The details of additions and deletions during the period are as follows:			
Additions - cost			
Office equipment		-	453
Disposal - cost			
Motor vehicles		650	72
7. LONG TERM INVESTMENTS			
Investment in subsidiaries	7.1	7,826,502	7,892,381
Available for sale - related parties	7.2	15,727,734	14,507,932
		23,554,236	22,400,313
Other investments	7.3	4,069,041	4,920,672
		27,623,277	27,320,985

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 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		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)	
June 30, 2017 (Un-audited)	December 31, 2016 (Audited)			June 30, 2017 (Un-audited)	December 31, 2016 (Audited)			
				%	%			
Quoted								
755,245,007*	755,245,007		JS Bank Limited Market value Rs. 7,869.65 (December 31, 2016: Rs. 8,164.20) million	Commercial Banking	70.42	70.42	4,673,400	4,673,400
Un-quoted								
145,374,878*	145,374,878		JS Bank Limited Convertible Preference Shares	Commercial Banking	96.92	96.92	1,453,749	1,453,749
173,736,297	173,736,297	7.1.1	JS Infocom Limited Net assets value Rs. 1,048.251 (December 31, 2016: Rs. 1,135.22) million based on un-audited financial statements for the half year ended June 30, 2017 Less: Impairment	Telecom Media & Technology	100.00	100.00	1,708,490 (660,239) 1,048,251	1,708,490 (573,258) 1,135,232
10,000	10,000		JS International Limited 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 half year ended March 31, 2017 Less: Impairment	Investment Services	100.00	100.00	294,882 (294,882)	294,882 (294,882)
63,000,000	63,000,000		Energy Infrastructure Holding (Private) Limited Net assets value Rs. 1,256.39 (December 31, 2016: Rs. 1,143.99) million based on un-audited financial statements for the half year ended June 30, 2017	Power Generation & Distribution	100.00	100.00	630,000	630,000
3,000,000	1,000	7.1.1 & 7.1.2	Quality Energy Solutions (Private) Limited Net assets value Rs. 21.102 (December 31, 2016: negative equity balance of Rs. 4.58) million based on un-audited financial statements for the half year ended June 30, 2017. Less: Impairment	Power Generation & Distribution	100.00	100.00	30,000 (8,898) 21,102	10 (10) -
							7,826,502	7,892,381

* 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 Half Year Ended June 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. 87 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 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		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)	
June 30, 2017 (Un-audited)	December 31, 2016 (Audited)			June 30, 2017 (Un-audited) %	December 31, 2016 (Audited) %			
						----- (Rupees in '000) -----		
						<u>Quoted - at fair value</u>		
11,622,000	11,622,000	7.2.1						
		7.2.2	Hum Network Limited (Ordinary shares of Re.1 each)	Television Network	1.23	1.23	136,442	174,214
214,258,460 *	214,258,460		BankIslami Pakistan Limited	Islamic Banking	21.26	21.26	2,849,638	2,862,493
41,191,152	41,191,152		EFU General Insurance Limited	General Insurance	20.60	20.60	5,972,717	6,219,864
20,047,708	20,047,708		EFU Life Assurance Limited	Life Assurance	20.05	20.05	5,513,120	4,319,680
112,157,863	112,157,863		Azgard Nine Limited	Textile Composite	24.96	24.96	1,248,317	924,181
							<u>Un-quoted - at cost</u>	
750,000	750,000	7.2.1	EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500
						<u>15,727,734</u>	<u>14,507,932</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 Subsequent to the period end, the related party/associated relationship has ceased due to cessation of common directorship.

7.3 Other investments

Available for sale

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

Number of shares		Note	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
June 30, 2017 (Un-audited)	December 31, 2016 (Audited)			
			----- (Rupees in '000) -----	
			<u>Quoted - at fair value</u>	
162,555,138	147,319,799	7.3.1	3,764,777	4,860,080
1,602,953	2,404,430	7.3.2	41,164	60,592
			<u>Un-quoted - at cost</u>	
2,399,454	-		263,100	-
			<u>4,069,041</u>	<u>4,920,672</u>



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

- 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, the Company disposed off 1,602,953 shares (i.e. 40% stake), under the Share Purchase Agreement (SPA) between the divestment committee of PSX and Anchor investor, at a price of Rs. 25.20 per share which resulted in a capital gain of Rs. 40.365 million. 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 which resulted in a capital gain of Rs. 22.427 million.

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. 25.68 per share as of the period end.

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 June 30, 2017, the outstanding balance of the loan amounts to Rs. 60 million which will be repaid within a year as per the terms of the agreement.

		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	Note	----- (Rupees in '000) -----	
9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
Available for sale			
At fair value			
- Equity securities - quoted		3,546,112	3,455,859
- Equity securities - unquoted		-	40,394
At cost			
- Privately Placed Term Finance Certificate	9.1	-	400,000
		<u>3,546,112</u>	<u>3,896,253</u>
Financial assets at fair value through profit and loss - held for trading			
- Listed equity securities		63,239	283,583
		<u>3,609,351</u>	<u>4,179,836</u>
9.1 Privately Placed TFCs amounting to Rs.400 million were matured during the period.			
10. LONG TERM FINANCING	Note		
Term Finance Certificates - 8	10.1	448,975	523,471
Term Finance Certificates - 9	10.1	989,047	988,054
		<u>1,438,022</u>	<u>1,511,525</u>
Term loan 1	10.2	372,355	433,739
Term loan 2	10.3	492,168	-
		<u>864,523</u>	<u>433,739</u>
		<u>2,302,545</u>	<u>1,945,264</u>
Less: Current portion shown under current liabilities		553,975	290,941
		<u>1,748,570</u>	<u>1,654,323</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

- 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. 2,855.39 (December 31, 2016: Rs. 2,985.12) million to secure the outstanding principal with 35% margin.
- 10.2** This loan is secured by pledge of marketable securities having market value of Rs. 721.62 (December 31, 2016: 1,005.13) million with margin ranging from 30% to 40%.
- 10.3** During the period, the Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six months KIBOR average rate plus 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. 804 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.

	June 30, 2017 (Un-audited)		December 31, 2016 (Audited)	
	----- (Rupees in '000) -----			
12.2 Commitment				
Future sale transactions of listed equity securities		64,025		280,072
		<u>64,025</u>		<u>280,072</u>
	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	----- (Un-Audited) -----			
	----- (Rupees in '000) -----			
13. GAIN ON SALE OF INVESTMENTS - net				
Financial assets at fair value	1,675	(3,545)	(3,046)	(1,942)
through profit and loss	257,271	34,173	150,764	33,769
Available for sale	<u>258,946</u>	<u>30,628</u>	<u>147,718</u>	<u>31,827</u>

- 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 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.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
15. BASIC AND DILUTED EARNINGS PER SHARE	(Un-audited)			
	(Rupees in '000)			
Profit after taxation attributable to ordinary shareholders	656,227	508,512	246,165	103,738
	(Number in '000)			
Weighted average number of ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
	(Rupees)			
Earnings per share:				
- Basic and diluted	0.72	0.56	0.27	0.11

	June 30, 2017	June 30, 2016
		(Un-Audited)
	(Rupees in '000)	
16. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,215,636	1,363,886
Term deposit receipts	-	500,000
	<u>1,215,636</u>	<u>1,863,886</u>

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).

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	June 30, 2017	June 30, 2016
		(Un-Audited)
	(Rupees in '000)	
Subsidiary and Sub-subsidiary Companies:		
Dividend received	174,450	174,450
Brokerage expense paid	2,096	1,079
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	11,000
Investment in term deposit receipts	-	3,900,000
Maturity of term deposit receipts	-	4,400,000
Capital gain tax paid for onward submission to NCCPL	16,818	2,338
Capital gain tax refund	285	1,596
Capital gain tax tariff paid for onward submission to NCCPL	50	-
Rent income received	22,566	20,406

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	June 30, 2017	June 30, 2016
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies:		
Market maker fee paid	-	472
Profit received on fund placements and deposit accounts	17,266	35,149
Profit received on term deposit receipts	-	22,354
Bank charges paid	3	5
Reimbursement of expenses by the Company	239	188
Reimbursement of expenses to the Company	16,008	8,260
Loan disbursement by the Company	100,000	-
Loan repaid by subsidiary including interest	41,314	-
Advisory and arrangement fee paid	-	11,600
Investment in right shares of a subsidiary	29,990	-
	----- (Number) -----	
Right shares received	2,999,000	-
	----- (Rupees in '000) -----	
Common directorship		
Reimbursement of expenses to the Company	152	-
Donation paid	-	25,000
	----- (Number) -----	
Purchase of shares	-	3,362,500
	----- (Rupees in '000) -----	
Other Related Parties		
Dividend income received	614,834	353,300
Contributions paid to Staff Provident Fund	2,235	2,001
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	31	23
Royalty paid	4,950	4,950
Tax on bonus shares	-	53,649
Advisory fee paid	3,000	3,000
	----- (Number) -----	
Purchase of shares	-	2,063,500
Sale of shares	-	1,838,000
Bonus shares received	-	8,016,930



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	June 30, 2017	June 30, 2016
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
Key Management Personnel		
Remuneration paid to Chief Executive Officer	15,993	15,447
Advisory fee paid to Director	2,693	3,000
Fee paid to directors for attending directors / committee meetings	3,089	1,506
Remuneration paid to executives	9,390	8,735
Interest received on long term loans to executives	11	41
Loan and advances disbursed during the period	-	200
Loan and advances repayments from executives	1,068	618

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	----- (Rupees in '000) -----	
BALANCES		
Subsidiary and Sub-subsidiary Companies:		
Receivable against expenses incurred on their behalf	571	9,737
Cash at bank accounts	1,215,009	730,149
Profit receivable on deposit accounts	5,577	5,144
Payable against purchase of equity securities - net	-	52,763
Outstanding principal of TFCs issued by the Company	18,000	21,000
Mark-up payable on TFCs disbursed by the Company	328	380
Outstanding principal of loan disbursed by the Company	60,000	-
Mark-up receivable on loan disbursed by the Company	259	-
Receivable against settlement of of equity securities - net	407,676	-
Common Directorship		
Donation payable	64,412	50,000
Other Related Parties		
Outstanding principal of TFCs issued by the Company	34,200	39,900
Mark-up payable on TFCs issued by the Company	623	723
Key Management Personnel		
Loans and advances receivable	-	768
Payable to director against fee for attending meeting	-	350

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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

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

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

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

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

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
Available for sale investments				
Equity securities	23,072,287	-	-	23,072,287
Fair value through profit and loss - held for trading				
Listed equity securities	63,239	-	-	63,239
Derivative asset	884	-	-	884
	<u>23,136,410</u>	<u>-</u>	<u>-</u>	<u>23,136,410</u>
	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	(Audited)			
	(Rupees in '000)			
Available for sale investments				
Equity securities	22,816,371	-	-	22,816,371
Fair value through profit and loss - held for trading				
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 August 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 information.
- 20.2 Figures for the quarters ended June 30, 2017 and June 30, 2016 as reported in these unconsolidated condensed interim financial information have not been subject to limited scope review by the external auditors.
- 20.3 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



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Consolidated Condensed Interim Balance Sheet

As at June 30, 2017

	Note	June 30, 2017 (Un-Audited)	December 31, 2016 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property and equipment	6	4,599,765	4,313,201
Intangible assets		352,973	318,084
Investment property		1,840	1,900
Long term investments	7	151,919,971	68,958,456
Long term loans, advances, prepayments and other receivables		41,099,734	7,911,929
Assets repossessed		93,777	93,940
Long term deposits		21,682	14,199
		198,089,742	81,611,709
Current Assets			
Short term investments	8	53,721,445	92,091,735
Trade debts		1,918,141	1,720,157
Loans and advances		86,094,262	85,914,500
Accrued markup		3,536,912	2,414,896
Short-term prepayments, deposits, and other receivables		1,966,040	1,477,999
Other financial assets - fund placements		2,960,528	11,334,414
Taxation - net		727,499	780,016
Cash and bank balances		21,015,207	16,330,999
		171,940,034	212,064,716
		<u>370,029,776</u>	<u>293,676,425</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		9,159,424	9,159,424
Reserves		27,779,403	27,517,861
Equity attributable to equity holders' of the parent		<u>36,938,827</u>	<u>36,677,285</u>
Non-controlling interests		6,695,068	6,681,610
Total equity		<u>43,633,895</u>	<u>43,358,895</u>
Non-Current Liabilities			
Long term financing	9	4,728,770	4,635,123
Long term deposits and other accounts		1,555,391	1,037,190
Deferred liability - employee benefit		84,563	118,308
Deferred taxation		564,334	818,719
		6,933,058	6,609,340
Current Liabilities			
Trade and other payables		12,669,506	8,616,159
Accrued interest / mark-up on borrowings		1,316,674	1,430,498
Short term borrowings		47,960,632	10,320,047
Current deposits and current portion of long term liabilities	10	257,516,011	223,341,486
		319,462,823	243,708,190
		<u>370,029,776</u>	<u>293,676,425</u>
Contingencies and Commitments	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 Half Year Ended June 30, 2017 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
------(Rupees in '000)-----					
Income					
Return on investments		5,271,218	4,858,506	3,061,329	2,623,766
Gain on sale of investments - net		721,751	1,344,285	385,878	710,316
Income from long term loans and fund placements		4,148,134	3,018,200	2,352,187	1,563,509
Fee, commission and brokerage		1,558,585	992,414	888,607	543,643
Other income		287,674	322,998	144,158	190,591
Gain / (loss) on remeasurement of investments through profit and loss - held for trading - net		40,156	(7,664)	(495,762)	(67,464)
		<u>12,027,518</u>	<u>10,528,739</u>	<u>6,336,397</u>	<u>5,564,361</u>
Expenditure					
Administrative and other expenses		4,398,351	3,901,249	2,069,831	1,929,385
Finance cost		5,830,981	4,457,507	3,134,529	2,239,262
Workers' Welfare Fund		35,327	43,303	15,856	19,239
Provision for impairment on investments - net		4,543	383,374	4,543	383,374
		<u>10,269,202</u>	<u>8,785,433</u>	<u>5,224,759</u>	<u>4,571,260</u>
Profit before taxation		<u>1,758,316</u>	<u>1,743,306</u>	<u>1,111,638</u>	<u>993,101</u>
Taxation					
- Current		427,868	524,944	309,345	347,620
- Prior	12	239,660	169,299	239,660	169,299
- Deferred		(1,319)	121,440	(97,208)	15,450
		<u>666,209</u>	<u>815,683</u>	<u>451,797</u>	<u>532,369</u>
PROFIT FOR THE PERIOD		<u>1,092,107</u>	<u>927,623</u>	<u>659,841</u>	<u>460,732</u>
Attributable to:					
Equity holders' of the parent		929,089	650,092	614,188	334,850
Non-controlling interests		163,018	277,531	45,653	125,882
		<u>1,092,107</u>	<u>927,623</u>	<u>659,841</u>	<u>460,732</u>
EARNINGS PER SHARE					
	13	------(Rupees)-----			
Basic and diluted		<u>1.01</u>	<u>0.71</u>	<u>0.67</u>	<u>0.37</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 Half Year Ended June 30, 2017 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	------(Rupees)-----			
PROFIT FOR THE PERIOD	1,092,107	927,623	659,841	460,732
OTHER COMPREHENSIVE INCOME / (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) / gain on revaluation of available for sale investments during the period - net	(664,704)	368,813	(3,235,354)	999,054
Reclassification adjustments relating to available for sale investments disposed off during the period -net	(345,345)	(81,101)	(227,442)	(81,371)
Related deferred tax	212,440	92,276	181,184	128,697
Exchange difference of translation of net assets of foreign subsidiaries	(797,609)	379,988	(3,281,612)	1,046,380
	21	(4,400)	(347)	(4,452)
Total items that may be reclassified subsequently to profit and loss account - net of tax	(797,588)	375,588	(3,281,959)	1,041,928
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	294,519	1,303,211	(2,622,118)	1,502,660
Attributable to:				
Equity holders' of the parent	261,542	1,055,000	(2,534,059)	1,423,295
Non-controlling interests	32,977	248,211	(88,059)	79,365
	294,519	1,303,211	2,622,118	1,502,660

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 Half Year Ended June 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)-----									
Balance as at December 31, 2015 (audited)	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	-	-	-	-	-	650,092	650,092	277,531	927,623
Other comprehensive income / (loss)	-	-	(4,400)	409,308	-	-	404,908	(29,320)	375,588
Total comprehensive income / (loss) for the period	-	-	(4,400)	409,308	-	650,092	1,055,000	248,211	1,303,211
Transfer to statutory reserves	-	-	-	-	106,314	(106,314)	-	-	-
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
Transfer from surplus on revaluation of non banking assets on account of:									
Surplus on revaluation of non banking assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	364	364	153	517
Balance as at June 30, 2016 (un-audited)	9,159,424	4,497,894	(298)	12,933,239	753,344	4,394,710	31,738,313	6,329,054	38,067,367
Balance as at December 31, 2016 (audited)	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	-	-	-	-	-	929,089	929,089	163,018	1,092,107
Other comprehensive income / (loss)	-	-	21	(667,568)	-	-	(667,547)	(130,041)	(797,588)
Total comprehensive income / (loss) for the period	-	-	21	(667,568)	-	929,089	261,542	32,977	294,519
Transfer to statutory reserve	-	-	-	-	40,019	(40,019)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,519)	(19,519)
Balance as at June 30, 2017 (un-audited)	9,159,424	4,497,894	(536)	15,719,430	979,519	6,583,096	36,938,827	6,695,068	43,633,895

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 Half Year Ended June 30, 2017 (Un-audited)

Note	June 30, 2017	June 30, 2016
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,758,316	1,743,306
Adjustments for non cash charges and other items:		
Depreciation	315,262	263,861
Amortisation on intangible assets	30,308	26,160
Gain on sale of property and equipment	(17,594)	(12,102)
Provision for doubtful debts, loans and advances	78,638	(20,235)
Charge for defined benefit plan	41,771	47,121
Provision for impairment of investment - net	4,543	383,374
(Gain) / loss on remeasurement of investments through profit and loss - held for trading - net	(40,156)	7,664
Finance cost	5,830,981	4,457,507
	<u>6,243,753</u>	<u>5,153,350</u>
Operating profit before working capital changes	8,002,069	6,896,656
(Increase) / decrease in operating assets :		
Trade debts	(197,984)	(105,848)
Loans and advances	(258,400)	3,863,068
Long term loans, advances, prepayments, deposits and other receivables	(33,195,288)	(6,978,835)
Fund placements	8,373,886	(4,696,330)
Deposits, prepayments, accrued mark-up and other receivables	(1,610,056)	125,506
	<u>(26,887,842)</u>	<u>(7,792,439)</u>
Increase in operating liabilities:		
Trade and other payables	4,053,347	2,069,168
Deposits and other accounts	34,426,692	35,456,401
Net cash generated from operations	19,594,266	36,629,786
Interest / mark-up paid	(5,942,900)	(4,609,905)
Gratuity paid	(75,516)	(64,005)
Taxes paid	(615,011)	(731,944)
Dividend paid (including non-controlling interests)	(19,518)	(5,415)
Net cash generated from operating activities	12,941,321	31,218,517
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(616,135)	(1,414,189)
Intangible assets acquired	(65,197)	(10,700)
Proceeds from sale of property and equipment	31,963	18,755
Paid to Non-Controlling Interests against buy back of shares by a subsidiary	-	(551,678)
Proceeds from assets repossessed	163	119,329
Investments (acquired) / sold - net	(45,606,289)	3,509,674
Net cash (used in) / generated from investing activities	(46,255,495)	1,671,191
CASH FLOWS FROM FINANCING ACTIVITIES		
(Redemption) of / proceeds from issuance of term finance certificates - net	(72,456)	778,838
Long term loan obtained from bank - net of repayment	430,232	-
Effect of translation of net investment in foreign branches of bank	21	-
Securities sold / (purchased) under repurchase agreements	31,573,448	(26,886,409)
Net cash generated from / (used in) financing activities	31,931,245	(26,107,571)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,382,929)	6,782,137
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,423,626	4,085,662
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,040,697	10,867,799

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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 Half Year Ended June 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 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	
				June 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 Khairpur Solar Power (Private) Limited (Sub-subsidiary).

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and are 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 information 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. 17 of 2017 dated July 20, 2017 read with its press release of the same date, communicated that the Commission has decided that the companies whose financial year / interim period closes on or before June 30, 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 half year ended June 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 this consolidated financial information.

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 this consolidated condensed interim financial information.

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 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.

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
6. PROPERTY AND EQUIPMENT	----- (Rupees in '000) -----	
The details of additions in and disposals of operating assets during the period are as follows:		
Additions - cost		
Owened:		
- Office premises - freehold	-	818,819
- Leasehold improvements	34,996	273,478
- Office equipment	207,301	453,526
- Office furniture and fixtures	51,811	103,320
- Motor vehicles	89,776	231,552
	<u>383,884</u>	<u>1,880,695</u>
Disposals - cost		
- Leasehold improvements	895	14,262
- Office equipment	9,110	76,603
- Office furniture and fixtures	795	18,685
- Motor vehicles	39,358	85,647
	<u>50,158</u>	<u>195,197</u>
7. LONG TERM INVESTMENTS		
Related parties:		
- Others - Available for sale	15,727,734	14,507,932
Other investments	136,092,237	54,450,524
Advance against investment	100,000	-
	<u>151,919,971</u>	<u>68,958,456</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	Note	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
------(Rupees in '000)-----			
8. SHORT TERM INVESTMENTS			
Assets at fair value through profit or loss		24,362,026	67,479,564
Available for sale	8.1	29,354,179	24,612,171
Held to maturity		5,240	-
		53,721,445	92,091,735
8.1	Included herein are the investments in related parties amounting to Rs. 5,182.91 million (December 31, 2016: Rs. 1,814.56 million) having market value of Rs. 6,903.92 million (December 31, 2016: Rs. 3,324.40 million).		
9. LONG TERM FINANCING			
During the period, the Holding Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six 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. 804 million with margin ranging from 30% to 40%.			
10. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES		June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
------(Rupees in '000)-----			
Long term financing - Term finance certificates		433,992	166,039
Long term loans		121,183	123,102
Deposits and other accounts		195,350,645	174,119,903
Current accounts - Non-remunerative		61,610,191	48,932,442
		257,516,011	223,341,486

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 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



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

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

In respect of JS Bank Limited

- b) During the period, the Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the a revised assessment order for the tax year 2013 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 at 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 and a demand of Rs. 239 million has been raised. Meanwhile, the Bank has obtained stay order from Honorable Sindh High Court against the demand and 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.

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.

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

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:

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	------(Rupees in '000) -----	
- Government	27,913,012	18,055,350
- Banking companies and other financial institutions	4,047,407	2,777,027
- Others	5,474,510	6,673,175
	<u>37,434,929</u>	<u>27,505,552</u>
11.3 Other Contingencies		
Trade related contingent liabilities documentary credits	<u>14,983,796</u>	<u>20,505,270</u>
11.4 Commitments		
Commitments in respect of:		
Forward exchange contracts:		
- Purchase	<u>11,202,268</u>	<u>9,872,524</u>
- Sale	<u>7,402,970</u>	<u>10,004,614</u>
Forward commitments to extend credit	<u>486,954</u>	<u>234,062</u>
Other Commitments		
Forward commitments in respect of purchase of securities	<u>-</u>	<u>3,989,680</u>
Forward commitments in respect of sale of securities	<u>925,572</u>	<u>6,029,401</u>
Commitments in respect of capital expenditure	<u>86,334</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>3,600,875</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.

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
13. BASIC AND DILUTED EARNINGS PER SHARE	----- (Un-audited) ----- ----- (Rupees in '000) -----			
Profit after taxation attributable to equity holders' of the parent:	<u>929,089</u>	<u>650,092</u>	<u>614,188</u>	<u>334,850</u>
Weighted average number of Ordinary shares outstanding during the period	----- (Number in '000) -----			
	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
Earnings per share:	----- (Rupees) -----			
Basic and Diluted	<u>1.01</u>	<u>0.71</u>	<u>0.67</u>	<u>0.37</u>
14. CASH AND CASH EQUIVALENTS			June 30, 2017	June 30, 2016
Cash and bank balances			21,015,207	15,147,804
Borrowings from banks / NBFCs			(14,974,510)	(4,280,005)
			<u>6,040,697</u>	<u>10,867,799</u>
15. RELATED PARTY TRANSACTIONS			June 30, 2017	June 30, 2016
Related parties comprise of associates, companies under common directorship, joint ventures, directors, key management personnel and provident fund schemes.			----- (Un-audited) ----- ----- (Rupees in '000) -----	
Significant transactions with related parties during the period ended are as follows:			701,129	379,298
Dividend received			16,367	37,565
Brokerage / commission / service income			837,532	1,508,035
Purchase of money market instruments			14,747,400	9,807,287
Sale of money market instruments				

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	June 30, 2 0 1 7	June 30, 2 0 1 6
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Letter of credits	103,753	99,143
Foreign exchange purchases transaction	4,819,673	4,217,228
Foreign exchange sale transaction	6,500,073	8,396,085
Rental income	7,767	8,388
Interest / markup earned	-	41
Interest / markup paid	1,550	3,200
Principal redemptions made against TFCs	5,700	28,563
Royalty paid	9,950	17,450
Advisory fee paid	27,500	18,000
Insurance premium paid	181,512	129,739
Insurance claim received	12,837	5,326
Tax on bonus shares	-	53,649
Investments disposed off in funds under management - at cost	419,708	-
Investments made in funds under management	352,512	-
Sale of shares	-	102,370
Remuneration and commission income from funds	104,011	-
Commission income	67,530	-
Donation paid	-	28,557
Contribution to provident fund	77,941	31,080
Contribution to gratuity fund	118,308	64,005
Loan repayment from executives / others	1,674	1,197
Interest received on long term loans to executives	11	-
Loan disbursed to executives / others	350	1,025
Reimbursement of expenses to directors	1,650	-
Remuneration paid to Chief Executive Officer	15,993	-
Income from HR services	-	369
Advisory fee paid to Directors	2,693	-
Director fee	7,250	9,931
Fee paid to directors for attending directors / committee meetings	3,089	295,977
Remuneration to key management personnel	321,560	281,973
	----- (Number) -----	
Purchase of shares	-	4,883,300
Sale of shares	-	1,838,000
Bonus shares received	-	8,835,580

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

16. SEGMENT INFORMATION

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

Capital market & brokerage	Principally engaged in trading of equity securities, managing strategic and trading portfolios and earning share brokerage and money market, forex and commodity brokerage, advisory, underwriting, book running and consultancy services.
Banking	Principally engaged in providing investment and commercial banking.
Investment advisor / assets manager	Principally providing investment advisory and asset management services to different mutual funds and unit trusts.
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 half year ended June 30, 2017 and 2016 respectively:

	Capital Market & Brokerage	Banking	Investment Advisor / Assets Manager	Others	Total Segments	Adjustments & Eliminations	Consolidated
Half Year Ended June 30, 2017 (Rupees in '000)							
Revenue							
Segment revenues	1,723,810	10,238,416	213,198	137,575	12,312,999	(285,481)	12,027,518
Inter-segment revenues	(252,944)	(33,007)	2,614	(2,144)	(285,481)	285,481	-
Total revenue	1,470,866	10,205,409	215,812	135,431	12,027,518	-	12,027,518
Results							
Net profit for the period	519,936	251,138	33,910	109,801	914,785	177,322	10,092,107
Half Year Ended June 30, 2016							
Revenue							
Segment revenues	993,230	9,607,033	158,916	77,876	10,837,055	(308,316)	10,528,739
Inter-segment revenues	(302,522)	(2,311)	843	(4,326)	(308,316)	308,316	-
Total revenue	690,708	9,604,722	159,759	73,550	10,528,739	-	10,528,739
Results							
Net profit for the period	280,990	752,549	19,213	6,622	1,059,374	(131,751)	927,623

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

The following tables present assets and liabilities information for the Group's operating segments for the half year ended June 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) -----							
Assets							
June 30, 2017	39,558,179	340,821,298	2,744,433	2,543,037	385,666,947	(15,637,171)	370,029,776
December 31, 2016	36,918,064	264,700,493	2,799,531	2,690,387	307,108,475	(13,432,050)	293,676,425
Liabilities							
June 30, 2017	6,521,715	324,401,997	200,521	150,851	331,275,081	(4,879,200)	326,395,881
December 31, 2016	4,308,031	248,050,968	225,791	360,717	252,945,507	(2,627,977)	250,317,530

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).

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

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:

	June 30, 2017			Total
	Level 1	Level 2	Level 3	
(Rupees)				
On balance sheet financial instruments				
At fair value through profit or loss				
Open end Mutual Funds	298,162	-	-	298,162
Sukuk and term finance certificates	11,113	-	-	11,113
Listed equity securities	1,201,869	-	-	1,201,869
Government Securities	-	22,850,881	-	22,850,881
	<u>1,511,144</u>	<u>22,850,881</u>	<u>-</u>	<u>24,362,025</u>
Available for sale investments				
Open end Mutual Funds	2,173,234	-	-	2,173,234
Listed equity securities	30,169,710	-	-	30,169,710
Unlisted equity securities	-	-	-	-
Sukuk, term finance certificates and foreign currency bonds	7,123,416	-	-	7,123,416
Government Securities	-	124,743,447	-	124,743,447
	<u>39,466,360</u>	<u>124,743,447</u>	<u>-</u>	<u>164,209,807</u>
Held to maturity				
Government Securities		14,312,672	-	14,312,672
	<u>40,977,504</u>	<u>161,907,000</u>	<u>-</u>	<u>202,884,504</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	11,229,777	-	11,229,777
Sale	-	7,414,736	-	7,414,736
	<u>-</u>	<u>186,873</u>	<u>-</u>	<u>186,873</u>
Future transactions of listed equity securities	<u>-</u>	<u>186,873</u>	<u>-</u>	<u>186,873</u>
Cross currency swaps (notional principal)	<u>-</u>	<u>3,694,344</u>	<u>-</u>	<u>3,694,344</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

	December 31, 2016			Total
	Level 1	Level 2	Level 3	
(Rupees)				
On balance sheet financial instruments				
At fair value through profit or loss				
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
	<u>1,421,071</u>	<u>66,058,493</u>	<u>-</u>	<u>67,479,564</u>
Available for sale investments				
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
	<u>29,061,203</u>	<u>62,753,151</u>	<u>201,972</u>	<u>92,016,326</u>
	<u>30,482,274</u>	<u>128,811,644</u>	<u>201,972</u>	<u>159,495,890</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
Future transactions of listed equity securities	<u>1,029,817</u>	<u>-</u>	<u>-</u>	<u>1,029,817</u>
Forward government securities				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,996,791	-	4,996,791
Cross currency swaps (notional principal)	<u>-</u>	<u>1,758,882</u>	<u>-</u>	<u>1,758,882</u>



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2017 (Un-audited)

18. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Holding Company in its meeting held on August 28, 2017.

19. General

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

Half Yearly Report June 30, 2017 (Un-audited)



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